

§ 41-60. Liability of entireties property for debts of spouses.

(a) With respect to property held by spouses as tenants by the entirety prior to its termination, all of the following shall apply:

- (1) The property may not be held liable for individual debts of either spouse and a judgment lien against one spouse alone does not attach to the property. The property may be conveyed by joint deed of both spouses to anyone of their choice free and clear of a judgment lien against either spouse.
- (2) The property is liable for obligations of both spouses and a judgment lien against both spouses upon a joint obligation attaches to the property which may be sold under execution to satisfy the judgment.

(b) Upon termination of the tenancy by the entirety and the conversion of the real property held by the entirety to another form of estate, a judgment lien against one spouse during tenancy by the entirety, if still active and unsatisfied, shall attach at that time to that spouse's interest in the new estate. Conversions of tenancy by the entirety property to another form of an estate occur, without limitation, under either of the following circumstances:

- (1) Upon divorce of the spouses, in which event the property is converted to a tenancy in common as provided in G.S. 41-63(5) and the judgment lien against the spouse will attach at that time to the undivided interest of the spouse.
- (2) Upon death of a spouse, in which event the surviving spouse acquires the entire legal title as provided in G.S. 41-64 and the judgment lien against the surviving spouse will attach at that time to the property. (2020-50, s. 1(a), (c).)