UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 000-20202

CREDIT ACCEPTANCE CORPORATION

(Exact name of registrant as specified in its charter)

Michigan	**38-1999511**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
25505 W. Twelve Mile Road **Southfield, Michigan**	**48034-8339**
(Address of principal executive offices)	(Zip Code)

(248) 353-2700
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading symbol(s)**	**Name of each exchange on which registered**
Common Stock, $.01 par value	CACC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares of Common Stock, $.01 par value, outstanding on October 25, 2022 was 12,924,711.

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PART I. - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Dollars in millions, except per share data)	As of	
	September 30, 2022	December 31, 2021
ASSETS:		
Cash and cash equivalents	$ 10.7	$ 23.3
Restricted cash and cash equivalents	384.7	410.9
Restricted securities available for sale	68.0	62.1
Loans receivable	9,186.4	9,349.8
Allowance for credit losses	(2,874.8)	(3,013.5)
Loans receivable, net	6,311.6	6,336.3
Property and equipment, net	52.4	57.3
Income taxes receivable	29.0	109.2
Other assets	36.0	51.8
Total Assets	$ 6,892.4	$ 7,050.9
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Liabilities:		
Accounts payable and accrued liabilities	$ 239.0	$ 175.0
Revolving secured line of credit	188.9	2.6
Secured financing	3,634.1	3,811.5
Senior notes	793.9	792.5
Mortgage note	9.0	9.7
Deferred income taxes, net	438.1	435.2
Income taxes payable	0.2	0.2
Total Liabilities	5,303.2	5,226.7
Commitments and Contingencies - See Note 15		
Shareholders' Equity:		
Preferred stock, $.01 par value, 1,000,000 shares authorized, none issued	—	—
Common stock, $.01 par value, 80,000,000 shares authorized, 12,924,711 and 14,145,888 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	0.1	0.1
Paid-in capital	235.8	197.2
Retained earnings	1,356.7	1,626.7
Accumulated other comprehensive income (loss)	(3.4)	0.2
Total Shareholders' Equity	1,589.2	1,824.2
Total Liabilities and Shareholders' Equity	$ 6,892.4	$ 7,050.9

See accompanying notes to consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(Dollars in millions, except per share data)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue:				
Finance charges	$ 420.6	$ 442.1	$ 1,270.3	$ 1,312.4
Premiums earned	16.4	15.4	45.6	45.6
Other income	23.3	12.6	57.5	34.8
Total revenue	460.3	470.1	1,373.4	1,392.8
Costs and expenses:				
Salaries and wages	66.9	63.2	196.7	150.9
General and administrative	16.6	16.9	67.8	79.9
Sales and marketing	19.7	16.3	57.9	48.4
Provision for credit losses	180.3	(8.3)	351.1	(17.5)
Interest	41.8	39.8	117.2	125.6
Provision for claims	12.9	10.0	34.0	29.3
Total costs and expenses	338.2	137.9	824.7	416.6
Income before provision for income taxes	122.1	332.2	548.7	976.2
Provision for income taxes	35.3	82.2	140.2	235.5
Net income	$ 86.8	$ 250.0	$ 408.5	$ 740.7
Net income per share:				
Basic	$ 6.53	$ 15.83	$ 29.90	$ 44.77
Diluted	$ 6.49	$ 15.79	$ 29.74	$ 44.73
Weighted average shares outstanding:				
Basic	13,293,224	15,795,963	13,662,178	16,543,326
Diluted	13,364,160	15,829,166	13,737,871	16,559,639

See accompanying notes to consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(In millions)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	$ 86.8	$ 250.0	$ 408.5	$ 740.7
Other comprehensive loss, net of tax:				
Unrealized loss on securities, net of tax	(1.2)	(0.2)	(3.6)	(0.9)
Other comprehensive loss	(1.2)	(0.2)	(3.6)	(0.9)
Comprehensive income	$ 85.6	$ 249.8	$ 404.9	$ 739.8

See accompanying notes to consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

(Dollars in millions)

	For the Three Months Ended September 30, 2022					
	Common Stock					
	Number	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, beginning of period	12,975,455	$ 0.1	$ 225.8	$ 1,296.4	$ (2.2)	$ 1,520.1
Net income	—	—	—	86.8	—	86.8
Other comprehensive loss	—	—	—	—	(1.2)	(1.2)
Stock-based compensation	—	—	8.7	—	—	8.7
Repurchase of common stock	(53,769)	—	—	(26.5)	—	(26.5)
Stock options exercised	3,025	—	1.3	—	—	1.3
Balance, end of period	12,924,711	$ 0.1	$ 235.8	$ 1,356.7	$ (3.4)	$ 1,589.2

(Dollars in millions)

	For the Three Months Ended September 30, 2021					
	Common Stock					
	Number	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, beginning of period	16,003,249	$ 0.2	$ 150.8	$ 2,241.1	$ 0.9	$ 2,393.0
Net income	—	—	—	250.0	—	250.0
Other comprehensive loss	—	—	—	—	(0.2)	(0.2)
Stock-based compensation	—	—	15.2	—	—	15.2
Restricted stock forfeitures	(26)	—	—	—	—	—
Repurchase of common stock	(1,286,246)	(0.1)	—	(704.1)	—	(704.2)
Balance, end of period	14,716,977	$ 0.1	$ 166.0	$ 1,787.0	$ 0.7	$ 1,953.8

(Dollars in millions)

	For the Nine Months Ended September 30, 2022					
	Common Stock					
	Number	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, beginning of period	14,145,888	$ 0.1	$ 197.2	$ 1,626.7	$ 0.2	$ 1,824.2
Net income	—	—	—	408.5	—	408.5
Other comprehensive loss	—	—	—	—	(3.6)	(3.6)
Stock-based compensation	—	—	26.9	—	—	26.9
Repurchase of common stock	(1,261,457)	—	(0.7)	(678.5)	—	(679.2)
Restricted stock units converted to common stock	3,980	—	—	—	—	—
Stock options exercised	36,300	—	12.4	—	—	12.4
Balance, end of period	12,924,711	$ 0.1	$ 235.8	$ 1,356.7	$ (3.4)	$ 1,589.2

(Dollars in millions)

	For the Nine Months Ended September 30, 2021					
	Common Stock					
	Number	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, beginning of period	17,092,432	$ 0.2	$ 161.9	$ 2,138.8	$ 1.6	$ 2,302.5
Net income	—	—	—	740.7	—	740.7
Other comprehensive loss	—	—	—	—	(0.9)	(0.9)
Stock-based compensation	—	—	5.4	—	—	5.4
Restricted stock forfeitures	(109,054)	—	—	—	—	—
Repurchase of common stock	(2,277,817)	(0.1)	(1.3)	(1,092.5)	—	(1,093.9)
Restricted stock units converted to common stock	11,416	—	—	—	—	—
Balance, end of period	14,716,977	$ 0.1	$ 166.0	$ 1,787.0	$ 0.7	$ 1,953.8

