

TIMESHARE RESALE INFORMATION

If you received this information it's because we are unable to take a listing for your particular type of timeshare ownership. Here's some information that we hope will be helpful to you.

Before you attempt to find someone to purchase your timeshare, take over the ownership for free, or let you pay them (heaven forbid!), please review the following information regarding scams to avoid as well as ways to advertise legitimately.

WHAT TO AVOID...

Although you may think it's your only option, please *do not pay any company an upfront fee* to list, market, appraise, or sell your timeshare. No matter what reason is given for sending them money upfront, it's not an ethical business practice.

The most prolific scam artists are advertising companies. They charge \$300 to \$1,200 to advertise your timeshare, and promise to sell it at a great price. Some even offer a money-back guarantee. These companies are aggressive in their telephone and direct mail solicitations of timeshare owners, and they can be very convincing. Just know that they will say anything, even if it's a blatant lie, if it convinces you to pay their advertising fee.

Once they have your money, these companies have NO incentive to do anything for you...and they won't. Most advertising companies are not licensed brokers, and therefore cannot even talk to a prospective buyer about your ownership, answer any questions, or help negotiate a sale. All they do is post an ad on the Internet, which you can do yourself, with a much greater chance of success and at a tiny fraction of the cost. As for the money-back guarantee, read the fine print and know that a money-back guarantee from a company that folds or can't be located is no guarantee at all.

Also, be aware that among these scam companies there are a few licensed real estate companies, even some franchises with familiar names. They sound legitimate. They can spew forth all sorts of reasons why you will need to send them money upfront. Think about it... Would you ever pay a Realtor their commission when they list your home for sale? Of course not, even though they have much higher advertising costs than a timeshare resale company has.

If you receive a postcard invitation by mail from any of the companies that are visiting towns all over the country to (supposedly) make offers on timeshares, BEWARE! Much of the information they present is false and intended to scare you into giving them the title to your paid-off timeshare and let *you pay them* \$3,000 - \$4,000. It is *never* necessary to do this. Don't let anyone frighten you into believing it is by telling you that, if you don't pay maintenance fees forever you could lose your house, car, or other assets. If you stop paying maintenance fees, the *ONLY* property that can have a lien filed against it is the timeshare for which fees are owned. They cannot attach your bank account or file a lien against your house. If the developer or homeowners association files a lien for non-payment, they can eventually foreclose against that lien and take your timeshare away. But that is all!

As the seller, you should never be required to pay a broker until the sale has been consummated. Hopefully that money will be paid from the proceeds of your sale, not out of your pocket. However, if the sale price ends up being less than the broker's commission, you may need to pay money into escrow to make up the difference. Under such circumstances, you still will *not* be paying out-of-pocket costs prior to receiving a purchase contract *written by a reputable licensed real estate broker and signed by a buyer who has paid all monies due by them into a state-regulated escrow account.*

The rule of thumb on what to avoid is this...if you receive a telephone call, post card or letter from a company offering to sell your timeshare, or claiming they have a buyer for your timeshare, hang up the phone or throw the mail piece away. Companies that operate phone rooms and cold call timeshare owners, those who solicit owners by mail, and those who advertise on TV and radio can only afford to do so because they are making HUGE amounts of money off timeshare owners by charging upfront advertising fees, listing fees, or scamming owners into paying thousands of dollars to take an unwanted timeshare off their hands. There isn't a legitimate broker working on a commission basis who will ever be able to afford those marketing practices. Companies that make millions of dollars collecting upfront fees, while doing little to nothing to sell timeshares are the only ones you'll have hounding you by phone, or filling up your mail box with offers to "sell" your timeshare or provide you with a guaranteed "exit strategy". If you see or hear the word "timeshare" from a caller or on a piece of mail, hang up the phone or throw it away.

WHAT TO DO ON YOUR OWN...

