



AMERICAN RESORT DEVELOPMENT ASSOCIATION
CONSUMER ADVISORY ON RESELL COMPANIES

ADVISORY II

September 1, 2009

This is the second of a two-part series on timeshare resale information developed by ARDA to help guide timeshare owners through the process of selling their timeshare interest. All resale companies are not equal. There are timeshare resale companies who work very hard to promote and sell or rent timeshares. Unfortunately, there are also resale companies that use fraudulent gimmicks and do little to legitimately sell the timeshare interest. ARDA commends the several state governments that are actively investigating consumer complaints about possibly deceptive practices involving unscrupulous timeshare resales. In the meantime, ARDA will continue to provide owners and consumers with accurate information and guidelines on how best to navigate through the resale process to ensure a safe experience.

This document is the second of two advisories and focuses on the tools to evaluate resale companies as well as cautionary guidelines to follow. ([Click here for the first advisory titled ARDA: Timeshare Resale Companies](#)).

SELLER BEWARE

There are three basic rules to follow if you want to resell your timeshare:

1. **DO NOT** give your credit card number or authorization, and avoid paying any money to a company until you have a written contract or full details of their services in writing.
2. Always shop around, conduct research, and compare prices and services before you make a decision about doing business with anyone.
3. Investigate the company you plan to do business with prior to signing any agreement—the higher the fee you're asked to pay, the more caution you should use.

Guard your credit card number!

If a timeshare reseller contacts you, don't provide your financial information (including credit card number) until you see the details of the offer in writing and have thoroughly investigated the company! Even – or especially – if you are under financial pressure to sell, be very, very cautious. If you have a resale company's offer in writing (including full details on a website or in email), you should shop around and compare services and prices before deciding.

Any legitimate business should be able to send you a contract which describes their services with enough detail so that you know what to expect, before you pay. Such a written agreement helps to protect you as well as the company. (And it can serve as evidence in case of fraud.) If you are using the Internet, ask them to email you the contract or keep a printed copy from the information provided on the reseller's website. They should also be able to provide you with references from satisfied customers. Review information on any company you're considering with a trusted friend or advisor—a second opinion never hurts.

The more money the resale company is asking from you, the wiser it is to wait for the written information and contract—and investigate all the alternatives for service and cost. Prices can vary widely—from free to as little as \$25 to advertise online to \$3,000-plus for a company to “take your timeshare off your hands.”

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Do Your Homework and Shop Around

Searching for a resale company on the Internet or from other advertisements may seem tiring and overwhelming—due to the large number of companies offering their services.. But in this crowded marketplace, doing your homework is very important. Ask the manager of your resort about the company—often your resort manager gets reports on other owner experiences. Some companies may even use the ARDA logo without permission. Always verify a company’s claims and compare the prices and services before parting with your money. If you can’t verify their claims, go elsewhere.

Here are some things to look for on websites and in other reseller advertising materials:

- Is there enough information on the company and its key people that they can be identified? Some websites (or postcards) have little or no real information—no names, no addresses, sometimes not even a phone number. It doesn’t cost that much to create a website on the Internet.
- If you see the ARDA logo (or another organization’s logo), check it out. Is this company really a member of that organization? (ARDA does not recommend or endorse any resale companies—we can only tell you if they are, in fact, members. If a company tells you something like "we are working with ARDA" or "ARDA has hired/asked us" or "ARDA gave us your information," they are not telling the truth—ARDA doesn’t do that. ARDA does not resell timeshares either.)
- Do they list any prices for advertising with them or information on their commissions on sales—or how your fee to them will be calculated? If there is no disclosure of fees and commissions, best to look elsewhere.
- Do they advertise that there are NO “listing,” or “appraisal,” fees—or NO “high commissions?” Generally, resale advertisers who do not have state real estate licenses usually charge an upfront fee (called by various names), while licensed, full service real estate companies and brokers charge commissions (paid after a sale or rental is actually made). Timeshare resellers don’t work for free—beware of those who make it sound like they do—there’s probably a catch somewhere.
- Do they describe their services and experience with enough specificity so you know what they can do for you and at what cost? A good timeshare resale company should have lots of detailed information on buying, renting and selling timeshares—and they should be willing to share it with you. Or does the website or other material simply say (often over and over in different ways): “Want to sell your timeshare? Contact us.” (And they sometimes ask for your credit card before you know anything about what they really do!)
- Does the company include any information about the number of sales made or number of offers to buy or rent? How long it has been in business?
- Does the company have a real estate broker’s or its staff real estate sales person’s licenses? Does it say it has some other kind of license? Ask for the name of the license (what kind?), the license number, the state where it’s issued and check it out with the appropriate licensing agency.
- Use a computer search engine (Google, Yahoo) to look up the company. If you’re not computer savvy, get help from a friend or relative who is. There are plenty of consumer blogs and websites that report complaints or questions. But remember, not everything you find on the Internet is true—good or bad!

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- Most importantly, check for complaints with your state Real Estate Commission or agency, Consumer Affairs Office, Attorney General, or Better Business Bureau . (See links below.)

Special Cautions

- If the company wants your credit card number or other financial information before giving you complete information or a contract for their services, keep shopping around.
- If the company makes promises or statements that sound too good to be true, they probably are too good to be true. Some of the classics are “we have a buyer waiting for your week,” “you can double your money,” “we guarantee a sale” or similar. Timeshares usually sell for less than you paid for them and a sale can’t be guaranteed. While such statements, on occasion, may be true, they almost never are.
- Beware of companies who try to “scare” you into using their services—especially when they contacted you (rather than you contacting them). Check the facts before committing to anything. For example, if they claim your resort is going to make a special assessment, your resort will inform you of any special assessment, not a resale company, so beware.
- Be particularly cautious when companies try to give you legal, financial, tax, accounting or other advice requiring special training, licensing or expertise. Verify what they tell you with your own advisors first.
- Don’t fall for anyone who tells you to get your timeshare appraised (usually for a high fee). There are hardly any appraisers for individual timeshare weeks out there and an appraisal is pretty useless. It’s just another way to get your money—or to evade the laws of a state that prohibits “advance fees” in real estate transactions (like Florida, for example) or requires escrow of advance fees (like California).
- All these recommendations apply whether a company emails you, telephones you or mails you a postcard or other material—or whether you find a company surfing the Web. But be especially careful if you are not the one who initiates the contact.

Useful website links:

For more information and tips on reselling your timeshare—<http://www.vacationbetter.org/selling-your-timeshare> and <http://www.arda.org/resales>

For a list of state real estate agencies and to verify real estate licensing in 42 jurisdictions—www.arello.com

The Better Business Bureau main website, which provides company complaint history and BBB ratings from A+ to F—click on consumer information—<http://www.bbb.org/us/>

Lists all the state Attorneys General and their websites—http://www.naag.org/attorneys_general.php