See accompanying notes to consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In millions)	For the Nine Months Ended September 30,	
	2022	2021
Cash Flows From Operating Activities:		
Net income	$ 408.5	$ 740.7
Adjustments to reconcile cash provided by operating activities:		
Provision for credit losses	351.1	(17.5)
Depreciation	6.8	7.2
Amortization	12.5	12.5
Provision/(Benefit) for deferred income taxes	3.8	(4.1)
Stock-based compensation	26.9	5.4
Other	0.1	(0.3)
Change in operating assets and liabilities:		
Increase in accounts payable and accrued liabilities	44.4	65.5
Decrease in income taxes receivable	80.2	122.0
Decrease in other assets	17.6	6.9
Net cash provided by operating activities	951.9	938.3
Cash Flows From Investing Activities:		
Purchases of restricted securities available for sale	(38.2)	(31.4)
Proceeds from sale of restricted securities available for sale	9.5	12.0
Maturities of restricted securities available for sale	17.9	16.9
Principal collected on Loans receivable	2,670.8	2,907.5
Advances to Dealers	(1,971.9)	(1,626.2)
Purchases of Consumer Loans	(851.4)	(905.3)
Accelerated payments of Dealer Holdback	(35.2)	(36.0)
Payments of Dealer Holdback	(138.7)	(117.2)
Purchases of property and equipment	(1.9)	(6.1)
Net cash provided by (used in) investing activities	(339.1)	214.2
Cash Flows From Financing Activities:		
Borrowings under revolving secured line of credit	5,867.3	1,066.4
Repayments under revolving secured line of credit	(5,681.0)	(1,090.1)
Proceeds from secured financing	847.8	1,379.8
Repayments of secured financing	(1,028.9)	(1,355.7)
Payments of debt issuance costs	(7.9)	(12.3)
Repurchase of common stock	(679.2)	(1,093.9)
Proceeds from stock options exercised	12.4	—
Other	17.9	(0.6)
Net cash used in financing activities	(651.6)	(1,106.4)
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	(38.8)	46.1
Cash and cash equivalents and restricted cash and cash equivalents beginning of period	434.2	396.2
Cash and cash equivalents and restricted cash and cash equivalents end of period	$ 395.4	$ 442.3
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for interest	$ 105.1	$ 115.9
Cash paid during the period for income taxes, net of refunds	$ 50.0	$ 112.3

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles" or "GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of actual results achieved for full fiscal years. The consolidated balance sheet as of December 31, 2021 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2021 for Credit Acceptance Corporation (the "Company", "Credit Acceptance", "we", "our" or "us").

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

We have evaluated events and transactions occurring subsequent to the consolidated balance sheet date of September 30, 2022 for items that could potentially be recognized or disclosed in these financial statements. We did not identify any items that would require disclosure in or adjustment to the consolidated financial statements.

2. DESCRIPTION OF BUSINESS

Since 1972, Credit Acceptance has offered financing programs that enable automobile dealers to sell vehicles to consumers, regardless of their credit history. Our financing programs are offered through a nationwide network of automobile dealers who benefit from sales of vehicles to consumers who otherwise could not obtain financing; from repeat and referral sales generated by these same customers; and from sales to customers responding to advertisements for our financing programs, but who actually end up qualifying for traditional financing.

Without our financing programs, consumers are often unable to purchase vehicles or they purchase unreliable ones. Further, as we report to the three national credit reporting agencies, an important ancillary benefit of our programs is that we provide consumers with an opportunity to improve their lives by improving their credit score and move on to more traditional sources of financing.

We refer to automobile dealers who participate in our programs and who share our commitment to changing consumers' lives as "Dealers". Upon enrollment in our financing programs, the Dealer enters into a Dealer servicing agreement with us that defines the legal relationship between Credit Acceptance and the Dealer. The Dealer servicing agreement assigns the responsibilities for administering, servicing, and collecting the amounts due on retail installment contracts (referred to as "Consumer Loans") from the Dealers to us. We are an indirect lender from a legal perspective, meaning the Consumer Loan is originated by the Dealer and assigned to us.

The vast majority of the Consumer Loans assigned to us are made to consumers with impaired or limited credit histories. The following table shows the percentage of Consumer Loans assigned to us with either FICO® scores below 650 or no FICO® scores:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Consumer Loan Assignment Volume	**2022**	**2021**	**2022**	**2021**
Percentage of total unit volume with either FICO® scores below 650 or no FICO® scores	84.2 %	88.9 %	85.6 %	92.4 %

In 2020, we began piloting an option that expanded our financing programs to consumers with higher credit ratings. In the fourth quarter of 2021, we made this option available to all Dealers. A portion of the reduction in the percentage of total unit volume with FICO® scores below 650 or no FICO® scores relates to Consumer Loans assigned under this option.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

We have two programs: the Portfolio Program and the Purchase Program. Under the Portfolio Program, we advance money to Dealers (referred to as a "Dealer Loan") in exchange for the right to service the underlying Consumer Loans. Under the Purchase Program, we buy the Consumer Loans from the Dealers (referred to as a "Purchased Loan") and keep all amounts collected from the consumer. Dealer Loans and Purchased Loans are collectively referred to as "Loans". The following table shows the percentage of Consumer Loans assigned to us as Dealer Loans and Purchased Loans for each of the last seven quarters:

	Unit Volume		Dollar Volume (1)	
Three Months Ended	Dealer Loans	Purchased Loans	Dealer Loans	Purchased Loans
March 31, 2021	65.4 %	34.6 %	62.7 %	37.3 %
June 30, 2021	66.9 %	33.1 %	64.0 %	36.0 %
September 30, 2021	69.9 %	30.1 %	66.8 %	33.2 %
December 31, 2021	71.8 %	28.2 %	68.0 %	32.0 %
March 31, 2022	72.7 %	27.3 %	68.6 %	31.4 %
June 30, 2022	74.0 %	26.0 %	70.4 %	29.6 %
September 30, 2022	74.3 %	25.7 %	70.5 %	29.5 %

(1) Represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program and one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program. Payments of Dealer Holdback (as defined below) and accelerated Dealer Holdback are not included.

Portfolio Program

As payment for the vehicle, the Dealer generally receives the following:

- a down payment from the consumer;
- a non-recourse cash payment ("advance") from us; and
- after the advance balance (cash advance and related Dealer Loan fees and costs) has been recovered by us, the cash from payments made on the Consumer Loan, net of certain collection costs and our servicing fee ("Dealer Holdback").

We record the amount advanced to the Dealer as a Dealer Loan, which is classified within Loans receivable in our consolidated balance sheets. Cash advanced to the Dealer is automatically assigned to the Dealer's open pool of advances. Dealers make an election as to how many Consumer Loans (either 50 or 100) will be assigned to an open pool before it is closed, and subsequent advances are assigned to a new pool. Unless we receive a request from the Dealer to keep a pool open, we automatically close each pool based on the Dealer's election. All advances within a Dealer's pool are secured by the future collections on the related Consumer Loans assigned to the pool. For Dealers with more than one pool, the pools are cross-collateralized so the performance of other pools is considered in determining eligibility for Dealer Holdback. We perfect our security interest with respect to the Dealer Loans by obtaining control or taking possession of the Consumer Loans, which list us as lien holder on the vehicle title.

The Dealer servicing agreement provides that collections received by us during a calendar month on Consumer Loans assigned by a Dealer are applied on a pool-by-pool basis as follows:

- first, to reimburse us for certain collection costs;
- second, to pay us our servicing fee, which generally equals 20% of collections;
- third, to reduce the aggregate advance balance and to pay any other amounts due from the Dealer to us; and
- fourth, to the Dealer as payment of Dealer Holdback.

If the collections on Consumer Loans from a Dealer's pool are not sufficient to repay the advance balance and any other amounts due to us, the Dealer will not receive Dealer Holdback. Certain events may also result in Dealers forfeiting their rights to Dealer Holdback, including becoming inactive before assigning 100 Consumer Loans.

