



NEWS RELEASE

FOR IMMEDIATE RELEASE: March 16, 2012

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Timeshare Resale Fraud on the Rise

Consumers warned to be cautious when selling their timeshares

SACRAMENTO – The California Department of Real Estate (DRE) issued today a Consumer Alert about the growing number of scams being perpetrated against timeshare owners in connection with timeshare resales. DRE's mission is to protect the public interests in real estate matters.

"Given the economic strain many families are facing, timeshare ownership is a luxury some families can no longer afford", DRE Acting Commissioner Barbara Bigby said. "And with so many owners wanting to divest themselves of their timeshares, it has created an opportunity for fraudsters."

The Consumer Alert issued by the DRE details the typical timeshare resale scams and provides tips on how to avoid them. Most scams involve a promise of a quick sale of the seller's timeshare interest in exchange for an upfront fee. However, after the fee is collected, little or nothing is done to sell the timeshare interest. But, as is the case with most scams, there are variations of timeshare resale fraud as well. The following are three of the most common fraudulent practices, according to DRE officials:

1. Unlicensed and illegitimate timeshare reseller fraudsters pose as legitimate and licensed real estate brokers, thereby providing a false sense of security, and then demand the payment of monies up front in connection with the purported resales. However, no services of any kind are actually provided.
2. Scammers falsely tell timeshare owners that the "agent" has found a "ready and willing" buyer for their timeshares. The scammer asks for listing or "paperwork fee" to effect the transaction, but once the fee is collected, the seller never hears from the company again.
3. Fraudsters pose as timeshare buyers and use such advertising slogans as "Will Buy Your Timeshare for Cash", "Timeshares Wanted", or something similar, to lure timeshare owners. The scammers then ask the owners for "a small amount" of money up front to process the paperwork for the transfer. Once those monies are paid, the owners never hear from the scammers again.

The following practical advice can help consumers from falling victim to a timeshare scam:

- The request for an upfront or advance fee is a red flag. You should contact DRE before agreeing to pay an advance fee to determine the lawfulness of the fee.
- Only licensed real estate brokers may list and sell "timeshares for resale". Check the license status on the DRE's website to determine if the company or broker is properly licensed.
- Request a copy of the reseller agent's written contract that you will be required to sign and a written disclosure of all fees and costs, and you are wise to never pay for services or assistance in advance of the performance of services.
- Check out the company or persons with the Better Business Bureau.
- Check them out through a Google, Facebook, or related search on the Internet. Often consumers who have been scammed will post their experiences, insights, and warnings long before any criminal, civil or administrative action has been brought against the scammers.
- If you have been a victim of a timeshare scam, file a complaint with the Department of Real Estate.



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For a copy of the Consumer Alert and or more information about DRE, visit www.dre.ca.gov.

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