MOVE-UP BUYERS BUYER DECISION GUIDE

Should I Buy Before Selling My Current Home?

Buying your next home before your current one sells solves a real problem - you don't want to move twice, and you don't want to lose your dream house while waiting on a buyer. But it creates a harder one: for a stretch of weeks or months, you may need to qualify for and carry two mortgage payments at once. Whether that's workable depends on your debt-to-income ratio, your equity, your reserves, and which financing bridge - rental income, a HELOC opened in advance, a bridge loan, or a sale contingency - actually fits your numbers. There's no universally right order of operations; there's only the order that your file can support.

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Key facts at a glance

THE CORE CONSTRAINT
Two payments, one income - Underwriters count both unless specific rules let you exclude one.

HELOC TIMING
Open before you list - Lenders rarely approve a new HELOC on a home that's already listed for sale.

CONTINGENT OFFERS
Weaker in competitive markets - Sellers often prefer a clean, non-contingent offer even at a slightly lower price.

RESERVE CUSHION
2-6 months typical - Some bridge and non-QM programs require reserves covering both properties.

The one-minute answer

Buying your next home before your current one sells solves a real problem - you don't want to move twice, and you don't want to lose your dream house while waiting on a buyer. But it creates a harder one: for a stretch of weeks or months, you may need to qualify for and carry two mortgage payments at once. Whether that's workable depends on your debt-to-income ratio, your equity, your reserves, and which financing bridge - rental income, a HELOC opened in advance, a bridge loan, or a sale contingency - actually fits your numbers. There's no universally right order of operations; there's only the order that your file can support.

Buy now if:

You have strong reserves, low debt-to-income even counting both payments, and either a HELOC already in place or genuine confidence your current home will sell quickly in a strong local market.

Wait if:

Carrying both payments would stretch your budget thin, you have little home equity to draw on, or your local market is slow enough that a contingency offer would get rejected anyway.

Consider an alternative if:

Sell first with a rent-back agreement, so you get your equity in hand and still get extra weeks in the home while you shop - without ever qualifying for two mortgages at once.

THE REAL ISSUE

Why this decision is really about qualifying, not timing

> BRIAN MIX, NMLS #111175
> The emotional question is 'do I want to move twice.' The underwriting question is 'can your file carry two mortgages at once, even for sixty days.' Answer the second one first.

Most buyers frame this as a logistics question - moving once versus moving twice, storage units, temporary housing. Those are real costs, but they aren't the ones that decide whether you can actually do this. The decision lives in your debt-to-income ratio (DTI).

When you apply for a new mortgage while still owning your current home, the underwriter generally counts the payment on both properties unless you qualify for a specific exception - closing the sale before or simultaneously with the new purchase, documenting sufficient equity and a signed contract to sell, or showing qualifying rental income if the departing home will become a rental. Fannie Mae Selling Guide B3-6-06 sets out exactly which of those exceptions apply and what has to be documented for each one.

Run your own numbers before you fall in love with a listing. Add your current mortgage payment, your projected new mortgage payment (principal, interest, taxes, insurance, and any HOA dues - build it with the mortgage payment calculator), and every other monthly debt. Divide by gross monthly income. The debt-to-income calculator will tell you in minutes whether carrying both is even mathematically possible under standard guidelines, long before you talk to a lender.

Three broad paths exist once you know the number:

- Buy first, sell after - you qualify carrying both payments, at least temporarily, often bridged by a HELOC, bridge loan, or documented rental income.
- Sell first, buy after - cleanest financially, but you may need temporary housing or a rent-back to avoid two moves.
- Sell and buy simultaneously - coordinated closing dates, which minimizes carrying-cost risk but adds scheduling risk.

Each path has a different qualifying story, and the rest of this guide walks through the mechanics of each.

> FAST
> Before touching bridge loans or HELOCs, just run the DTI math with both payments included. If you clear it comfortably, most of what follows is optional convenience. If you don't, it's mandatory reading.