Dealers have an opportunity to receive an accelerated Dealer Holdback payment each time a pool of Consumer Loans is closed. The amount paid to the Dealer is calculated using a formula that considers the number of Consumer Loans assigned to the pool and the related forecasted collections and advance balance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

Since typically the combination of the advance and the consumer's down payment provides the Dealer with a cash profit at the time of sale, the Dealer's risk in the Consumer Loan is limited. We cannot demand repayment of the advance from the Dealer except in the event the Dealer is in default of the Dealer servicing agreement. Advances are made only after the consumer and Dealer have signed a Consumer Loan contract, we have received the executed Consumer Loan contract and supporting documentation in either physical or electronic form, and we have approved all of the related stipulations for funding.

For accounting purposes, the transactions described under the Portfolio Program are not considered to be loans to consumers. Instead, our accounting reflects that of a lender to the Dealer. The classification as a Dealer Loan for accounting purposes is primarily a result of (1) the Dealer's financial interest in the Consumer Loan and (2) certain elements of our legal relationship with the Dealer.

Purchase Program

The Purchase Program differs from our Portfolio Program in that the Dealer receives a one-time payment from us at the time of assignment to purchase the Consumer Loan instead of a cash advance at the time of assignment and future Dealer Holdback payments. For accounting purposes, the transactions described under the Purchase Program are considered to be originated by the Dealer and then purchased by us.

Program Enrollment

Dealers may enroll in our Portfolio Program without incurring an enrollment fee. Access to the Purchase Program is typically only granted to Dealers that meet one of the following:

- assigned at least 50 Consumer Loans under the Portfolio Program;
- franchise dealership; or
- independent dealership that meets certain criteria upon enrollment.

Seasonality

Our business is seasonal with peak Consumer Loan assignments and collections occurring during the first quarter of the year. This seasonality has a material impact on our interim results, as we are required to recognize a significant provision for credit losses expense at the time of assignment. For additional information, see Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Segment Information

We currently operate in one reportable segment which represents our core business of offering financing programs that enable Dealers to sell vehicles to consumers, regardless of their credit history. The consolidated financial statements reflect the financial results of our one reportable operating segment.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of readily marketable securities with original maturities at the date of acquisition of three months or less. As of September 30, 2022 and December 31, 2021, we had $10.4 million and $22.9 million, respectively, in cash and cash equivalents that were not insured by the Federal Deposit Insurance Corporation ("FDIC").

Restricted cash and cash equivalents consist of cash pledged as collateral for secured financings and cash held in a trust for future vehicle service contract claims. As of September 30, 2022 and December 31, 2021, we had $381.2 million and $407.9 million, respectively, in restricted cash and cash equivalents that were not insured by the FDIC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported in our consolidated balance sheets to the total shown in our consolidated statements of cash flows:

(In millions)	As of			
	September 30, 2022	December 31, 2021	September 30, 2021	December 31, 2020
Cash and cash equivalents	$ 10.7	$ 23.3	$ 13.3	$ 16.0
Restricted cash and cash equivalents	384.7	410.9	429.0	380.2
Total cash and cash equivalents and restricted cash and cash equivalents	$ 395.4	$ 434.2	$ 442.3	$ 396.2

Restricted Securities Available for Sale

Restricted securities available for sale consist of amounts held in a trust for future vehicle service contract claims. We determine the appropriate classification of our investments in debt securities at the time of purchase and reevaluate such determinations at each balance sheet date. Debt securities for which we do not have the intent or ability to hold to maturity are classified as available for sale, and stated at fair value with unrealized gains and losses, net of income taxes included in the determination of comprehensive income and reported as a component of shareholders' equity.

Loans Receivable and Allowance for Credit Losses

Consumer Loan Assignment. For legal purposes, a Consumer Loan is considered to have been assigned to us after the following has occurred:

- the consumer and Dealer have signed a Consumer Loan contract; and
- we have received the executed Consumer Loan contract and supporting documentation in either physical or electronic form.

For accounting and financial reporting purposes, a Consumer Loan is considered to have been assigned to us after the following has occurred:

- the Consumer Loan has been legally assigned to us; and
- we have made a funding decision and generally have provided funding to the Dealer in the form of either an advance under the Portfolio Program or one-time purchase payment under the Purchase Program.

Portfolio Segments and Classes. Our Loan portfolio consists of two portfolio segments: Dealer Loans and Purchased Loans. Our determination is based on the following:

- We have two financing programs: the Portfolio Program and the Purchase Program. We are considered to be a lender to our Dealers for Consumer Loans assigned under the Portfolio Program and a purchaser of Consumer Loans assigned under the Purchase Program.
- The Portfolio Program and the Purchase Program have different levels of risk in relation to credit losses. Under the Portfolio Program, the impact of negative variances in Consumer Loan performance is mitigated by Dealer Holdback and the cross-collateralization of Consumer Loan assignments. Under the Purchase Program, we are impacted by the full amount of negative variances in Consumer Loan performance.
- Our business model is narrowly focused on Consumer Loan assignments from one industry with expected cash flows that are significantly lower than the contractual cash flows owed to us due to credit quality. We do not believe that it is meaningful to disaggregate our Loan portfolio beyond the Dealer Loans and Purchased Loans portfolio segments.

Each portfolio segment consists of one class of Consumer Loan assignments, which is Consumer Loans originated by Dealers to finance purchases of vehicles and related ancillary products by consumers with impaired or limited credit histories. Our determination is based on the following:

- All of the Consumer Loans assigned to us have similar risk characteristics in relation to the categorization of borrowers, type of financing receivable, industry sector and type of collateral.
- We only accept Consumer Loan assignments from Dealers located within the United States.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

Recognition and Measurement Policies. On January 1, 2020, we adopted Accounting Standards Update 2016-13, Measurement of Credit Losses on Financial Instruments, which is known as the current expected credit loss model, or CECL. Loans outstanding prior to the adoption date qualified for transition relief and are accounted for as purchased financial assets with credit deterioration ("PCD Method").

Under the PCD Method, for each reporting period subsequent to the adoption of CECL, we:

- recognize finance charge revenue using the effective interest rate that was calculated on the adoption date based on expected future net cash flows; and
- adjust the allowance for credit losses so that the net carrying amount of each Loan equals the present value of expected future net cash flows discounted at the effective interest rate. The adjustment to the allowance for credit losses is recognized as either provision for credit losses expense or a reversal of provision for credit losses expense.

Consumer Loans assigned to us on or subsequent to January 1, 2020 do not qualify for the PCD Method and are accounted for as originated financial assets ("Originated Method"). While the cash flows we expect to collect at the time of assignment are significantly lower than the contractual cash flows owed to us due to credit quality, our Loans do not qualify for the PCD Method because the assignment of the Consumer Loan to us occurs a moment after the Consumer Loan is originated by the Dealer, so "a more-than-insignificant deterioration in credit quality since origination" has not occurred at the time of assignment. In addition, Dealer Loans also do not qualify for the PCD Method because Consumer Loans assigned to us under the Portfolio Program are considered to be advances under Dealer Loans originated by us rather than Consumer Loans purchased by us.

Under the Originated Method, at the time of assignment, we:

- calculate the effective interest rate based on contractual future net cash flows;
- record a Loan receivable equal to the advance paid to the Dealer under the Portfolio Program or purchase price paid to the Dealer under the Purchase Program; and
- record an allowance for credit losses equal to the difference between the initial Loan receivable balance and the present value of expected future net cash flows discounted at the effective interest rate. The initial allowance for credit losses is recognized as provision for credit losses expense.

