



Texas Prenuptial Agreements

What You Need To Know

This brochure summarizes Texas prenuptial agreements; what it is, how it works, what terms should be agreed to between prospective spouses and basically how to protect yourself and your hard earned assets and income from the legal pitfalls of community property. This brochure does not in any way create an attorney-client relationship between you (the reader) and The Lorenzana Law Firm, P.C. or its attorneys. It is always advisable that the reader seek legal help or representation and consult with a Texas family law attorney before entering into such prenuptial or marital agreements.

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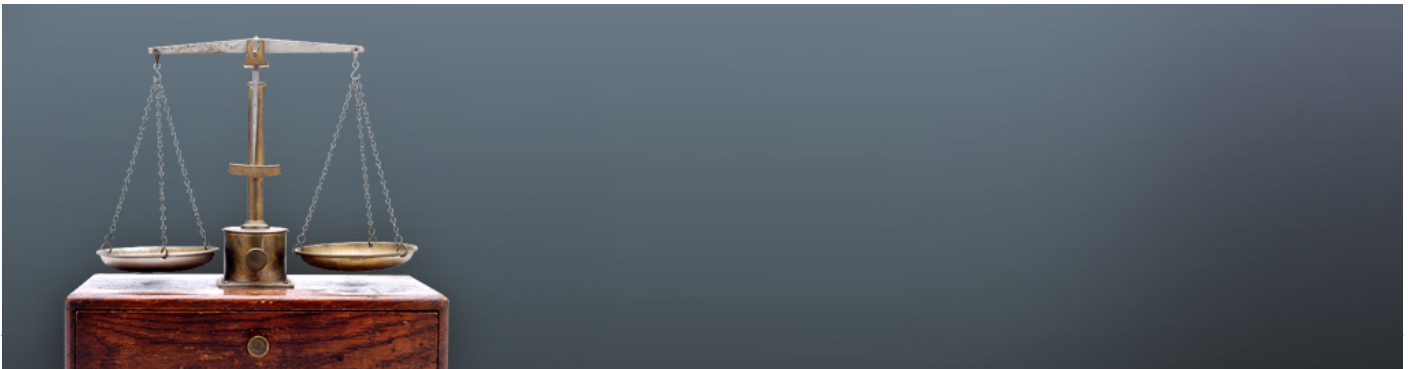
What is a PreNuptial Agreement?

A prenuptial agreement is an agreement between two prospective spouses on the terms of marriage and property. It is a legally binding contract that outlines the agreement between a couple before entering marriage and secures or segregates separate and community property such as rights to certain real property, accounts and other assets as well as liabilities.

In Texas pre-marital or pre-nuptial agreements are enforceable so long as it is in writing and is signed by both parties. The agreement is enforceable even though without consideration, unlike a deed where consideration is necessary. Under Section 4.001 of the Texas Family Code, a "Premarital Agreement" is a written agreement between prospective spouses in contemplation of marriage and is effective upon marriage.

The parties to a premarital agreement may contract with respect to:

- (1) the rights and obligations of each of the parties in any of the property of either or both of them whenever and wherever acquired or located;
- (2) the right to buy, sell, use, transfer, exchange, abandon, lease, consume, expend, assign, create a security interest in, mortgage, encumber, dispose of, or otherwise manage and control property;
- (3) the disposition of property on separation, marital dissolution, death, or the occurrence or nonoccurrence of any other event;
- (4) the modification or elimination of spousal support;
- (5) the making of a will, trust, or other arrangement to carry out the provisions of the agreement;
- (6) the ownership rights in and disposition of the death benefit from a life insurance policy;
- (7) the choice of law governing the construction of the agreement; and
- (8) any other matter, including their personal rights and obligations, not in violation of public policy or a statute imposing a criminal penalty.



Benefits of a PreNup

A prenuptial or premarital agreement only benefits a couple if they are planning ahead of the marriage and are comfortable with segregating property, income and debts that will be utilized into the marriage or earned and acquired during the marriage. It will also help to segregate acquired or debt and liabilities incurred during the marriage between spouses.



The counter argument for a prenuptial or premarital agreement is of course as most people feel is that it takes away from the sanctity of the marriage and that big trust factor between prospective spouses. For most individuals a prenuptial may not be necessary. However, if you are a high net worth individual or a person who has a high earning capacity, it is advisable to enter into a prenuptial with your prospective spouse as well as consult with a Texas prenuptial lawyer or family law attorney before entering into the marriage vow.

Other Reasons For Entering Into a PreNup :

1. You are a wealthy individual as compared to your prospective spouse.
2. You have a high net worth and or have the capacity to be a high income earner between spouses
3. If this is your 2nd, 3rd or subsequent marriage.
4. You are a business owner.
5. You own other real property and especially income producing property.
6. You have a high debt or liability or that your prospective spouse has a high debt to income ratio or high liability compared to his or her assets.
7. You have children or your prospective spouse have children from a prior marriage.
8. You want to protect your hard earned existing assets or future income stream.
9. You or your prospective spouse has a job that is a high risk factor.
10. Or if you or your spouse simply want to segregate assets and liabilities before, during and after the marriage.