



AMERICAN RESORT DEVELOPMENT ASSOCIATION CONSUMER ADVISORY ON RESALE COMPANIES

ADVISORY IX

January 10, 2013

As part ARDA's effort to provide consumers with guidance about the secondary marketplace and useful tips about the resale process, the purpose of this advisory is to make consumers aware of two deceptive resale solicitations that have been reported to us by timeshare owners. ARDA warns owners to proceed with caution if they are contacted as part of either of these resale efforts.

Beware of Paying Mexican "Sales Tax or Fee" to a Resale Company

Paying an upfront fee of any sort to a resale company comes with an element of risk. The "Sales Tax or Fee" scam involves a claim from a resale company that they have a buyer who would like to purchase the owner's timeshare located in Mexico. The resale representative states that Mexican law requires the seller (timeshare owner) to pay a tax or fee in advance of the actual sale in order to complete the transaction. The resale company also states that they will hold the fee in their escrow or bank account until the transfer is complete (we have heard reports of resale companies asking up to \$7,000 for these taxes or fees). The resale company may guarantee the reimbursement of this tax or fee upon transfer of the property, but ARDA warns timeshare owners to be skeptical of this claim. Once the resale company has the money from the timeshare owner, we are told the sale is never completed and the money is never returned. ARDA urges owners to be cautious when solicited by companies who claim to have buyers willing to purchase their timeshare.

Beware of Resale Company Agents Posing as Eager Buyers

ARDA has received information from timeshare owners who have reported getting calls from buyers wanting to purchase their timeshare through a specific resale company because they claim that the resale company is holding their purchase money in escrow. This may be a new scam created to get around the Florida Timeshare Resale Accountability Act that took effect in July of 2012.

This new law affects "resale advertising" where a person or business offers resale advertising services (often implied as "selling") to timeshare owners for an upfront fee. The law states that a

resale advertising company may not say or imply that they have identified a buyer or renter without providing the timeshare owner with proof that the buyer exists. Having someone pose as a buyer and call the timeshare owner directly is one way being used to try to get around that law. Be suspicious if a buyer calls you wanting to purchase your timeshare and wants you to use a specific company to complete the sale, as this buyer may be an agent for that company and may be trying to scam you.

ARDA asks that owners thoroughly research any resale company before writing a check, giving a credit card number, wiring money, or making any other form of payment to such a company. For more information about timeshare ownership and tips to ensure a safe buying or selling experience, visit ARDA-ROC's [Timeshare Resale Resource Center](#).