Under the Originated Method, for each reporting period subsequent to assignment, we:

- recognize finance charge revenue using the effective interest rate that was calculated at the time of assignment based on contractual future net cash flows; and
- adjust the allowance for credit losses so that the net carrying amount of each Loan equals the present value of expected future net cash flows discounted at the effective interest rate. The adjustment to the allowance for credit losses is recognized as either provision for credit losses expense or a reversal of provision for credit losses expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

Loans Receivable. Amounts advanced to Dealers for Consumer Loans assigned under the Portfolio Program are recorded as Dealer Loans and are aggregated by Dealer for purposes of recognizing revenue and measuring credit losses. Amounts paid to Dealers for Consumer Loans assigned under the Purchase Program are recorded as Purchased Loans and, for purposes of recognizing revenue and measuring credit losses, are:

- not aggregated, if assigned on or subsequent to January 1, 2020; or
- aggregated into pools based on the month of purchase, if assigned prior to January 1, 2020.

The outstanding balance of each Loan included in Loans receivable is comprised of the following:

- cash paid to the Dealer (or to third party ancillary product providers on the Dealer's behalf) for the Consumer Loan assignment (advance under the Portfolio Program or one-time purchase payment under the Purchase Program);
- finance charges;
- Dealer Holdback payments;
- accelerated Dealer Holdback payments;
- recoveries;
- transfers in;
- less: collections (net of certain collection costs);
- less: write-offs; and
- less: transfers out.

Under our Portfolio Program, certain events may result in Dealers forfeiting their rights to Dealer Holdback. We transfer the Dealer's outstanding Dealer Loan balance and the related allowance for credit losses balance to Purchased Loans in the period this forfeiture occurs. We aggregate these Purchased Loans by Dealer for purposes of recognizing revenue and measuring credit losses.

Allowance for Credit Losses. The outstanding balance of the allowance for credit losses of each Loan represents the amount required to reduce net carrying amount of Loans (Loans receivable less allowance for credit losses) to the present value of expected future net cash flows discounted at the effective interest rate. Expected future net cash flows for Dealer Loans are comprised of expected future collections on the assigned Consumer Loans, less any expected future Dealer Holdback payments. Expected future net cash flows for Purchased Loans are comprised of expected future collections on the assigned Consumer Loans.

Expected future collections are forecasted for each individual Consumer Loan based on the historical performance of Consumer Loans with similar characteristics, adjusted for recent trends in payment patterns and economic conditions. Our forecast of expected future collections includes estimates for prepayments and post-contractual-term cash flows. Unless the consumer is no longer contractually obligated to pay us, we forecast future collections on each Consumer Loan for a 120 month period after the origination date. Expected future Dealer Holdback payments are forecasted for each individual Dealer based on the expected future collections and current advance balance of each Dealer Loan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

We fully write off the outstanding balances of a Loan and the related allowance for credit losses once we are no longer forecasting any expected future net cash flows on the Loan. Under our partial write-off policy, we write off the amount of the outstanding balances of a Loan and the related allowance for credit losses, if any, that exceeds 200% of the present value of expected future net cash flows on the Loan, as we deem this amount to be uncollectable.

Credit Quality. The vast majority of the Consumer Loans assigned to us are made to individuals with impaired or limited credit histories. Consumer Loans made to these individuals generally entail a higher risk of delinquency, default and repossession and higher losses than loans made to consumers with better credit. Since most of our revenue and cash flows are generated from these Consumer Loans, our ability to accurately forecast Consumer Loan performance is critical to our business and financial results. At the time a Consumer Loan is submitted to us for assignment, we forecast future expected cash flows from the Consumer Loan. Based on these forecasts, an advance or one-time purchase payment is made to the related Dealer at a price designed to maximize our economic profit, a non-GAAP financial measure that considers our return on capital, our cost of capital and the amount of capital invested.

We monitor and evaluate the credit quality of Consumer Loans on a monthly basis by comparing our current forecasted collection rates to our initial expectations. We use a statistical model that considers a number of credit quality indicators to estimate the expected collection rate for each Consumer Loan at the time of assignment. The credit quality indicators considered in our model include attributes contained in the consumer's credit bureau report, data contained in the consumer's credit application, the structure of the proposed transaction, vehicle information and other factors. We continue to evaluate the expected collection rate of each Consumer Loan subsequent to assignment primarily through the monitoring of consumer payment behavior. Our evaluation becomes more accurate as the Consumer Loans age, as we use actual performance data in our forecast. Since all known, significant credit quality indicators have already been factored into our forecasts and pricing, we are not able to use any specific credit quality indicators to predict or explain variances in actual performance from our initial expectations. Any variances in performance from our initial expectations are the result of Consumer Loans performing differently from historical Consumer Loans with similar characteristics. We periodically adjust our statistical pricing model for new trends that we identify through our evaluation of these forecasted collection rate variances.

When overall forecasted collection rates underperform our initial expectations, the decline in forecasted collections has a more adverse impact on the profitability of the Purchased Loans than on the profitability of the Dealer Loans. For Purchased Loans, the decline in forecasted collections is absorbed entirely by us. For Dealer Loans, the decline in the forecasted collections is substantially offset by a decline in forecasted payments of Dealer Holdback.

Methodology Changes. During the first quarter of 2022, we removed the COVID forecast adjustment from our estimate of future net cash flows and enhanced our methodology for forecasting the amount and timing of future net cash flows from our Loan portfolio through the utilization of more recent data and new forecast variables. For additional information, see Note 6. For the three and nine months ended September 30, 2022 and 2021, we did not make any other methodology changes for Loans that had a material impact on our financial statements.

Finance Charges

Sources of Revenue. Finance charges is comprised of: (1) interest income earned on Loans; (2) administrative fees earned from ancillary products; (3) program fees charged to Dealers under the Portfolio Program; (4) Consumer Loan assignment fees charged to Dealers; and (5) direct origination costs incurred on Dealer Loans.

We provide Dealers the ability to offer vehicle service contracts to consumers through our relationships with Third Party Providers ("TPPs"). A vehicle service contract provides the consumer protection by paying for the repair or replacement of certain components of the vehicle in the event of a mechanical failure. The retail price of the vehicle service contract is included in the principal balance of the Consumer Loan. The wholesale cost of the vehicle service contract is paid to the TPP, net of an administrative fee retained by us. The difference between the wholesale cost and the retail price to the consumer is paid to the Dealer as a commission. Under the Portfolio Program, the wholesale cost of the vehicle service contract and the commission paid to the Dealer are charged to the Dealer's advance balance. TPPs process claims on vehicle service contracts that are underwritten by third party insurers. We bear the risk of loss for claims on certain vehicle service contracts that are reinsured by us. We market the vehicle service contracts directly to our Dealers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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We provide Dealers the ability to offer Guaranteed Asset Protection ("GAP") to consumers through our relationships with TPPs. GAP provides the consumer protection by paying the difference between the loan balance and the amount covered by the consumer's insurance policy in the event of a total loss of the vehicle due to severe damage or theft. The retail price of GAP is included in the principal balance of the Consumer Loan. The wholesale cost of GAP is paid to the TPP, net of an administrative fee retained by us. The difference between the wholesale cost and the retail price to the consumer is paid to the Dealer as a commission. Under the Portfolio Program, the wholesale cost of GAP and the commission paid to the Dealer are charged to the Dealer's advance balance. TPPs process claims on GAP contracts that are underwritten by third party insurers.

