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Travel and Timeshare Loans - Three Common Questions Answered by Expert Shaun Lucas, CEO of Monterey Financial

Consumers are ready to vacation again, and timeshares and travel clubs are a popular and enjoyable way to do it; Monterey Financial Services shares expert advice on financing options

Oceanside, California – (August 18, 2021): For three decades, Monterey Financial Services has proven itself a reliable source of funding, servicing, and debt recovery for resorts in Canada, the United States, and Latin America. In the last ten years alone, Monterey has purchased over \$1B in receivables, serviced over 500k individual contracts, and placed for collections on behalf of their clients more than \$900 million in delinquent debt. Monterey also works with companies to provide financing in the travel space and answers common questions for potential buyers.

“Consumers have put their travel plans on hold for over a year and are showing that this is a primary focus for spending in 2021 into 2022. Timeshares have proven to be a valuable product to consumers and a popular way to vacation for millions of people year after year,” says Shaun Lucas, President & CEO of Monterey Financial Services. “We are here to help our clients get the most out of their financing programs when serving their Timeshare customers.”

A travel product is a long-term commitment to paying for annual trips to various resorts. One of the more popular travel products is a timeshare, a single property you visit year after year at preset times, usually a week or two each year. Often the member has access to other resort locations as well. The consumer purchases the timeshare then pays annual maintenance fees. For a vacation club, the consumer pays an initial membership fee and, after that, monthly or yearly membership and maintenance fees. They then get a discount on global vacation options and a variety of travel services that can greatly outweigh the total cost of being a member.

Lucas addresses three of the most common timeshare and vacation lending questions:

Question #1: I am ready to travel again. What is trending in the industry?

Vacation travel is making a big comeback. Coming out of a year of restrictions, two-thirds of Americans are planning to travel this summer, and flight volumes are getting closer and closer to pre-pandemic levels across all US airports. Due to limitations in International travel, the trend that is proving to be true for 2021 is a surge of domestic and "staycation" travel. Another trend: Americans are vacationing longer, with a majority planning a week or more vacation, which makes sense due to the newfound flexibility of working remotely. This newfound flexibility can mean working vacations with extended stays at destinations, which perfectly fits the timeshare model. Most timeshares are a minimum of a week, most often two, and even more—an excellent option for those able to work from anywhere.

Question #2: I have been thinking about a timeshare purchase for a while. Is it a valuable product?

There is a reason why nearly ten million households in the US own some type of timeshare product. It is a valued investment for many because people enjoy them and the many benefits they offer. It is a vacation experience that may be less costly and less stressful than other vacation options. Specifically, owning a travel club membership means assurance that you and your family will have a high-quality, guaranteed, yearly vacation at a resort that you know and love. Many timeshare memberships also have residences all over the world for additional vacation options. Families enjoy the "home-like" amenities like upgraded and larger size accommodations, often with kitchenettes, washers and dryers, kids clubs, and more.

Question #3: What are my options for financing when considering a Timeshare or Travel Club Membership?

There are several financing options available. Choosing the right one depends on your unique scenario.

- **Sales Center Financing:** Frequently, the business selling these products will offer in-house financing options to alleviate some of the upfront costs, which ultimately can help them as well. This type of in-house financing is typically a convenient and attractive option for consumers. Options can range from zero interest to moderate interest rates below or in line with most credit cards. However, offering in-house programs does put additional costs and risks on the sales center, which is where our company comes in. Monterey Financial is often the partner behind developers that provide financing. Our clients rely on us to help underwrite the consumer, generate a compliant contract, service the receivable through the entire collection cycle, and often even purchase these contracts to alleviate the capital restraints associated with offering in-house financing.
- **Home Equity Loan:** This is an option if you have equity available and take out a second mortgage on your primary home. Home equity loans can be distributed in one lump sum and generally have lower interest rates than a personal loan. However, they are typically used for expenses or investments that will improve the resale of your primary residence, and very importantly, you risk losing your home if you default.

- **Credit Card:** A credit card may be a good option in certain circumstances - for example, if you apply for a new card with a 0 percent promotional rate for six to 18 months and can pay off the entire balance before the end of the promotional period. However, those options can be selective, and many people may not qualify, in which case it can be a good idea to consider alternative options provided by the timeshare or vacation club company you are purchasing from.
- **Unsecured Personal Loan:** This loan does not require collateral and is an option if you have a strong credit score but beware as these loans often include high-interest rates.

A travel product is a popular way to guarantee a quality vacation, year after year. Spending time to recharge with loved ones is always a good investment, and there are many financing options available for all types of consumers.

Visit [Monterey Financial Services](#) for more information on loan servicing and delinquent debt recovery, financing, investment opportunities, and more. With thirty years of service, you know you are in good hands with Monterey or all of your financial services needs. Contact us for inquiries [here](#) or call 1-800-456-2225.

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About Monterey Financial Services

Monterey's mission statement: To empower every business with the ability to optimize their sales growth and cash recovery. Monterey Financial Services has forged a reputation for unparalleled customer service, developing tailor-made capital solutions for businesses selling products and services to consumers. Solutions are built to fit clients' requirements, whether they bundle Monterey services together or use what appeals to their specific needs. With services such as consumer finance, rent-to-own financing, loan servicing, custodial services, and delinquent debt collections, clients have the opportunity to profit from consumer receivables of all credit classifications and all stages of the receivables life cycle. With industry-leading results, Monterey remains committed to combining the best technology with its talented staff to achieve a primary objective for its clients to optimize portfolio performance. For further information, please visit the company's website at www.montereyfinancial.com.