If you want to try selling the timeshare on your own, you can advertise inexpensively on the following sites: www.MyResortNetwork.com, www.Redweek.com, www.tug2.net, www.tstoday.com, and www.Craigslist.com. These sites all include resale classifieds. They are very different from "advertising companies" or advance-fee brokers. These are sites where you advertise your own timeshare, much like placing an ad in your local newspaper, except newspaper advertising is almost never effective. The above sites are the most popular places prospective buyers look for timeshares to buy.

Note that sale prices are very different than listing prices. Even with these online sites, prices you see there will often be much higher than what is obtainable. That's because many of those ads are placed by advertising companies or scammers, or they may be ads by owners who have high loan balances they need to cover or who haven't done the homework necessary to determine true market prices. Marketable prices are based on comparable active listings and recent sales. Your price must be the lowest advertised or no one will buy your timeshare.

Another option is to put your ownership in an online auction such as www.BidShares.com or www.e-Bay.com, but once again remember, the only price that attracts a buyer is the lowest price on the market!

Before you begin, you'll need to make sure you're accurately advertising your timeshare. Most multi-resort groups (Starwood, Marriott, Hyatt, Diamond/Sunterra, and *many* others) restrict the benefits that resale owners will be entitled to, compared to benefits you now receive if you purchased directly from the resort developer. Quite often you'll find that internal points and exchange programs are not transferrable. Make sure you know what those resale restrictions are before advertising your property.

There will almost always be an ownership transfer fee charged by the management company or developer to change names on the account. Be aware of your resort's fee, and let the buyer know who will pay it. Don't forget to determine the status of the current year's vacation time and who will pay the corresponding maintenance fees and property taxes. Also determine who will handle the closing/escrow services, including recording a new deed if required, as well as what those costs will be, and who will pay them.

If you advertise your timeshare and are then contacted by a company offering to help you donate your timeshare to charity, again, beware! If you can't sell your timeshare, or if it has little cash value, why would a church or other non-profit want it? It's not that we don't believe in being charitable; it's simply the reality that churches and non-profits do not have the manpower or money to accept and hold title to timeshares they can't use or sell. And they certainly don't want the burden of maintenance fees. There are ways to use your timeshare to benefit a non-profit, but it's complex, and it almost never requires the assistance of a third-party company making money from you to help you make a donation.

In most cases, a company in the business of helping you donate your timeshare to charity is not directly affiliated with any charity. They basically have you sign a contract stating that you agree to let them sell your timeshare, extract their fees (which they most likely won't disclose in advance) after they find a buyer, and, IF there's any money left, donate it to the charity of your choice. The ownership stays in your name, and you remain obligated for maintenance fees, until this 3rd party company sells the timeshare (and that could be never). In the meantime, you've committed the timeshare to this third party and can't sell it to a real buyer who may respond to your ad.

If you really want to make a donation, sell your timeshare and donate your proceeds. If you are donating your timeshare to a charity, the only document you should be signing is a deed that transfers title from you to a specific non-profit organization, not a contract with a lot of contingencies or undisclosed fees for facilitating the donation. If you are asked to sign a contract with a third-party company to make your donation, have it reviewed first by a licensed timeshare broker or real estate attorney.

If you're expecting any residual tax benefit from a sale or donation, be sure to look into it very carefully BEFORE you sign anything. If your timeshare has no value, you probably can't claim a deduction just because you donated it. And, tax laws normally preclude writing off the reduction in value of the timeshare as a loss. Companies that charge you to take your timeshare off your hands, whether they are charging you thousands of dollars to get your name off the title, or facilitating a donation to charity, are in it for the money so do your research and read the fine print. You need to consult with an attorney or tax advisor BEFORE you sign anything. Do you really want to add the hassle of an IRS audit to your dilemma?

WORKING WITH A BROKER...

There are a few timeshare resale companies working on the same basis as we do (no upfront costs, no appraisal fees, and no commission unless they close escrow on your property). As an alternative to our service, we recommend going to the website for the Licensed Timeshare Resale Brokers Association, www.LTRBA.com, in order to locate other licensed brokers who will be able to assist you with a sale. There are dozens of broker members, and NONE of them charge upfront fees.