Program fees represent monthly fees charged to Dealers for access to our Credit Approval Processing System ("CAPS"); administration, servicing and collection services offered by us; documentation related to or affecting our program; and all tangible and intangible property owned by Credit Acceptance. We charge a monthly fee of $599 to Dealers participating in our Portfolio Program and we collect it from future Dealer Holdback payments.

Recognition Policy. We recognize finance charges under the interest method such that revenue is recognized on a level-yield basis over the life of the Loan. We calculate finance charges on a monthly basis by applying the effective interest rate of the Loan to the net carrying amount of the Loan (Loan receivable less the related allowance for credit losses). For Consumer Loans assigned on or subsequent to January 1, 2020, the effective interest rate is based on contractual future net cash flows. For Consumer Loans assigned prior to January 1, 2020, the effective interest rate was determined based on expected future net cash flows.

We report the change in the present value of credit losses attributable to the passage of time as a reduction to finance charges. Accordingly, we allocate finance charges recognized on each Loan between the Loan receivable and the related allowance for credit losses. The amount of finance charges allocated to the Loan receivable is equal to the effective interest rate applied to the Loans receivable balance. The reduction of finance charges allocated to the allowance for credit losses is equal to the effective interest rate applied to the allowance for credit losses balance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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Reinsurance

VSC Re Company ("VSC Re"), our wholly owned subsidiary, is engaged in the business of reinsuring coverage under vehicle service contracts sold to consumers by Dealers on vehicles financed by us. VSC Re currently reinsures vehicle service contracts that are offered through one of our third party providers. Vehicle service contract premiums, which represent the selling price of the vehicle service contract to the consumer, less fees and certain administrative costs, are contributed to a trust account controlled by VSC Re. These premiums are used to fund claims covered under the vehicle service contracts. VSC Re is a bankruptcy remote entity. As such, our exposure to fund claims is limited to the trust assets controlled by VSC Re and our net investment in VSC Re.

Premiums from the reinsurance of vehicle service contracts are recognized over the life of the policy in proportion to expected costs of servicing those contracts. Expected costs are determined based on our historical claims experience. Claims are expensed through a provision for claims in the period the claim was incurred. Capitalized acquisition costs are comprised of premium taxes and are amortized as general and administrative expense over the life of the contracts in proportion to premiums earned.

We have consolidated the trust within our financial statements based on our determination of the following:

- *We have a variable interest in the trust.* We have a residual interest in the assets of the trust, which is variable in nature, given that it increases or decreases based upon the actual loss experience of the related service contracts. In addition, VSC Re is required to absorb any losses in excess of the trust's assets.
- *The trust is a variable interest entity.* The trust has insufficient equity at risk as no parties to the trust were required to contribute assets that provide them with any ownership interest.
- *We are the primary beneficiary of the trust.* We control the amount of premiums written and placed in the trust through Consumer Loan assignments under our Programs, which is the activity that most significantly impacts the economic performance of the trust. We have the right to receive benefits from the trust that could potentially be significant. In addition, VSC Re has the obligation to absorb losses of the trust that could potentially be significant.

New Accounting Update Not Yet Adopted

Troubled Debt Restructurings and Vintage Disclosures. In March 2022, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2022-02, which intends to improve the usefulness of information provided to investors about certain loan refinancings, restructurings, and write-offs. ASU 2022-02 is effective for fiscal years, and interim periods, beginning after December 15, 2022. Early application is permitted, but we have not yet adopted ASU 2022-02. We are currently assessing the impact the adoption of ASU 2022-02 will have on our consolidated financial statements and related disclosures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate their value.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents. The carrying amounts approximate their fair value due to the short maturity of these instruments.

Restricted Securities Available for Sale. The fair value of U.S. Government and agency securities and corporate bonds is based on quoted market values in active markets. For asset-backed securities, mortgage-backed securities and commercial paper we use model-based valuation techniques for which all significant assumptions are observable in the market.

Loans Receivable, net. The fair value is determined by calculating the present value of expected future net cash flows estimated by us by utilizing the discount rate used to calculate the value of our Loans under our non-GAAP floating yield methodology.

Revolving Secured Line of Credit. The fair value is determined by calculating the present value of the debt instrument based on current rates for debt with a similar risk profile and maturity.

Secured Financing. The fair value of our asset-backed secured financings ("Term ABS") is determined using quoted market prices; however, these instruments trade in a market with a low trading volume. For our warehouse facilities, the fair values are determined by calculating the present value of each debt instrument based on current rates for debt with similar risk profiles and maturities.

Senior Notes. The fair value is determined using quoted market prices in an active market.

Mortgage Note. The fair value is determined by calculating the present value of the debt instrument based on current rates for debt with a similar risk profile and maturity.

A comparison of the carrying amount and estimated fair value of these financial instruments is as follows:

(In millions)	As of September 30, 2022		As of December 31, 2021	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Cash and cash equivalents	$ 10.7	$ 10.7	$ 23.3	$ 23.3
Restricted cash and cash equivalents	384.7	384.7	410.9	410.9
Restricted securities available for sale	68.0	68.0	62.1	62.1
Loans receivable, net	6,311.6	6,741.5	6,336.3	6,580.4
Liabilities				
Revolving secured line of credit	$ 188.9	$ 188.9	$ 2.6	$ 2.6
Secured financing	3,634.1	3,509.5	3,811.5	3,832.1
Senior notes	793.9	745.0	792.5	825.8
Mortgage note	9.0	9.0	9.7	9.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. We group assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Valuation is based upon quoted prices for identical instruments traded in active markets.
Level 2	Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
Level 3	Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates or assumptions that market participants would use in pricing the asset or liability.

The following table provides the level of measurement used to determine the fair value for each of our financial instruments measured or disclosed at fair value:

(In millions)	As of September 30, 2022			
	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Cash and cash equivalents (1)	$ 10.7	$ —	$ —	$ 10.7
Restricted cash and cash equivalents (1)	384.7	—	—	384.7
Restricted securities available for sale (2)	53.2	14.8	—	68.0
Loans receivable, net (1)	—	—	6,741.5	6,741.5
Liabilities				
Revolving secured line of credit (1)	$ —	$ 188.9	$ —	$ 188.9
Secured financing (1)	—	3,509.5	—	3,509.5
Senior notes (1)	745.0	—	—	745.0
Mortgage note (1)	—	9.0	—	9.0

(In millions)	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Cash and cash equivalents (1)	$ 23.3	$ —	$ —	$ 23.3
Restricted cash and cash equivalents (1)	410.9	—	—	410.9
Restricted securities available for sale (2)	49.0	13.1	—	62.1
Loans receivable, net (1)	—	—	6,580.4	6,580.4
Liabilities				
Revolving secured line of credit (1)	$ —	$ 2.6	$ —	$ 2.6
Secured financing (1)	—	3,832.1	—	3,832.1
Senior notes (1)	825.8	—	—	825.8
Mortgage note (1)	—	9.7	—	9.7

(1) Measured at amortized cost with fair value disclosed.
(2) Measured at fair value on a recurring basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

5. RESTRICTED SECURITIES AVAILABLE FOR SALE

Restricted securities available for sale consist of the following:

(In millions)	As of September 30, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Corporate bonds	$ 30.0	$ —	$ (2.2)	$ 27.8
U.S. Government and agency securities	27.2	—	(1.8)	25.4
Asset-backed securities	13.1	—	(0.4)	12.7
Commercial paper	1.8	—	—	1.8
Mortgage-backed securities	0.3	—	—	0.3
Total restricted securities available for sale	$ 72.4	$ —	$ (4.4)	$ 68.0

