

# Device puts dealers in driver's seat

Those with bad credit can lease cars, but engines shut off after missed payments.

By Deborah Yao  
Associated Press

**LIMERICK, Pa.** — Rashida Redd punched in a six-digit code in her Pontiac Grand Prix and got a new lease on life.

The 34-year-old Pottstown mother of five had to file for personal bankruptcy about a year ago in the face of mounting medical bills from her husband's open heart surgery. Despite her poor credit history, Redd was able to lease the 3-year-old car from Williams Pre-Owned of Limerick on the condition that it have a starter-interrupt device.

"At least I was able to save the house," she said.

The device, the size of a cigarette pack and mounted under the dashboard, flashes green if she has made a car payment on time.



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Rashida Redd types a code into the "starter-interrupt" device installed in her used auto. If she misses her \$94 weekly payment, the device will not let her car start.

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Starter-interrupt devices are becoming a popular way for lenders to ensure they get paid, and consumers seem willing to accept them to get into nicer cars, use a smaller down payment and qualify for a lower interest rate, according to device manufacturers.

Ken Shilson, managing partner at Shilson Goldberg Cheung & Associates

in Houston, an accounting firm that works with auto dealers who make use of the device, said the market for them is growing.

The major manufacturers of the device report double-digit increases in sales so far this year, compared with the same period a year ago. An estimated 1 million are in use today, he said.

Consumers with poor credit often are faced with interest rates of more than 20% — nearly triple the rate drivers with good credit can get, Shilson said. They also have to pay a down payment equal to 10% to 20% of the car's purchase price, while buyers with good credit can purchase a vehicle with little or no money down.

Redd's car is equipped with a device made by Payment Protection Systems Inc. of Temecula. It's one of three manufacturers that dominate the market — the others are PassTime in Littleton, Colo., and Pay Technologies of Cleveland, Ohio.

The companies make a variation of  
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