



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

NEWS RELEASE
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Don't Fall Victim to Timeshare Reseller Scams - Protect your Real Estate Investment

DENVER – Colorado consumers and real estate brokers alike should be on the lookout for timeshare scams where owners of timeshares are cold called, mailed or emailed solicitations from an unlicensed business entity purporting to be a full service property management company, real estate brokerage or title and escrow company that lists and sells timeshares.

The representatives of these phony companies falsely identify themselves to consumers using the names and license numbers of actual Colorado real estate brokers, unbeknownst to those brokers. The company claims to be a Colorado company but cites a false address in the Denver area. When consumers respond to the solicitation, they are directed to forward various upfront transaction fees (sometimes in excess of \$5000.00) to an out of state or out of country escrow company.

If you own a timeshare and a company solicits you to sell, remember these five tips to stay protected:

1. Be skeptical of companies that offer “too good to be true” statements to lure you in.
2. Always check out the timeshare reseller first. Contact the State regulatory agency (Division of Real Estate), State Attorney General’s Office, and Better Business Bureau, in the State where the reseller is located.
3. Verify that the real estate broker and title company are licensed.
4. Do not send any money upfront to the reseller, even if it is for escrow funds, including transfer fees, taxes, title work, appraisal and commission fees, or if they require wire transfers. Remember, with legitimate timeshare sales, those fees come out of the closing costs.
5. Be suspicious of any requests that payment is only accepted in cash, by wire transfer, or by money order or a certified bank or cashier’s check. These payment forms provide little if any recourse for you in the event you have paid a scammer. If you pay by credit card, you may be able to challenge the charge (if fraudulent) through your credit card company. Talk with your credit card company about their policies in this regard.

Know your rights:

- Under Colorado law, timeshare resellers or transfer companies are required to provide you with a detailed transfer agreement with their name, telephone number and physical address (no PO boxes), a description of the method or documentation by which the transfer of the resale time share will be completed, and the date by which all acts sufficient to transfer the resale timeshare in accordance with the timeshare resale transfer agreement are estimated to be completed. Resale scammers have become very sophisticated and produce contract documents that appear legitimate, so it is imperative that you investigate the company fully.
- Under Colorado law, they must also disclose that they are prohibited from collecting any fees, costs, or other consideration from you until the timeshare resale or transfer company provides

you with a copy of the recordable deed or other equivalent written evidence clearly demonstrating that the resale timeshare has been transferred in accordance with the transfer agreement.

The Division of Real Estate recommends timeshare owners contacted by a timeshare resale company should first view the Division of [Real Estate's website to verify the authenticity](#) of the company and its business license. If you believe that you may have been victimized by a timeshare scam, you should contact your local law enforcement agency, the [Attorney General's office](#), and/or the [Federal Bureau of Investigation](#). For more information on timeshare resales, please contact the [Colorado Division of Real Estate](#).

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The Division of Real Estate is the licensing, regulation and enforcement agency for the real estate broker, appraiser, community association manager and mortgage loan originator industries.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission. Visit www.dora.colorado.gov for more information or call 303-894-7855/toll free 1-800-886-7675.