COUNTING ON FUTURE RENT

When rental income from your departing home can offset the payment

If your plan is to keep your current home and rent it out rather than sell it, underwriters may let you use a portion of that future rental income to offset - or in some cases fully cover - the existing mortgage payment when calculating your DTI for the new loan. This is one of the most common ways move-up buyers qualify to carry two properties, but it comes with real documentation requirements, not a verbal promise to rent it out.

What's typically required
- A signed lease on the departing residence, or, if not yet leased, an appraisal report showing the property's fair market rent (Fannie Mae Form 1007 or 216).
- Evidence of a security deposit and first month's rent deposited to your account, when a tenant is already in place.
- At least 25%-30% equity in the departing home in many cases, verified by a new appraisal - lenders want to see the property can genuinely function as a rental, not just be technically leased.
- Only a percentage of the gross rent (commonly 75%) counts toward income, with the remainder assumed to cover vacancy and maintenance.

This is spelled out in Fannie Mae Selling Guide B3-6-06 for conventional loans, with HUD's 4000.1 II.A.4 covering the FHA version, which is more conservative about counting rental income from a departing residence and generally wants a signed lease plus proof of the deposit before any of it counts.

The trap buyers fall into
Counting on rental income that hasn't been documented yet is the single most common reason a move-up purchase falls apart in underwriting during the final weeks. If you're relying on this path, get the appraisal or lease lined up before you go under contract on the new home, not after. Loan officers can pre-check whether your specific numbers will actually qualify - that conversation costs nothing and can save you from a contract you can't close.

If the departing home won't be a rental - you're selling it - this section doesn't apply to you, and you'll instead rely on a sale contingency, bridge financing, or a documented pending sale, covered next.

> WATCH
> A verbal plan to rent out your current home is not underwriting documentation. Without a signed lease or a market-rent appraisal, the existing mortgage payment counts against you in full.

THE OFFER ITSELF

Sale contingencies, and how sellers actually view them

A home sale contingency is a clause in your purchase offer stating the deal is conditioned on your current home selling by a specific date. It protects you from being locked into two mortgages, but it comes at a real cost: in most markets, sellers treat a contingent offer as meaningfully weaker than a clean one, even at a higher price.

Why sellers resist them
- Their home comes off the market while your sale plays out, with real risk that your buyer falls through.
- If your home doesn't sell in time, the whole chain can collapse, costing the seller weeks or months.
- In any market with multiple offers, a non-contingent buyer is simply lower risk, and sellers price that risk into which offer they accept.

Ways to make a contingent offer more competitive
- Kick-out clause: the seller can keep marketing the home and accept a better offer if one comes along, giving you

a set window (often 48-72 hours) to remove your contingency or walk away.
- List your current home first, even under contract with a buyer, so the seller sees an active pending sale rather than a hypothetical one.
- Shorten your contingency window to something realistic for your local market's average days-on-market.
- Pair the contingency with a larger earnest deposit to signal seriousness.

None of these make a contingent offer as strong as cash or a non-contingent buyer, but they narrow the gap. Whether a contingency will even be considered depends heavily on your local market - in a slow market with more inventory than buyers, sellers are far more open to contingencies than in a tight, low-inventory market. The state guides cover typical local market conditions and customs.

If a contingency isn't realistic where you're buying, the alternatives are the financing bridges covered next - a HELOC, a bridge loan, or qualifying with both payments outright.

> TIP
> Ask your agent how many contingent offers actually got accepted on comparable homes in the last 90 days in your target neighborhood. That number tells you more than any general rule of thumb.

FINANCING THE GAP

Bridge loans and HELOCs - and the timing mistake that ruins both

If you have significant equity in your current home, a bridge loan or a home equity line of credit (HELOC) can fund your new down payment before your old home sells, letting you make a strong, non-contingent offer.