(In millions)	As of December 31, 2021			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Corporate bonds	$ 27.3	$ 0.3	$ (0.2)	$ 27.4
U.S. Government and agency securities	21.5	0.2	(0.1)	21.6
Asset-backed securities	12.9	—	(0.1)	12.8
Mortgage-backed securities	0.3	—	—	0.3
Total restricted securities available for sale	$ 62.0	$ 0.5	$ (0.4)	$ 62.1

The fair value and gross unrealized losses for restricted securities available for sale, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows:

(In millions)	Securities Available for Sale with Gross Unrealized Losses as of September 30, 2022					
	Less than 12 Months		12 Months or More			
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Total Estimated Fair Value	Total Gross Unrealized Losses
Corporate bonds	$ 23.5	$ (1.6)	$ 4.3	$ (0.6)	$ 27.8	$ (2.2)
U.S. Government and agency securities	25.4	(1.8)	—	—	25.4	(1.8)
Asset-backed securities	11.6	(0.3)	1.1	(0.1)	12.7	(0.4)
Mortgage-backed securities	0.3	—	—	—	0.3	—
Total restricted securities available for sale	$ 60.8	$ (3.7)	$ 5.4	$ (0.7)	$ 66.2	$ (4.4)

(In millions)	Securities Available for Sale with Gross Unrealized Losses as of December 31, 2021					
	Less than 12 Months		12 Months or More			
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Total Estimated Fair Value	Total Gross Unrealized Losses
Corporate bonds	$ 15.0	$ (0.2)	$ 1.3	$ —	$ 16.3	$ (0.2)
U.S. Government and agency securities	10.1	(0.1)	—	—	10.1	(0.1)
Asset-backed securities	8.4	(0.1)	—	—	8.4	(0.1)
Mortgage-backed securities	—	—	—	—	—	—
Total restricted securities available for sale	$ 33.5	$ (0.4)	$ 1.3	$ —	$ 34.8	$ (0.4)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

The cost and estimated fair values of debt securities by contractual maturity were as follows (securities with multiple maturity dates are classified in the period of final maturity). Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

(In millions)	As of			
	September 30, 2022		December 31, 2021	
Contractual Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within one year	$ 5.3	$ 5.2	$ 2.9	$ 3.0
Over one year to five years	60.5	56.6	56.9	57.0
Over five years to ten years	6.5	6.1	2.1	2.0
Over ten years	0.1	0.1	0.1	0.1
Total restricted securities available for sale	$ 72.4	$ 68.0	$ 62.0	$ 62.1

6. LOANS RECEIVABLE

Loans receivable and allowance for credit losses consist of the following:

(In millions)	As of September 30, 2022		
	Dealer Loans	Purchased Loans	Total
Loans receivable	$ 5,978.2	$ 3,208.2	$ 9,186.4
Allowance for credit losses	(1,932.7)	(942.1)	(2,874.8)
Loans receivable, net	$ 4,045.5	$ 2,266.1	$ 6,311.6

(In millions)	As of December 31, 2021		
	Dealer Loans	Purchased Loans	Total
Loans receivable	$ 5,655.1	$ 3,694.7	$ 9,349.8
Allowance for credit losses	(1,767.8)	(1,245.7)	(3,013.5)
Loans receivable, net	$ 3,887.3	$ 2,449.0	$ 6,336.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

A summary of changes in Loans receivable and allowance for credit losses is as follows:

(In millions)	For the Three Months Ended September 30, 2022								
	Loans Receivable			Allowance for Credit Losses			Loans Receivable, Net		
	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,832.9	$ 3,357.7	$ 9,190.6	$ (1,844.8)	$ (1,022.1)	$ (2,866.9)	$ 3,988.1	$ 2,335.6	$ 6,323.7
Finance charges	351.6	244.5	596.1	(112.3)	(63.2)	(175.5)	239.3	181.3	420.6
Provision for credit losses	—	—	—	(95.2)	(85.1)	(180.3)	(95.2)	(85.1)	(180.3)
New Consumer Loan assignments (1)	651.9	273.0	924.9	—	—	—	651.9	273.0	924.9
Collections (2)	(789.2)	(448.9)	(1,238.1)	—	—	—	(789.2)	(448.9)	(1,238.1)
Accelerated Dealer Holdback payments	10.3	—	10.3	—	—	—	10.3	—	10.3
Dealer Holdback payments	48.3	—	48.3	—	—	—	48.3	—	48.3
Transfers (3)	(13.8)	13.8	—	3.6	(3.6)	—	(10.2)	10.2	—
Write-offs	(116.1)	(232.7)	(348.8)	116.1	232.7	348.8	—	—	—
Recoveries (4)	0.1	0.8	0.9	(0.1)	(0.8)	(0.9)	—	—	—
Deferral of Loan origination costs	2.2	—	2.2	—	—	—	2.2	—	2.2
Balance, end of period	$ 5,978.2	$ 3,208.2	$ 9,186.4	$ (1,932.7)	$ (942.1)	$ (2,874.8)	$ 4,045.5	$ 2,266.1	$ 6,311.6

(In millions)	For the Three Months Ended September 30, 2021								
	Loans Receivable			Allowance for Credit Losses			Loans Receivable, Net		
	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,869.3	$ 4,097.2	$ 9,966.5	$ (1,733.4)	$ (1,465.0)	$ (3,198.4)	$ 4,135.9	$ 2,632.2	$ 6,768.1
Finance charges	347.5	283.2	630.7	(103.9)	(84.7)	(188.6)	243.6	198.5	442.1
Provision for credit losses	—	—	—	9.5	(1.2)	8.3	9.5	(1.2)	8.3
New Consumer Loan assignments (1)	467.5	232.5	700.0	—	—	—	467.5	232.5	700.0
Collections (2)	(860.7)	(524.6)	(1,385.3)	—	—	—	(860.7)	(524.6)	(1,385.3)
Accelerated Dealer Holdback payments	9.4	—	9.4	—	—	—	9.4	—	9.4
Dealer Holdback payments	37.8	—	37.8	—	—	—	37.8	—	37.8
Transfers (3)	(20.8)	20.8	—	6.2	(6.2)	—	(14.6)	14.6	—
Write-offs	(75.7)	(200.6)	(276.3)	75.7	200.6	276.3	—	—	—
Recoveries (4)	0.1	0.7	0.8	(0.1)	(0.7)	(0.8)	—	—	—
Deferral of Loan origination costs	2.2	—	2.2	—	—	—	2.2	—	2.2
Balance, end of period	$ 5,776.6	$ 3,909.2	$ 9,685.8	$ (1,746.0)	$ (1,357.2)	$ (3,103.2)	$ 4,030.6	$ 2,552.0	$ 6,582.6

