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Real Estate Commission Warns of Timeshare Scam

Santa Fe - The New Mexico Real Estate Commission is advising consumers and real estate brokers alike to be on the lookout for timeshare scams in which 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 sell timeshares.

The representative of these phony companies falsely identify themselves to consumers using the names and license numbers of actual New Mexico real estate brokers, unbeknownst to those brokers. The company claims to be a New Mexico company but cites a false business address in the Albuquerque area. When consumers respond to the solicitation, they are directed to forward various upfront transaction fees to an out of state or out of country, escrow company.

“We have received a surge of inquiries from consumers who have been contacted by a company that represents itself as R-5 Realty. R-5 Realty is not licensed by the real estate commission, said Mike Unthank, Superintendent of New Mexico Regulation and Licensing Department. “Timeshare fraud is a serious crime, which can cost consumers thousands of dollars.”

If you own a timeshare, please be advised to question any offers to help you sell it. Be skeptical of companies that:

- Claim the market in your area is “hot” and that they’re “overwhelmed” with buyer requests
- Say they have buyers ready to purchase your timeshare — or promise to sell your timeshare within a specific time
- Guarantee you’ll get big returns on the sale of your timeshare
- Require you to pay fees upfront — even if there’s the promise of a “money-back guarantee”
- Don’t provide a contract — or provide a contract that doesn’t accurately reflect conversations you had

The Real Estate Commission offers these tips to consumers who are interested in purchasing or selling a timeshare:

- Be wary of companies that mail, cold-call, cold-text, or email you out of the blue – before you do business with a company you don't know, search online for consumer complaints
- When purchasing or selling a timeshare, work only with licensed real estate brokers or agents and consider doing business only with someone who gets paid after the timeshare is sold
- Get all terms in writing before you agree to anything, and thoroughly read the agreement including any fine print
- Watch out for high-pressure sales tactics and companies that can't, or won't, give you specifics
- If you are considering purchasing a timeshare in another country, use caution—if you sign a purchase contract in another country, you will not be protected by U.S. laws
- Beware of companies that use robocalling - robocalls from companies are illegal if you haven't given a company permission to call you; even if you haven't signed up for the Do Not Call Registry
- Avoid companies that request upfront fees before providing services; request that you pay cash or by wire transfer; advise you that you do not need to read or understand the agreement; request that you provide personal or financial information over the telephone or internet; refuse to meet with you in person; make unqualified guarantees that they can get your timeshare sold; or advise you that you can simply “walk away” from a timeshare by transferring it to some third party

In New Mexico, getting paid for selling other people's timeshares is an activity which requires a real estate license. If you receive a call from someone claiming to be a broker with an offer on your timeshare, you may check with the real estate commission to verify whether or not the caller is a licensed real estate broker at (800) 801-7505.

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