Bridge loans
A bridge loan is a short-term loan secured by your current home's equity, used to cover the down payment and closing costs on the new home. It's repaid in full when the old home sells. Bridge loans typically carry:

- Higher interest rates than a standard mortgage, often in the 8%-10%+ range depending on the lender and market
- Origination fees separate from your new mortgage's closing costs
- Short terms, usually 6-12 months, with the expectation the old home sells well within that window
- A requirement that your current home already be listed, or listing very soon

HELOCs
A HELOC draws against your current home's equity as a revolving line, generally cheaper than a bridge loan and more flexible, but with one critical timing rule: most lenders won't approve a new HELOC on a home that is already listed for sale or under contract. Listing the home signals an intent to sell, and lenders view a new lien on a soon-to-be-sold property as added risk they don't want to take on. That means the order of operations matters enormously:

1. Apply for and open the HELOC while your home is still off-market.
2. Draw against it for your new down payment once you're ready to buy.

3. List and sell your current home, using proceeds to pay off the HELOC balance at closing.

If you list first and only then think about a HELOC, that door is usually already closed. This is the most common regret we hear from move-up buyers who didn't plan the sequence in advance.

Either bridge financing option adds a second monthly payment (or an interest-only draw payment on the HELOC) that a lender will count in your DTI for the new mortgage - so run the debt-to-income calculator with that payment included, not just the two mortgage payments.

> WATCH
> If a HELOC on your current home is part of your plan, open it months before you list - not after. Once the home is on the market, most lenders will decline a new HELOC application on it.

SELLING FIRST, STAYING PUT

Rent-back agreements: selling first without moving out immediately

A leaseback (also called a rent-back or sale-leaseback) lets you sell your current home, collect the proceeds and equity at closing, and then rent it back from the new buyer for an agreed period - often two to eight weeks, sometimes longer - while you finish closing on or moving into your next home. It's frequently the cleanest solution to the double-move, double-payment problem.

Why it works well for move-up buyers
- You get your equity in hand before you buy, which can become your down payment on the next home without needing a bridge loan or HELOC.
- You avoid carrying two mortgage payments at once - the home is sold, and you're paying rent, not a mortgage, during the overlap.
- You move once, timing your out-move to your new home's closing rather than juggling storage and temporary housing.

What to negotiate
- A daily or weekly rent rate, often benchmarked to the buyer's new monthly mortgage, property tax, and insurance cost divided by the days you'll occupy it.
- A security deposit held by the buyer or in escrow, refundable if you leave the home in agreed condition.
- A clear move-out date with a per-day penalty if you overstay, so both sides have certainty.
- Confirmation the buyer's own new lender allows a rent-back of the length you need - some loan programs, particularly certain government-backed loans, limit how long a seller can rent back before it affects the buyer's occupancy requirements.

A leaseback isn't free flexibility - you're paying rent on a home you just sold, and every extra week costs money. But compared to a bridge loan's interest rate or the risk of a rejected contingent offer, it's often the least expensive and least risky option, especially when your local market favors sellers and a non-contingent offer on your next home matters.

> FAST
> Ask your agent to build the rent-back terms directly into your listing before you even accept an offer - that removes the awkward second negotiation after you're already under contract elsewhere.

THE FINANCIAL CUSHION

Reserve requirements and the true cost of carrying two homes

Whichever path you choose, lenders and your own budget both care about reserves - liquid savings left over after your down payment and closing costs, measured in months of housing payments.

Why reserves matter more here than in a normal purchase
Carrying two properties means double exposure to anything that goes wrong: a slow sale, a buyer's financing falling through, an unexpected repair on either home, or a gap between move-out and move-in. Conventional guidelines under Fannie Mae Selling Guide B3-4.1-01 may require two to six months of reserves for the new mortgage depending on your overall file strength, and that requirement often increases specifically when a departing residence isn't yet sold or leased. Bridge loan and non-QM programs frequently set their own, sometimes higher, reserve minimums.