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(In millions)	For the Nine Months Ended September 30, 2022								
	Loans Receivable			Allowance for Credit Losses			Loans Receivable, Net		
	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,655.1	$ 3,694.7	$ 9,349.8	$ (1,767.8)	$ (1,245.7)	$ (3,013.5)	$ 3,887.3	$ 2,449.0	$ 6,336.3
Finance charges	1,030.9	764.3	1,795.2	(324.3)	(200.6)	(524.9)	706.6	563.7	1,270.3
Provision for credit losses	—	—	—	(170.0)	(181.1)	(351.1)	(170.0)	(181.1)	(351.1)
New Consumer Loan assignments (1)	1,971.9	851.4	2,823.3	—	—	—	1,971.9	851.4	2,823.3
Collections (2)	(2,488.0)	(1,459.7)	(3,947.7)	—	—	—	(2,488.0)	(1,459.7)	(3,947.7)
Accelerated Dealer Holdback payments	35.2	—	35.2	—	—	—	35.2	—	35.2
Dealer Holdback payments	138.7	—	138.7	—	—	—	138.7	—	138.7
Transfers (3)	(57.0)	57.0	—	14.2	(14.2)	—	(42.8)	42.8	—
Write-offs	(315.8)	(701.8)	(1,017.6)	315.8	701.8	1,017.6	—	—	—
Recoveries (4)	0.6	2.3	2.9	(0.6)	(2.3)	(2.9)	—	—	—
Deferral of Loan origination costs	6.6	—	6.6	—	—	—	6.6	—	6.6
Balance, end of period	$ 5,978.2	$ 3,208.2	$ 9,186.4	$ (1,932.7)	$ (942.1)	$ (2,874.8)	$ 4,045.5	$ 2,266.1	$ 6,311.6

(In millions)	For the Nine Months Ended September 30, 2021								
	Loans Receivable			Allowance for Credit Losses			Loans Receivable, Net		
	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,869.6	$ 4,255.2	$ 10,124.8	$ (1,702.1)	$ (1,634.8)	$ (3,336.9)	$ 4,167.5	$ 2,620.4	$ 6,787.9
Finance charges	1,043.4	844.8	1,888.2	(308.7)	(267.1)	(575.8)	734.7	577.7	1,312.4
Provision for credit losses	—	—	—	36.8	(19.3)	17.5	36.8	(19.3)	17.5
New Consumer Loan assignments (1)	1,626.2	905.3	2,531.5	—	—	—	1,626.2	905.3	2,531.5
Collections (2)	(2,633.9)	(1,592.5)	(4,226.4)	—	—	—	(2,633.9)	(1,592.5)	(4,226.4)
Accelerated Dealer Holdback payments	36.0	—	36.0	—	—	—	36.0	—	36.0
Dealer Holdback payments	117.2	—	117.2	—	—	—	117.2	—	117.2
Transfers (3)	(87.7)	87.7	—	27.3	(27.3)	—	(60.4)	60.4	—
Write-offs	(201.9)	(593.2)	(795.1)	201.9	593.2	795.1	—	—	—
Recoveries (4)	1.2	1.9	3.1	(1.2)	(1.9)	(3.1)	—	—	—
Deferral of Loan origination costs	6.5	—	6.5	—	—	—	6.5	—	6.5
Balance, end of period	$ 5,776.6	$ 3,909.2	$ 9,685.8	$ (1,746.0)	$ (1,357.2)	$ (3,103.2)	$ 4,030.6	$ 2,552.0	$ 6,582.6

(1) The Dealer Loans amount represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program. The Purchased Loans amount represents one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program.
(2) Represents repayments that we collected on Consumer Loans assigned under our programs.
(3) Under our Portfolio Program, certain events may result in Dealers forfeiting their rights to Dealer Holdback. We transfer the Dealer's outstanding Dealer Loan balance and related allowance for credit losses balance to Purchased Loans in the period this forfeiture occurs.
(4) The Dealer Loans amount represents net cash flows received (collections less any related Dealer Holdback payments) on Dealer Loans that were previously written off in full. The Purchased Loans amount represents collections received on Purchased Loans that were previously written off in full.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

We recognize provision for credit losses on new Consumer Loan assignments for contractual net cash flows that were not expected to be realized at the time of assignment. We also recognize provision for credit losses on forecast changes in the amount and timing of expected future net cash flows subsequent to assignment. The following table summarizes the provision for credit losses for each of these components:

(In millions)	For the Three Months Ended September 30, 2022		
Provision for Credit Losses	**Dealer Loans**	**Purchased Loans**	**Total**
New Consumer Loan assignments	$ 37.6	$ 45.8	$ 83.4
Forecast changes	57.6	39.3	96.9
Total	$ 95.2	$ 85.1	$ 180.3

(In millions)	For the Three Months Ended September 30, 2021		
Provision for Credit Losses	**Dealer Loans**	**Purchased Loans**	**Total**
New Consumer Loan assignments	$ 32.0	$ 43.5	$ 75.5
Forecast changes	(41.5)	(42.3)	(83.8)
Total	$ (9.5)	$ 1.2	$ (8.3)

(In millions)	For the Nine Months Ended September 30, 2022		
Provision for Credit Losses	**Dealer Loans**	**Purchased Loans**	**Total**
New Consumer Loan assignments	$ 130.7	$ 152.8	$ 283.5
Forecast changes	39.3	28.3	67.6
Total	$ 170.0	$ 181.1	$ 351.1

(In millions)	For the Nine Months Ended September 30, 2021		
Provision for Credit Losses	**Dealer Loans**	**Purchased Loans**	**Total**
New Consumer Loan assignments	$ 123.2	$ 175.7	$ 298.9
Forecast changes	(160.0)	(156.4)	(316.4)
Total	$ (36.8)	$ 19.3	$ (17.5)

The net Loan income (finance charge revenue less provision for credit losses expense) that we will recognize over the life of a Loan equals the cash we collect from the underlying Consumer Loan less the cash we pay to the Dealer. Under CECL, we are required to recognize a significant provision for credit losses expense at the time of assignment for contractual net cash flows we never expect to realize and to recognize in subsequent periods finance charge revenue that is significantly in excess of our expected yields. Additional information related to new Consumer Loan assignments is as follows:

(In millions)	For the Three Months Ended September 30, 2022		
New Consumer Loan Assignments	**Dealer Loans**	**Purchased Loans**	**Total**
Contractual net cash flows at the time of assignment (1)	$ 998.1	$ 548.2	$ 1,546.3
Expected net cash flows at the time of assignment (2)	905.6	374.2	1,279.8
Loans receivable at the time of assignment (3)	651.9	273.0	924.9
Provision for credit losses expense at the time of assignment	$ (37.6)	$ (45.8)	$ (83.4)
Expected future finance charges at the time of assignment (4)	291.3	147.0	438.3
Expected net Loan income at the time of assignment (5)	$ 253.7	$ 101.2	$ 354.9

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

(In millions)	For the Three Months Ended September 30, 2021		
New Consumer Loan Assignments	**Dealer Loans**	**Purchased Loans**	**Total**
Contractual net cash flows at the time of assignment (1)	$ 718.5	$ 479.8	$ 1,198.3
Expected net cash flows at the time of assignment (2)	647.6	323.2	970.8
Loans receivable at the time of assignment (3)	467.5	232.5	700.0
Provision for credit losses expense at the time of assignment	$ (32.0)	$ (43.5)	$ (75.5)
Expected future finance charges at the time of assignment (4)	212.1	134.2	346.3
Expected net Loan income at the time of assignment (5)	$ 180.1	$ 90.7	$ 270.8

(In millions)	For the Nine Months Ended September 30, 2022		
New Consumer Loan Assignments	**Dealer Loans**	**Purchased Loans**	**Total**
Contractual net cash flows at the time of assignment (1)	$ 3,015.3	$ 1,698.3	$ 4,713.6
Expected net cash flows at the time of assignment (2)	2,736.4	1,158.9	3,895.3
Loans receivable at the time of assignment (3)	1,971.9	851.4	2,823.3
Provision for credit losses expense at the time of assignment	$ (130.7)	$ (152.8)	$ (283.5)
Expected future finance charges at the time of assignment (4)	895.2	460.3	1,355.5
Expected net Loan income at the time of assignment (5)	$ 764.5	$ 307.5	$ 1,072.0

