

Hermiz Law Publishes Guidance on How Mortgage Rate 'Lock-In' Is Complicating Property Division for Divorcing Homeowners

Divorce law firm outlines Michigan legal options to couples who can't afford to sell or refinance the marital home in a divorce.

ROCHESTER HILLS, MI, UNITED STATES, June 28, 2026 /EINPresswire.com/ -- Hermiz Law, a divorce and family law firm based in Troy, Michigan, today published new guidance examining how [elevated mortgage interest rates are making it harder for divorcing couples](#) across Oakland, Wayne and Macomb counties to divide the marital home. The guidance reviews the Michigan laws that govern how a home is split in a divorce and the options available to homeowners who can no longer afford to refinance or replace a low-rate loan.

“

We're seeing more couples weigh deferred sales or shared ownership just to hold onto a rate — and those deals need to be structured carefully, in writing, before anyone moves out.”

Madana Hermiz

The analysis centers on the “lock-in effect” — the tendency of homeowners to stay put when their current mortgage rate is far below what a new loan would cost. Research from the Federal Housing Finance Agency found that for every percentage point current rates sit above a

homeowner's existing rate, the likelihood of selling falls by 18.1 percent; the same research estimates the effect prevented roughly 1.72 million home sales nationwide between mid-2022 and mid-2024.

The gap behind the trend is significant. The 30-year fixed mortgage averaged 2.96 percent across 2021, an all-time low; as of June 11, 2026, the same loan averaged 6.52 percent, according to the Freddie Mac Primary Mortgage Market Survey. Existing-home sales fell to 4.09 million in 2023, the lowest in 28 years, according to the National Association of Realtors.

Why the Issue Is Acute in Metro Detroit

Local conditions intensify the problem. In May 2026, median home sale prices reached \$385,000 in Oakland County, \$285,000 in Macomb County and \$227,700 in Wayne County, each up year-over-year, according to RE/MAX of Southeastern Michigan. The Michigan State Housing Development Authority has estimated the state's housing shortage at roughly 119,000 units,

limiting options for a spouse seeking separate housing. Michigan recorded 20,491 divorces in 2023, according to the Michigan Department of Health and Human Services, including 2,317 in Oakland, 2,159 in Wayne and 1,453 in Macomb.

What Michigan Law Allows

Michigan is an equitable-distribution state. Under MCL 552.19, a court [divides marital property](#) to reach a fair result, which is not always an equal split. Equity that accrues in a marital home during the marriage is a marital asset subject to division. When one spouse wishes to keep the home, the transaction typically takes the form of a buyout.

The guidance emphasizes a distinction that often surprises homeowners: removing a spouse from the home's title is not the same as removing them from the mortgage. A judgment of divorce and a quitclaim deed can transfer ownership, but the mortgage remains a separate contract with the lender, and a full refinance is generally the only way to remove a departing spouse from liability — a step that can be hard to afford or qualify for at current rates. The guidance notes that the federal Garn-St. Germain Act of 1982 generally lets the spouse keeping the home assume an existing low-rate mortgage rather than refinance, though an assumption does not automatically release the other spouse from liability.

Legal Commentary

“The piece people miss is that staying on the deed and staying on the mortgage are two different things,” said Madana Hermiz, [divorce attorney](#) at Hermiz Law. “A quitclaim deed can take your name off the title, but it doesn't take you off the loan — only a refinance does that, and right now a lot of people can't refinance at a rate they can live with.”

“We're seeing more couples weigh deferred sales or shared ownership just to hold onto a rate,” Hermiz added. “Sometimes that's the smart move, but those arrangements have to be structured carefully and in writing before anyone moves out.”

The full guidance is available on the firm's website. The publication is for general informational purposes and does not constitute legal advice; individuals are encouraged to consult a licensed Michigan family law attorney about their specific circumstances.

Madana Hermiz



Madana Hermiz, divorce attorney

Hermiz Law

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[Instagram](#)

[Facebook](#)

[YouTube](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/922710264>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2026 Newsmatics Inc. All Right Reserved.