The costs buyers underestimate
- Bridge loan or HELOC interest accruing during the overlap period, even if it's only a few months
- Duplicate utility, insurance, and HOA costs on both properties simultaneously
- Moving costs twice if a leaseback or overlap doesn't line up cleanly with your actual move date
- Price concessions on the sale if you're under time pressure to close quickly to stop carrying two payments
- Storage costs for a partial move between homes

Run a real illustrative budget for the overlap window before committing to any bridge strategy - the closing costs calculator and mortgage payment calculator together can build the full picture, both properties included, so surprises show up on paper instead of on your bank statement.

The emotional and logistical toll
Beyond the math, buying before selling asks a lot of a household: showing a home while living in it, coordinating two closings, and living with real uncertainty about timing. None of that shows up in an underwriting file, but it's a legitimate part of this decision. Families who choose the sell-first-with-rent-back path often report it's simply calmer, even when the math on paper looks similar to a bridge loan.

> LOCAL
> Local customs on rent-backs, contingency acceptance, and typical days-on-market vary widely by state and even by neighborhood - check the state guides for what's typical where you're buying and selling.

Your options, compared

Buy first, carry both payments

Qualify with both mortgages counted, using reserves or documented rental income to bridge the gap.

Pros

- You can make a strong, non-contingent offer on the new home
- No pressure to accept a lowball offer on your current home to close in time
- You move once instead of twice
- Rental income from the departing home may offset much of the second payment if documented

Cons

- Requires strong DTI even with both payments included
- Needs meaningful reserves to cover any delay in selling
- Carrying costs (insurance, taxes, HOA) run on both properties simultaneously
- Risk grows the longer the old home sits unsold

Best for: Buyers with low existing debt, strong income, and either substantial reserves or a documented plan to rent the departing home.

Avoid if: Your DTI is already tight with one payment, or you have little cushion if the old home takes longer than expected to sell.

Bridge loan or HELOC

Borrow against current home equity to fund the new down payment before the sale closes.

Pros

- Frees up your down payment without waiting on a sale
- Lets you make a competitive, non-contingent offer
- A HELOC, opened early, is generally cheaper than a bridge loan
- Short-term by design - paid off at your home's closing

Cons

- Bridge loans carry high interest rates and added fees
- A HELOC generally must be opened before your home is listed
- Adds a payment or draw obligation that counts in your new mortgage's DTI
- Requires substantial existing equity to be worthwhile

Best for: Homeowners with significant equity who can plan months ahead and open a HELOC before listing, or who need a short bridge to close a strong offer.

Avoid if: You have limited equity, you've already listed your home, or you can't absorb the added interest cost if the sale takes longer than planned.

Sell first with a rent-back

Sell your current home, collect the proceeds, and rent it back briefly while you finish buying.

Pros

- Equity is in hand and available for your next down payment
- You never carry two mortgage payments at once
- Typically the lowest financial risk of the three financing paths
- You move once, on a schedule you help negotiate

Cons

- You're paying rent on a home you already sold
- Rent-back length is negotiated and may not match your ideal timeline
- Some buyer loan programs limit how long a seller can rent back
- You need somewhere to go if your next purchase falls through during the rent-back window

Best for: Sellers in a seller's market who want simplicity and lower financial risk, and who are comfortable negotiating a short-term lease with their buyer.

Avoid if: Your local market makes rent-backs uncommon, or you need more time between selling and buying than a typical rent-back allows.

Sell first, rent temporarily

Sell, bank the proceeds, and rent short-term until the next home is ready.

Pros

- Cleanest possible qualifying file for your next mortgage - no existing housing debt to count
- No pressure to make a rushed or contingent offer
- Full equity available and fully liquid for the next down payment
- Time to shop carefully without a bridge loan clock running

Cons

- Two moves instead of one
- Temporary housing and storage costs add up
- Emotional toll of an in-between period without a permanent home
- Furniture and logistics complications for larger households

Best for: Sellers who can't arrange a rent-back, need more time than a rent-back allows, or want the cleanest possible qualifying position for the next purchase.