We are also providing contact information for a few companies to whom we've successfully referred owners to in the past. Their specialty is in parenthesis as not all brokers work with all properties, and many specialize in specific resort groups or geographic areas. Listed alphabetically, we recommend:

Advantage Vacations - Syed Sarmed – (Hawaii)
(800) 775-4493 – www.advantagevacation.com

California Resale Brokers (California)
(800) 860-6529 – www.calresale.com

Island Consulting Timeshare Realty (multi states, Caribbean, Mexico)
(800) 809-6020 – www.timesharestogo.com

JoVan Realty (Breckenridge, Colorado **only**)
(866) 553-1102 – www.jovanrealty.com

Pinnacle Vacations (Bluegreen Resorts)
(800) 485-5632, Ext. 7 – www.pinnaclevacations.com
Note: Broker charges a \$39 advertising fee only to list

Preferred Timeshare Resales (CA/NV - Tahoe area, Las Vegas)
(800) 299-5536 – www.preferredtimeshare.com

Selling Timeshares, Inc. – Seth Nock - (Hilton, Marriott, Disney)
(917) 482-8347 – www.sellingtimeshares.net

SmartShare.com – (Mexico, WorldMark, Wyndham, Vacations Internationale)
(800) 338-2900 – www.smartshare.com

Timeshare Resale Liquidators (Mexico)
(800) 320-2345 – www.timeshare-resales.net

RE/MAX Properties SW – Judi Kozlowski (Hilton, Wyndham, Marriott)
800-541-5666 ext 622 – www.judikoz.com

Timeshare Resales Worldwide (all resorts).
(888) 831-6551 – www.alltimeshare.com

TransAction Realty – Shelley Preece (Marriott)
(800) 867-5336 – www.transactionrealty.com

Magical Realty – David Cortese (Marriott, Wyndham, Starwood and Mexico properties)
888-768-3258 – www.magicalrealty.com

We encourage you to talk with several different companies and compare commission policies before you list. You can also list with more than one company as long as you don't sign an "exclusive listing" or an "exclusive agency listing". If you sign only "open listing" agreements, you will never be at risk of owing more than one commission regardless of which broker sells your property.

If you're willing to give the timeshare away for free, try asking the brokers if they would be willing to take it off of your hands at no cost to you.

We do not have any agreements with these companies, and cannot guarantee the level of service you will receive, but as far as we know, they are reputable and effective in their shown areas of specialty and do not charge upfront fees unless noted. Please let us know if you learn that they do!

AND FINALLY...

Because it creates a financial burden for the resort Homeowners Assoc. (all of the owners collectively) when you don't pay what is due, the least favorable option for disposal of a timeshare is to stop making payments and let it go into foreclosure. This is a desperate measure, and should only be considered in the event that making payments is a serious financial hardship. A foreclosure will probably show up on your credit reports. You may want to obtain legal advice before considering this option, but if your only remaining option is to let the timeshare go, then contact the resort to advise them accordingly. Perhaps they will be able to provide some guidance or assistance.

As you work through this process keep in mind that timeshare is not a real estate investment, as many owners were led to believe. Much the same as a car is perceived to be prepaid transportation, timeshare is actually prepaid vacation expense. As you take vacations, you are amortizing the purchase price over the period of ownership. Unless you initially purchased a resale timeshare, you're not likely to get back more than 10-25% of your original purchase price. The average is about 10-15%, but many timeshares resell for less than 10% of the developer's price.

It's therefore a good idea to take as many vacations as possible before you attempt to sell your timeshare. Owning a timeshare may not be suited to your lifestyle, or easy to fit into your plans or your budget, but we all need a break now and then. Perhaps a vacation is just what you need to get through this.

We are sincerely sorry that we're unable to list your timeshare. Whatever direction you take, we wish you the best possible outcome!



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