

Frequently Asked Questions



The most important thing to remember to avoid problems is to investigate first and pay later. Resist the impulse to make a quick decision (and you may be pressured to do so). Take time to check out any company that approaches you, evaluate their services and prices, and talk to your friends and advisors. But here are a few more pointers.

How do I know if solicitations from companies offering to help me sell my timeshare are legitimate?

- Use caution with an unknown person or company who contacts you by phone, mail or email about helping to sell your timeshare.
- If you receive an offer from a resale company by telephone, email or otherwise, resist any pressure to make an immediate decision.
- Be wary of companies offering gimmicks, such as money-back guarantees or threats or scare tactics in order to get money from you.
- Be skeptical of anyone who contacts you out of the blue offering you what may sound like an irresistible deal to sell your timeshare or tells you they have a buyer for your timeshare but wants money from you right away. This is one of the most common pitches and usually, the "buyer" never materializes.
- Ask questions and research information regarding the company's background, history of resale or rental success and who at the company, if anyone, will handle the closing and at what cost.
- Ask if the company holds a real estate brokers license in its home state. Check with the state real estate licensing agency or www.arello.com to verify the information.
- Understand that, despite what some salespeople may tell you, there are no guarantees that your timeshare interest can be resold or rented at a particular price or within a certain period of time. Resale of property is not an overnight process. If you have listed your timeshare with a resale advertiser (rather than a licensed broker or sales person), any buyer or renter inquiries will usually come directly to you.
- Don't pay up front for a title search or comparative analysis/appraisal. You don't need it, and it's another way for companies to collect advance fees or to appear more legitimate.
- Don't believe solicitors who tell you it's easy to resell your timeshare at a high price, especially in the lousy real estate economy of 2008-2011. There are plenty of timeshares on the market, some for as little as \$1.
- Always resist paying by money order, cashier's check or bank transfer. If a company is not legitimate, your money will probably be gone forever.

If I have a problem with a company, who should I contact?

If you have a problem, report it to the proper agencies:

- The Better Business Bureau (BBB) (www.bbb.org/us/). The website provides company complaint history and BBB ratings from A+ to F.
- The attorney general (<http://www.naag.org/current-attorneys-general.php>) in the state you live or where the company is located.

- The state consumer agency (<http://www.consumeraction.gov/state.shtml>) in the state you live or where the company is located.

Can ARDA-ROC or ARDA help me?

ARDA is the Washington DC-based trade association representing the timeshare (also referred to as vacation ownership) and resort development industry including nearly 1,000 corporate members, plus more than one million timeshare owner members in ARDA-ROC.

Neither ARDA-ROC nor ARDA provide information about complaints they receive. ARDA-ROC and ARDA do not mediate, arbitrate or otherwise resolve individual disputes between a consumer and an ARDA member or non-member business. They don't buy or sell timeshares OR recommend companies with whom you should do business. Neither can tell you if a company is "legitimate. "

To see if a company is a current member of ARDA (some claim to be or use the ARDA logo without authorization), visit ARDA's Membership Directory (<http://www.arda.org/membership/memberdirectories/corporate.aspx>) or contact membershipverification@arda.org. ARDA does not have any regulatory authority, although they do require member companies to agree to abide by their Code of Ethics (<http://www.arda.org/ethics/>). Failure to do so may result in expulsion of the company from membership.

Is the timeshare resale market regulated by state or federal laws?

While regulation of the timeshare industry has been in existence for over 30 years, specific regulation of the secondary market is still in its infancy. The current economic environment has led to a rise in disreputable resale companies trying to profit from vulnerable timeshare owners and the resale process has become confusing to many consumers. ARDA recently unveiled model legislation for the secondary resale market as part of an effort to standardize and legitimize timeshare resellers and the resale process. The Model Resales Act calls for specific guidelines related to resellers including standards for sales and marketing practices, disclosures to consumers and more stringent penalties for bad business practices.

ARDA-ROC and ARDA are committed to working with the industry, reputable resellers, lawmakers and law enforcement officials on issues pertaining to the secondary market. For a more detailed discussion of laws governing timeshare resales, go to Consumer Protections in Timeshare Resales (<http://ardaroc.org/roc/resource-library/default.aspx?id=2692&libID=2712>).

A company told me they can take my timeshare if I pay a fee. Is this legitimate?

Companies offering this process are often referred to as transfer, relief, rescue or timeshare repurposing companies. Transfer companies solicit owners to transfer ownership of your timeshare and, thus, "unburden" you of maintenance fees, taxes and other costs. These solicitations can cause problems for you (and your resort) if the company fails to perform as promised. Some solicitations imply that the company will pay you for your timeshare when, in fact, you get nothing and are asked to pay them up to several thousand dollars to transfer your ownership.