Avoid if: Moving twice, or the cost and disruption of temporary housing, would outweigh the financial benefit for your household.

Decision tree

1. Would your debt-to-income ratio still work if both mortgage payments were counted?

Run it in the debt-to-income calculator with both payments included. If it clears comfortably, buying before selling is likely workable without special financing bridges.

Verdict: Yes buy first, carry both payments

2. If DTI is too tight, could documented rental income from your current home fix it?

This only works with a signed lease or a market-rent appraisal in hand - not a verbal plan. Confirm with a lender whether your specific numbers qualify before writing an offer.

Verdict: Yes, documented buy first with rental income offset

3. Do you have significant equity in your current home, and is it still unlisted?

A HELOC generally must be opened before the home goes on the market. If you have equity and haven't listed yet, this door is still open.

Verdict: Yes, unlisted open a HELOC now

4. Is your equity strong but the home is already listed or under contract?

A bridge loan doesn't require the home to be unlisted, but it carries higher rates and fees than a HELOC. Compare the cost against how long you'll actually need the bridge.

Verdict: Yes, already listed consider a bridge loan

5. Is your local market strong enough that sellers commonly accept rent-back terms?

Check with your agent on recent comparable sales. A seller's market makes a sell-first-with-rent-back path realistic and usually the lowest-risk option.

Verdict: Yes sell first with a rent-back

6. Would a home sale contingency even be considered on the home you want to buy?

In competitive markets, contingent offers are often passed over for clean ones. In slower markets, they're a realistic option, especially with a kick-out clause.

Verdict: Yes, market allows it make a contingent offer

7. None of the above fit comfortably?

Sell first and rent temporarily. It costs more in moving logistics but removes nearly all the financing and qualifying risk from the equation.

Verdict: Default sell first, rent temporarily

Cost examples

The Alvarez family - buying before selling with a HELOC

Current home worth $420,000 with a $190,000 mortgage balance, target next home $480,000. Illustrative round numbers, not a quote.

	No bridge (offer rejected)	HELOC opened before listing
Down payment available at offer time	$0 (equity not yet accessible)	~$60,000 drawn from HELOC
Offer type on new home	Contingent on sale	Non-contingent, cash-equivalent
Monthly cost during overlap	N/A - offer not accepted	~$400 interest-only HELOC payment
Old home carrying costs during overlap	N/A	~$2,600/mo mortgage + taxes + insurance
HELOC payoff at sale closing	N/A	~$60,000 draw repaid from sale proceeds
Outcome	Lost the home to a non-contingent buyer	Closed on new home before old home even listed

> TAKEAWAY
> Opening the HELOC months before listing is what made a competitive, non-contingent offer possible. Waiting until the home was on the market would have closed off this option entirely.

The Okafors - sell first with a rent-back vs. a rushed sale

Current home under contract to sell for $365,000, buyers willing to negotiate move-out timing. Illustrative round numbers, not a quote.

	Rushed sale to move out fast	Sold with a 3-week rent-back
Sale price accepted	$351,000 (priced to close/move fast)	$365,000 (no rush concession needed)
Rent-back cost (3 weeks)	$0	~$1,050 (based on buyer's new payment/day)
Temporary housing needed	Yes - ~$2,200 short-term rental	No - stayed in current home
Moving trips required	Two separate moves	One move, directly to new home
Storage costs	~$300 for interim storage	$0
Net financial outcome	~$351,000 $2,500 costs = $348,500	~$365,000 $1,050 = $363,950

> TAKEAWAY
> Negotiating a short rent-back instead of rushing the sale preserved roughly $15,000 in this illustrative scenario, while also avoiding a second move entirely.

Timeline

3-6 months before listing

Decide your path. If a HELOC is part of the plan, apply and open it now - before the home is listed.

6-8 weeks before listing

Get a lender to run your DTI with both payments, or with documented rental income if you'll keep the departing home.

