

CONSUMER'S EDGE

CONSUMER PROTECTION DIVISION, MARYLAND OFFICE OF THE ATTORNEY GENERAL

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SELLING A TIMESHARE OR VACATION PROPERTY? BEWARE OF RESALE SCAMS

If you're thinking of selling a timeshare, campground membership, vacation property, or recreational real estate, be cautious with resellers, real estate brokers or agents who claim to specialize in reselling timeshares. Most of these resale programs are scams.

The Consumer Protection Division has received complaints from Maryland consumers who have been contacted by such con artists. Typically, consumers receive a phone call or mailing from a company offering to sell their timeshare, points, membership or recreational property, and ask for a deposit or an advanced fee ranging from a few hundred dollars to thousands of dollars. The company may claim that the market in your area is "hot" and that they have a buyer ready to purchase your timeshare, or promise to sell your timeshare quickly. Then, they ask for an upfront fee. You may think you're paying a real estate broker to represent you and that buyers have already expressed an interest in your property. Many consumers, however, learn later that at best the company offers only advertising – no realtors' services or any other services they claim.

The U.S. Federal Trade Commission (FTC) has taken actions against companies who defraud consumers. In one such case, the FTC charged operators of a timeshare reselling scheme with cheating timeshare owners out of at least \$15 million by charging upfront fees of as much as \$2,500 — or more — with false promises that they would rent or sell the properties. According to the FTC's complaint, the defendants call timeshare property owners and falsely claim that they have a buyer or renter ready and willing to buy or rent their property for a specified price, or they promise to sell the timeshare quickly. The defendants charge property owners in advance but fail to deliver on their promises. The FTC alleges in the complaint that the defendants string some owners along claiming that the sale is about to happen and they will soon send them money from a sale or rental, and often get them to pay extra for purported closing costs or other fees. When consumers request refunds, the requests are typically denied or ignored.

Check out the FTC's infographic below to see how timeshare resale scams typically work, and www.ftc.gov/travel for more information about buying and selling timeshares and vacation property.



Take Some Precautions

If someone contacts you, offering to resell your campground membership, timeshare, recreational property or undeveloped property, take some precautions:

- Never pay an upfront fee. Try to find a company that offers to take a fee only after the sale is executed. If there is truly a resale market, such arrangements should be possible.
- Never submit to pressure to make a quick decision. Legitimate businesses don't expect people to make important decisions on the spot.
- Get references from consumers who have used the company's services.
- Get everything in writing.
- Call the real estate licensing board in the state where the property is located to make sure the company is licensed to broker real estate transactions. If the property is located in Maryland, call the Real Estate Commission at 410-333-6230.
- Check the company's standing with the Better Business Bureau (www.bbb.org).
- Call the Consumer Protection Division (410-528-8662) to see if any complaints have been filed against the company.

The FTC also recommends you contact the American Resort Development Association (www.arda.org) for more information.



A Thought for the Future

The next time someone tries to sell you any type of recreational real estate, don't believe claims about how easy reselling it would be. There is virtually no resale market for timeshares and campground memberships.



Your Selling Options

If you would like to resell your campground membership, timeshare, recreational property or undeveloped property, know your options:

- Ask your resort or home owners' association (HOA) about exit programs.
- Sell it yourself.
- Get help from a licensed reseller.
- Give it to a family member.
- Donate the property to charity.
- Rent it.



HOW TO CONTACT US

Consumer Protection Division

200 St. Paul Place, 16th Fl., Baltimore, MD 21202

- **General Consumer Complaints:** 410-528-8662
Toll-free: 1-888-743-0023 TDD: 410-576-6372
9 a.m. to 3 p.m. Monday-Friday
www.marylandattorneygeneral.gov/Pages/CPD/
- **Health Consumer Complaints:** 410-528-1840
Toll-free: 1-877-261-8807 TDD: 410-576-6372
9 a.m. to 4:30 p.m. Monday-Friday
www.marylandcares.org
- **For information on branch offices** in Largo, Salisbury, Hagerstown, and a full list of offices across Maryland, visit:
www.marylandattorneygeneral.gov/Pages/contactus.aspx

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