Although some transfer companies legally transfer your ownership after charging you fees (ranging from \$2,000 to \$5,000 or more), others keep your money and do nothing. If the company does not keep its promises, you will still own your timeshare and possibly owe overdue maintenance fees and taxes in addition to the high fee you already paid to the transfer company!

Plus, some of the less than legitimate companies may transfer your timeshare to shell corporations which are then later bankrupted or dissolved, leaving your resort owners' association with non-existent owners and unpaid assessments and taxes. Obviously, this is quite harmful to the association that doesn't have the revenue it needs to operate and to the other owners at the resort who have to pay higher maintenance fees to cover the loss of revenue from these non-paying transfers.

Be sure you have exhausted all other inexpensive or free methods of renting, selling or giving away your timeshare before using even a reliable transfer company. The fees for such transfers are generally more expensive than other alternatives.

Some companies give pretty scary legal or tax advice. Should I believe it?

Do not accept accounting, tax, legal or other “professional” advice from a transfer company—or anyone else without the proper credentials. Instead, check with your own legal or financial advisors. For example, if a company claims to guarantee eligibility for tax deductions after receiving a large fee – use caution and walk away. See also [What are resale scams I should be aware of?](#) below.

Be sure you have exhausted other inexpensive or free methods of renting, selling or giving away your timeshare before using a multi-thousand dollar alternative.

If you find a company you are convinced can meet your needs, how should you pay them?

If any company asks you to pay them (in advance of your getting a contract or any services) via certified or electronic check, money order, gift card or by bank transfer (the equivalent of handing them cash), you may have little or no chance to recover your money if there is a problem. Once you transmit the money, it’s gone. Often times, it is the illegitimate companies that urge you to transmit money to them immediately by these methods—and then you never hear from them again.

Here is where you may be better off to pay by credit card due to the protections afforded consumers under the federal Fair Credit Billing Act (FCBA). The law applies to credit card disputes about “billing errors,” including charges for goods and services that weren’t delivered as agreed. This is often the case when dealing with fraudulent companies: they make promises to you that are never fulfilled. Just remember to investigate the company you plan to do business with first in every case.

However, the FCBA imposes a time limit on disputing an improper charge on your credit card. You must notify your credit card company in writing within 60 days after the first bill containing the erroneous charge was mailed to you. Complete details on how—and when—to proceed are described in a helpful pamphlet called **FTC Facts for Consumers: Fair Credit Billing** (<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre16.pdf>).

What are timeshare resale scams I should be aware of?

- Transfer or repurchase solicitations are solicitations to consumers to transfer ownership of their timeshares and thus “unburden” you of maintenance fees, taxes and other costs. While there are legitimate companies who fulfill their promises, some solicitations can mislead you and may imply that the company will offer to pay you for your timeshare when you actually get nothing in return and are required to pay several thousand dollars to give up your ownership.
- Endorsements / Affiliation Scams. Be wary of a company that falsely uses the name of a legitimate timeshare company to misrepresent an affiliation with that company. For example, one company falsely cited ARDA as a reference. The company said ARDA was its agent “to disburse refunds collected by a state attorney general to assist consumers who were victims of fraudulent resale practices.” Totally bogus. Another used the initials of a popular exchange company in their name. Other companies may display logos of well-known companies, implying a business relationship when there is none.
- The practice of ‘reloading’ is when an individual or company contacts you after you have already been victimized by an unethical resale company. They claim that they can recoup the upfront fee you lost in the original scam. But, the call may actually be from the same company that conducted the first scam, only reorganized under a new name! Or, the call may be from a disgruntled former employee of the original company who uses your contact information to run a new scam.
- Bogus rental offers. Be skeptical of solicitations that claim the company can rent your vacation weeks or your extra/bonus weeks, but require an up-front fee. They will often tell you that they can rent your timeshare for a large amount during, for example, a special event in the city where your timeshare is located. And they’ll likely ask you for a fee

in advance of the rental, even though standard practice for rentals is for a commission to be paid when you, the owner, receive your portion of the rental income.

For additional information, see ARDA's **Consumer Advisories** (<http://ardaroc.org/roc/resource-library/default.aspx?id=2787&libID=2807>) on timeshare resales. Resale Advisory Number II is particularly helpful in providing some guidance about things to look for (and beware of) when researching timeshare resale companies.