When you list

Discuss rent-back terms with your agent up front so they can be built into any accepted offer.

Shopping for the next home

Decide whether you're making a contingent offer, drawing on a bridge/HELOC, or waiting for your sale to close first.

Under contract on both sides

Coordinate closing dates as tightly as possible to minimize any overlap carrying costs.

Closing and move

Pay off any HELOC or bridge loan balance from sale proceeds; confirm rent-back move-out date if applicable.

Common mistakes

Opening a HELOC after listing the home

Most lenders won't approve a new HELOC on a property that's already on the market. If a HELOC is part of your plan, the application has to happen before the for-sale sign goes up.

Counting on rental income with no lease or appraisal

Underwriters need a signed lease or a market-rent appraisal to count future rental income against the departing home's payment. A verbal plan to rent it out doesn't count.

Underestimating a bridge loan's true cost

Bridge loan rates often run several points above a standard mortgage, plus separate origination fees. A 'quick' three-month bridge can still cost thousands.

Writing a contingent offer without checking local norms

In a competitive market, a contingent offer may simply be passed over regardless of price. Ask your agent how recent contingent offers have actually fared before relying on one.

Rushing the sale to avoid carrying two payments

Accepting a lower price just to close faster often costs more than the carrying costs it avoids. Compare the numbers before assuming speed is cheaper.

Ignoring reserve requirements

Some programs require higher reserves specifically because a departing residence isn't yet sold. Confirm the number with your lender early, not at final underwriting.

Not confirming rent-back limits with the new lender

Certain loan programs limit how long a seller can occupy the home after closing before it affects the buyer's occupancy requirements. Check before you negotiate the term.

Skipping a written overlap-period budget

Duplicate insurance, taxes, HOA dues, and loan interest during any overlap add up fast. Put real numbers on paper before committing to a bridge strategy.

Assuming any option is available at the last minute

Nearly every path in this guide - HELOC, rent-back negotiation, rental documentation - works best when arranged weeks or months ahead, not after you're already under contract.

Expert tips

- Get your DTI checked with both payments included before you fall in love with a listing - it's the fastest way to know which paths are even open to you.
- If a HELOC might be part of your plan, treat 'apply for it' as a task that comes before 'call an agent to list,' not after.
- Ask for rent-back terms to be part of your listing strategy from day one, not a scramble after you accept an offer.
- Get a written, line-item estimate of overlap-period carrying costs before choosing a bridge loan over a rent-back or contingency.
- If rental income is part of your plan, get the lease or rent-ready appraisal done before you go shopping for the next home, not during your loan's underwriting.

Decision checklist

- [ ] Run your DTI with both mortgage payments included before assuming you can carry them
- [ ] If keeping the departing home as a rental, get a lease or market-rent appraisal before writing an offer
- [ ] If a HELOC is part of your plan, open it before listing your current home
- [ ] Compare bridge loan rates and fees against how long you'll realistically need the bridge
- [ ] Ask your agent how contingent offers have fared recently in your specific target market
- [ ] Negotiate rent-back terms - rate, deposit, and move-out penalty - before accepting a buyer's offer
- [ ] Confirm your next mortgage program allows the rent-back length you're planning
- [ ] Build a full overlap-period budget covering both properties' insurance, taxes, and HOA dues
- [ ] Verify your reserve requirement with your lender, since it can rise when a departing home isn't yet sold
- [ ] Have a backup housing plan if your next purchase falls through during a rent-back window

Frequently asked questions

Can I qualify for a new mortgage while still owning my current home?

Yes, but the underwriter will generally count both mortgage payments in your debt-to-income ratio unless you qualify for an exception - such as a documented pending sale, sufficient equity plus a signed lease showing rental income, or a simultaneous closing. The exact rules are set out in Fannie Mae Selling Guide B3-6-06 for conventional loans.

Do I have to sell my current home before buying a new one?

