

## TIMESHARES ... BUYER'S REMORSE AND THE IMPACT ON YOUR ESTATE PLANNING

Timeshares are an interesting real estate creature that can impact your estate planning as well as hinder the administration of your estate upon your death. The issue of timeshares and the inability to sell the timeshares or get out from underneath any hefty costs and annual fees is becoming more prevalent in the estate planning practice.

Timeshare seminars are very enticing. They offer "free" gifts and vacations for participating in their all too often lengthy presentation that involve hard-sell tactics that pressure you into signing a very detailed contract and financially committing yourself for life. Such a financial commitment may come in the form of a mortgage or loan paid over a period of time. Additional costs may include monthly and/or annual association fee, maintenance fees, special assessments, real estate taxes, or related costs.

Many individuals experience buyer's remorse after the purchase of a timeshare, but not soon enough. Prior to entering into any timeshare, vacation or resort contract, you should have an attorney review the contract before signing it! Typically, there is a very small and limited window of seven (7) to ten (10) days in which to cancel the contract without any penalty or obligation. Usually if there is a problem, the contract holds you to out-of-state laws, which makes it next to impossible and cost prohibitive to represent yourself adequately from out-of-state. Normally, the contract requires that any litigation or problems arising out of the contract be handled in the state in which the timeshare is actually located, such as Florida and Tennessee - popular vacation destinations.

Of particular concern for seniors who own timeshares is budgeting for the maintenance fees and related costs that increase over the years, while already readjusting their budget to meet their needs on a limited and fixed income. If you fail to maintain the financial and contractual requirements of your timeshare, the result is undesirable. It can involve litigation in which the timeshare sues you personally for the unpaid fees and past due real estate taxes, which ultimately ends up with a loss in the timeshare and/or property interest, as well as a judgment against you and your personal credit.

While timeshares are easy to engage in, they are next to impossible to sell or give away. Beware that timeshare companies are not in the business of buying back your interest and/or "credits" you have accumulated throughout the years and generally will not assist in selling your timeshare. The inability to sell timeshares is so prevalent, that timeshare owners are actually paying companies anywhere from \$1,500 to \$5,000 to "get rid" of their timeshares.

Before buying into a timeshare there are a few tips you should consider: (1) Have an attorney review the contract BEFORE you sign; (2) Understand the maintenance fees, real estate taxes, and other special assessments; and (3) Follow your instinct. If it sounds too good to be true, it probably is!

Think twice about whether or not you want to leave this legacy to your heirs.

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