

Contingency Planning

Plan A: Seamless Transition

1. You list your house. With your house on the market, you carefully watch the market for the next house to come up.
2. You contract to sell your home. Once you have a contract, you know when you will be moving and you know your financial results from the sale of your current home.
3. You place an offer on the next home. Equipped with knowledge about finances and timeline, you place a contract on the house where you will be moving. You plan to close on your new home before you have to leave your current home, for a seamless transition.

Plan B: Overlapping Mortgages

**** HomeSwap is a program that will enable you to purchase your next home before you list your current home. The loan program provides a non-contingent offer (so you will win the new house) and provides for financing to position your listing on the market to get the most money. It's a great offer in a market where inventory is low and it's easier to sell than to purchase. ****

1. You list your house. While your house is listed, you find the perfect next house. In a fast moving market, you may have to consider making an offer before you have an offer on your current home.
 - Big considerations:
 - Are you in a place financially to carry two mortgages, if necessary, while you wait for your current home to sell?
 - Would you be able to get a bridge loan to carry you for a short period of time while you wait?
2. You plan to close on your new home and move.
3. You contract your prior house to sell. At this point, you could already be living in your new home.

Plan C: Temporary Rental (Works for New Construction, too!)

1. You list your house to sell and you get a contract very quickly. In a fast moving market, this could happen!
2. You look for a house to move, and in the timeframe before your house closes, you are unable to find the next house.
 - Option A: Depending on how quickly you get a contract, you may consider adding a lease back to your contract. In a lease-back, you would contract to sell, and then close on your prior house. You would then lease the property from the new owners for a predetermined period of time, to allow you time to find your next property.
 - Option B: (Can happen in lieu of Option A or after Option A expires) You live in a temporary rental while you look for your next property.