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No remittance, no ignition: Auto 'electronic repo' in action

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On a Gibbs family trip to Topeka, the littlest passenger wouldn't shut up. "Beep-beep-beep," recalled Michelle Gibbs, mimicking the palm-sized device installed by her used-car dealer under the dash of the Honda Accord. "Try driving back for two hours with three kids in the car and that sound: *Beep-beep-beep*."

"It's very annoying, but for the most part, it's the best thing to happen to us."

The beeping was a reminder that 24 hours remained before a car-loan payment had to be made — or else the vehicle would fail to start.

The Gibbsses made it home to Blue Springs, punched in a one-time emergency code provided by the dealer to keep the car operable and then drove to the dealership to deliver the delinquent payment.

In five years, said Michelle Gibbs, it was the one car payment she and her husband, Robert, let slip; the dreaded "disabler" has forced them to keep up. "I think it would be nice to do it for other products," she said.

Small used-car lots that finance their own sales are driving the practice for now, but it could become commonplace, say consumer groups. Increasingly, satellites and programmable timers are capable of shutting down a home's utilities, computer software, appliances and leased machinery if overdue bills aren't paid.

"Electronic repossession," it's called.

"Since you're seeing it done more regularly with cars, we may already be deep into the slippery slope," said John Van Alst, a lawyer with the National Consumer Law Center. "A lot of people couldn't get by without their cars."

With brand names On Time, PassTime and PayTeck, car disablers are wired to the ignition and typically provide motorists three or four days' warning, with flashing lights (green to amber to red) and quickening chirps as drop-dead payment dates near.

They will not shut down a moving car, manufacturers note, but will render starters silent the morning after the warning light turns red.

For devices that include global-positioning locators, the repo man can home in on where the vehicle sits stalled.

The disabler on Shirley Baucum's Ford Expedition enabled her to establish a credit history, said Baucum, a grocery cashier in North Kansas City: "I love it. I wish it were on everything — the refrigerator, the stove — to help people remember" when payments are due.



Tucked quietly under the dash of this Honda is a disabler device. Quiet, that is, until owners Robert and Michelle Gibbs near a car payment deadline.

Her payments to the Drive Now lot are due every two weeks, and Baucom said she hasn't missed one in the four months she's had the vehicle.

The slow economy has spurred installations, with the buyers' approval, to get used cars moving off lots, said Don Lavoie, chief executive officer of Sekurus Inc. It makes On Time disablers for 1,200 dealers nationwide.

"Of 40 million used cars sold in a year, 20 million will go to people who can't get prime credit," he said.

"There's less a sense of intrusion of Big Brother for people in their 30s or under. They know they've got to share to play, especially if their credit is weak. ... Cell-phone technology and the Internet have changed their behavioral patterns."

At Blue Springs Auto Credit, "for most the initial reaction is negative: *Oh my gosh, what is that?*" said general manager Roger Campbell. "But it becomes a simple reminder to make their payments. People want to make those payments on time. They just procrastinate."

He credited the disablers for helping to get a swelling population of credit risks behind the wheel in difficult times: "For 90 percent of the cars I sell, I wouldn't without these."

Consumer protection laws haven't yet caught up with the technology, said Rosemary Shahan of Consumers for Auto Reliability and Safety, a nonprofit advocacy group.

"This has the potential of getting way out of hand," raising liability questions in the event a stranded motorist is harmed or loses work hours to the disabler, she said.

"What if someone misplaced my monthly payment, or dealers don't live up to their end of the bargain and shut you down?" Shahan asked. "If you can't otherwise get a car, they already have you at a disadvantage."

Michelle Gibbs, 36, is still paying student debts she began incurring about 20 years ago. The house they own needs new siding. Her husband, a mechanic, has a job as safe as anyone's, but her home daycare business faces an icy patch ahead.

The couple have a plan: Hold on to their car until the loan is paid off, buy new, and maybe sell the Accord with disabler intact — to their daughter, now 13.

She'll not just learn to drive, her mother said. "She'll be learning responsibility for making car payments."



The disabler has led Robert and Michelle Gibbs to keep their payments current; they're actually fans of the device