

TIMESHARE RESALES



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INTRODUCTION

If you own a vacation timeshare, be cautious about people who offer to help you resell your timeshare for a fee. Some sales programs of this type may be bogus. Be careful to deal only with legitimate sales companies.

A vacation timeshare gives you the right to use a vacation home for a limited, pre-planned period over a number of years. Consumers own about 9.6 million timeshares. There are many timeshares that are currently available for resale. Some of these owners could get taken in by timeshare resale scams.

HOW BOGUS TIMESHARE RESALE COMPANIES OPERATE

Bogus timeshare resale companies operate like many other telemarketing scams. You might be contacted by a telephone salesperson or through a postcard asking you to call a particular telephone number about your timeshare. The salespeople are likely to tell you that the market for resales is "hot" and that their company has a high success rate in reselling these units. They may claim they have extensive lists of sales agents and potential buyers for timeshares. For an advance "listing" fee, often around \$300 to \$500, these salespeople promise to

sell your timeshare for a price equal to or greater than the amount you originally paid. To entice you, these companies may offer a money-back guarantee or a \$1,000 government bond if they cannot sell your timeshare within a year.

The market for resales is actually poor because there is no secondary market for timeshares. In fact, timeshares are being sold 70% less than the purchasing price. Also, the market for resales may vary considerably, depending on the location and season of the year for the unit. Phony lists of sales agents and buyers may consist of people who have never heard of the company or have no interest in buying a timeshare. It may be unlikely that the company can sell the timeshare at all, let alone at a price equal to or greater than the consumer's original purchase price. In addition, many consumers whose timeshares are not resold after a year may find that either their fee is not returned or they are presented with a bond worth as little as \$60 or \$70.

WHAT TO DO IF YOU ARE INTERESTED IN RESELLING YOUR TIMESHARE

If you want to resell your timeshare and are approached by a company offering to help, you may want to take the following precautions:

- Do not agree to anything over the telephone until you have had a chance to check out the company.
- Ask the person to send you written materials to study.
- Ask for company references, such as the names, addresses, and telephone numbers of several consumers who have used their services.
- Ask where the company is located and in what states it does business.
- Ask if the company's salespeople are licensed to sell real estate by the state where your timeshare is located, and check with the state licensing board if this is so.
- Be cautious of any company charging an advance "listing" fee for its services. Consider opting for a company that offers to sell for a fee only **after** the timeshare is sold.
- Ask the Better Business Bureau, state Attorney General's office, and local consumer protection agencies in the vicinity of the sales company whether any complaints have been lodged against the company.

OPTIONS

If you are interested in reselling your timeshare, you have several other options. You may want to try selling it yourself, by placing an advertisement in a newspaper or magazine read by potential timeshare buyers (i.e., travel magazines). Or, you may want to contact a real estate agent familiar with the area where your timeshare is located. As an alternative, you may want to contact an organization that will try to exchange your timeshare with someone who has a unit you might find more useful or attractive.

THE BOTTOM LINE

If you receive an unsolicited offer from somebody to resell your timeshare for you -- BEWARE! The resell market for timeshares is simply not good enough to make legitimate salespeople actively look for timeshares to sell. If you want to resell your timeshare, do it yourself or find your own salesperson -- don't let the salesperson come to you.

***This handout is general in nature. It is not a substitute for legal advice from an attorney regarding individual situations. (August 2021)**

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<https://aflegalassistance.law.af.mil>