No, but you do need to qualify for the new mortgage under one of a few paths: carrying both payments within your DTI limits, documenting rental income from the departing home, or using a sale contingency, bridge loan, or HELOC to bridge the gap.

What is a bridge loan and how does it work?

A bridge loan is a short-term loan secured by the equity in your current home, used to fund the down payment on your next home before your current one sells. It's repaid in full, typically within 6-12 months, once your old home closes. Bridge loans carry higher interest rates and added fees compared to a standard mortgage.

Can I get a HELOC on a home I'm about to sell?

Usually not once the home is listed. Most lenders decline new HELOC applications on properties that are on the market or under contract, since a new lien adds risk on a home about to change hands. If a HELOC is part of your plan, apply for it before you list.

How do home sale contingencies work?

A home sale contingency makes your purchase offer conditional on your current home selling by a set date. It protects you from carrying two mortgages, but many sellers view contingent offers as weaker than non-contingent ones, especially in competitive markets, and may reject them or add a kick-out clause.

What is a rent-back or leaseback agreement?

A rent-back lets you sell your current home and then rent it from the new buyer for a negotiated period - often two to eight weeks - while you finish buying your next home. It gets your equity into hand at closing while letting you avoid moving out immediately, and it's often cheaper than a bridge loan.

Can rental income from my current home help me qualify for a new mortgage?

Yes, if it's properly documented - typically a signed lease or an appraisal showing fair market rent, plus proof of a security deposit if a tenant is already in place. Only a portion of the gross rent, commonly around 75%, usually counts toward offsetting the existing payment, per Fannie Mae Selling Guide B3-6-06.

How much in reserves do I need to buy before selling?

Requirements vary by lender and loan program, but two to six months of housing payments is a common range for conventional loans, and the requirement can increase specifically when a departing home isn't yet sold or leased. Bridge and non-QM programs may set their own, sometimes higher, minimums.

Is it better to buy first or sell first?

There's no universal answer - it depends on your DTI with both payments, your equity, and how competitive your local market is for contingent offers. Selling first with a rent-back is often the lowest financial risk; buying first with a HELOC or documented rental income preserves flexibility but adds cost and complexity.

How long can a rent-back typically last?

Rent-backs commonly run two to eight weeks, though longer terms are negotiable between buyer and seller. Some mortgage programs used by the buyer limit how long a seller can occupy the home after closing before it affects the buyer's own occupancy requirements, so this should be confirmed with the buyer's lender.

What happens if my current home doesn't sell in time?

If you used a bridge loan or a contingency with a deadline, this is the risk scenario to plan for in advance - it can mean extending the bridge loan (at added cost), losing the new home if a contingency deadline passes, or carrying both payments longer than planned. Build in a buffer and a backup plan before committing to a tight timeline.

Does a contingent offer ever win in a competitive market?

It can, particularly if paired with a kick-out clause, a larger earnest deposit, a shortened contingency window, or if your current home is already under contract with its own buyer rather than just listed. It still tends to be weaker than a clean, non-contingent offer, so ask your agent about recent local outcomes.

What's the cheapest way to bridge two mortgages?

A HELOC opened before listing is typically cheaper than a bridge loan, and a rent-back after selling first avoids carrying two mortgages entirely, usually making it the lowest-cost option of the group, though you do pay rent during the overlap.

Sources

Fannie Mae Selling Guide B3-6-06 (Qualifying Impact of Other Real Estate Owned) - Rules for counting existing mortgage payments, departing residence exceptions, and documentation for rental income offsets. - selling-guide.fanniemae.com/

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HUD Handbook 4000.1, II.A.4 (FHA Rental Income and Departing Residence Requirements) - FHA-specific rules for counting rental income from a departing residence, including lease and reserve documentation. - www.hud.gov/program_offices/administration/hudclips/handbooks/hsgh

Consumer Financial Protection Bureau - Buying and Selling a Home - General guidance on contingencies, closing costs, and coordinating simultaneous transactions. - www.consumerfinance.gov/owning-a-home/

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