

# Get the Facts Before Buying a Timeshare



The Office of the  
**Minnesota Attorney General**  
helping people afford their lives and live with dignity, safety, and respect

Have you ever vacationed somewhere warm and said to yourself, “I want to do this every year! Maybe I should buy a timeshare!”? While the idea of purchasing a timeshare may sound enticing, there are often a host of headaches and problems with timeshare ownership, including higher-than-anticipated costs and difficulties reselling it.

## About Timeshares

Timeshares typically come in two forms—deeded and right-to-use. With a deeded timeshare, you own part of the property, which is usually a particular unit for a specific time each year (e.g.,  $\frac{1}{4}$  of unit A). Depending on the contract, you may buy the timeshare for a definite number of years, for life, or until you decide to sell it. With a right-to-use timeshare, you acquire the right to use a property from a developer, but you don’t actually “own” the property.

## Common Problems

### Fees

Besides the upfront cost of a timeshare, which may be tens of thousands of dollars, timeshares come with all sorts of extra fees. For example, you may be responsible for yearly maintenance fees, special assessments, property taxes, and/or utility expenses, regardless of whether you use the property. If you don’t pay the fees, you may face foreclosure.

### Scheduling Vacation Time

You may not always get the dates you want. The best times often fill up quickly, and you may be stuck with an undesirable time at your resort.

### Foreign Countries have Different Laws

When you purchase a timeshare that is outside of the United States, you are not protected by United States laws. Foreign countries’ consumer protection laws are not always as robust as those in the United States. Minnesota law gives the Minnesota Department of Commerce authority to regulate the sale and marketing of subdivided land, which includes timeshares, in Minnesota. In general, sellers of subdivided

land must register the land interest with the Department of Commerce and obtain a real estate broker or salesperson license from the Department of Commerce before making any offers or sales in the state. They must also file a report on the subdivided land interest with the Department of Commerce every year thereafter. If you buy a timeshare somewhere outside of Minnesota, the laws of that state or country will apply. These laws may vary from Minnesota and may have different legal standards regarding, among other things, notice requirements, ability to sell or dispose of a timeshare interest, and maintenance fees.

### Difficult to Sell

Timeshares are notoriously hard to sell. Lots of timeshares are on the market, and consumers often have to sell their timeshares at a loss. Even then, it can sometimes take years to unload a timeshare.

### Timeshare Scams

The market is filled with scammers who say they can sell your timeshare for a good price. They usually ask for money upfront and then never sell your timeshare.

## Things to Consider

### Timeshares are not Investments

Don’t view purchasing a timeshare as an investment. Buying a timeshare is more like buying a car than a home. Timeshares usually go down in value after you buy them.

### Borrowing Money

Since they depreciate in value so quickly, banks usually won’t lend you money to buy a timeshare. Developers will often arrange financing, but often at high interest rates.

### Rent vs. Buy

Do some math before you sign a contract for a timeshare. Calculate the cost of renting similar accommodations each year. Renting is often cheaper and doesn’t lock you into a long-term contract.

## High-pressure Sales

Don't be swayed by high-pressure sales tactics. Talk to a lawyer or real estate professional before signing anything. Also, make sure to ask about your right to cancel a contract.

## More Information

### Contact the Federal Trade Commission (FTC)

The FTC is a federal consumer protection agency and provides a publication with tips for buying and selling timeshares, which is available at [www.consumer.ftc.gov/articles/0073-timeshares-and-vacation-plans](http://www.consumer.ftc.gov/articles/0073-timeshares-and-vacation-plans). You can also file a complaint with the FTC if you think a timeshare seller is engaging in deceptive or unfair business practices.

**Federal Trade Commission**  
600 Pennsylvania Avenue NW  
Washington, DC 20580  
(877) 382-4357  
TTY: (866) 563-4261  
[www.consumer.ftc.gov](http://www.consumer.ftc.gov)

### Contact the Minnesota Department of Commerce

The Department of Commerce registers and regulates the sale and marketing of subdivided land, which includes timeshares, in Minnesota.

**Minnesota Department of Commerce**  
**Securities Unit**  
85 Seventh Place East, Suite 500  
St. Paul, MN 55101  
(651) 539-1638

### Contact the Minnesota Attorney General's Office.

For more information or to file a complaint, contact the Office of Minnesota Attorney General Keith Ellison.

**Office of Minnesota Attorney General Keith Ellison**  
445 Minnesota Street, Suite 1400  
St. Paul, MN 55101  
(651) 296-3353 (Twin Cities Calling Area)  
(800) 657-3787 (Outside the Twin Cities)  
(800) 627-3529 (Minnesota Relay)  
[www.ag.state.mn.us](http://www.ag.state.mn.us)