(In millions)	For the Nine Months Ended September 30, 2021		
New Consumer Loan Assignments	**Dealer Loans**	**Purchased Loans**	**Total**
Contractual net cash flows at the time of assignment (1)	$ 2,538.8	$ 1,919.0	$ 4,457.8
Expected net cash flows at the time of assignment (2)	2,283.6	1,272.6	3,556.2
Loans receivable at the time of assignment (3)	1,626.2	905.3	2,531.5
Provision for credit losses expense at the time of assignment	$ (123.2)	$ (175.7)	$ (298.9)
Expected future finance charges at the time of assignment (4)	780.6	543.0	1,323.6
Expected net Loan income at the time of assignment (5)	$ 657.4	$ 367.3	$ 1,024.7

(1) The Dealer Loans amount represents repayments that we were contractually owed at the time of assignment on Consumer Loans assigned under our Portfolio Program, less the related Dealer Holdback payments that we would be required to make if we collected all of the contractual repayments. The Purchased Loans amount represents repayments that we were contractually owed at the time of assignment on Consumer Loans assigned under our Purchase Program.

(2) The Dealer Loans amount represents repayments that we expected to collect at the time of assignment on Consumer Loans assigned under our Portfolio Program, less the related Dealer Holdback payments that we expected to make. The Purchased Loans amount represents repayments that we expected to collect at the time of assignment on Consumer Loans assigned under our Purchase Program. The Loan amounts also represent the fair value at the time of assignment.

(3) The Dealer Loans amount represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program. The Purchased Loans amount represents one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program.

(4) Represents revenue that is expected to be recognized on a level-yield basis over the lives of the Loans.

(5) Represents the amount that expected net cash flows at the time of assignment (2) exceed Loans receivable at the time of assignment (3).

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(UNAUDITED)

A summary of changes in expected future net cash flows is as follows:

(In millions) Expected Future Net Cash Flows	For the Three Months Ended September 30, 2022		
	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,468.6	$ 3,573.6	$ 9,042.2
New Consumer Loan assignments (1)	905.6	374.2	1,279.8
Realized net cash flows (2)	(730.6)	(448.9)	(1,179.5)
Forecast changes	(37.3)	(48.1)	(85.4)
Transfers (3)	(15.2)	16.9	1.7
Balance, end of period	$ 5,591.1	$ 3,467.7	$ 9,058.8

(In millions) Expected Future Net Cash Flows	For the Three Months Ended September 30, 2021		
	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,626.5	$ 3,984.7	$ 9,611.2
New Consumer Loan assignments (1)	647.6	323.2	970.8
Realized net cash flows (2)	(813.5)	(524.6)	(1,338.1)
Forecast changes	20.3	62.0	82.3
Transfers (3)	(21.5)	23.5	2.0
Balance, end of period	$ 5,459.4	$ 3,868.8	$ 9,328.2

(In millions) Expected Future Net Cash Flows	For the Nine Months Ended September 30, 2022		
	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,249.7	$ 3,698.6	$ 8,948.3
New Consumer Loan assignments (1)	2,736.4	1,158.9	3,895.3
Realized net cash flows (2)	(2,314.1)	(1,459.7)	(3,773.8)
Forecast changes	(17.4)	(1.2)	(18.6)
Transfers (3)	(63.5)	71.1	7.6
Balance, end of period	$ 5,591.1	$ 3,467.7	$ 9,058.8

(In millions) Expected Future Net Cash Flows	For the Nine Months Ended September 30, 2021		
	Dealer Loans	Purchased Loans	Total
Balance, beginning of period	$ 5,664.3	$ 3,880.1	$ 9,544.4
New Consumer Loan assignments (1)	2,283.6	1,272.6	3,556.2
Realized net cash flows (2)	(2,480.7)	(1,592.5)	(4,073.2)
Forecast changes	79.9	214.3	294.2
Transfers (3)	(87.7)	94.3	6.6
Balance, end of period	$ 5,459.4	$ 3,868.8	$ 9,328.2

(1) The Dealer Loans amount represents repayments that we expected to collect at the time of assignment on Consumer Loans assigned under our Portfolio Program, less the related Dealer Holdback payments that we expected to make. The Purchased Loans amount represents repayments that we expected to collect at the time of assignment on Consumer Loans assigned under our Purchase Program.

(2) The Dealer Loans amount represents repayments that we collected on Consumer Loans assigned under our Portfolio Program, less the Dealer Holdback and Accelerated Dealer Holdback payments that we made. Purchased Loans amount represents repayments that we collected on Consumer Loans assigned under our Purchase Program.

(3) Under our Portfolio Program, certain events may result in Dealers forfeiting their rights to Dealer Holdback. We transfer the Dealer's outstanding Dealer Loan balance, related allowance for credit losses balance and related expected future net cash flows to Purchased Loans in the period this forfeiture occurs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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Credit Quality

We monitor and evaluate the credit quality of Consumer Loans assigned under our Portfolio and Purchase Programs on a monthly basis by comparing our current forecasted collection rates to our prior forecasted collection rates and our initial expectations. For additional information regarding credit quality, see Note 3.

The following table compares our forecast of Consumer Loan collection rates as of September 30, 2022 with the forecasts as of June 30, 2022, as of December 31, 2021 and at the time of assignment, segmented by year of assignment:

	Total Loans						
	Forecasted Collection Percentage as of (1)				Current Forecast Variance from		
Consumer Loan Assignment Year	September 30, 2022	June 30, 2022	December 31, 2021	Initial Forecast	June 30, 2022	December 31, 2021	Initial Forecast
2013	73.4 %	73.4 %	73.4 %	72.0 %	0.0 %	0.0 %	1.4 %
2014	71.7 %	71.7 %	71.5 %	71.8 %	0.0 %	0.2 %	-0.1 %
2015	65.2 %	65.2 %	65.1 %	67.7 %	0.0 %	0.1 %	-2.5 %
2016	63.8 %	63.8 %	63.6 %	65.4 %	0.0 %	0.2 %	-1.6 %
2017	64.6 %	64.6 %	64.4 %	64.0 %	0.0 %	0.2 %	0.6 %
2018	65.1 %	65.1 %	65.1 %	63.6 %	0.0 %	0.0 %	1.5 %
2019	66.5 %	66.7 %	66.5 %	64.0 %	-0.2 %	0.0 %	2.5 %
2020	67.9 %	68.4 %	67.9 %	63.4 %	-0.5 %	0.0 %	4.5 %
2021	66.8 %	67.6 %	66.5 %	66.3 %	-0.8 %	0.3 %	0.5 %
2022	66.5 %	67.1 %	—	67.4 %	-0.6 %	—	-0.9 %

	Dealer Loans						
	Forecasted Collection Percentage as of (1) (2)				Current Forecast Variance from		
Consumer Loan Assignment Year	September 30, 2022	June 30, 2022	December 31, 2021	Initial Forecast	June 30, 2022	December 31, 2021	Initial Forecast
2013	73.4 %	73.4 %	73.3 %	72.1 %	0.0 %	0.1 %	1.3 %
2014	71.5 %	71.6 %	71.4 %	71.9 %	-0.1 %	0.1 %	-0.4 %
2015	64.5 %	64.5 %	64.4 %	67.5 %	0.0 %	0.1 %	-3.0 %
2016	63.0 %	63.0 %	62.8 %	65.1 %	0.0 %	0.2 %	-2.1 %
2017	64.0 %	64.0 %	63.8 %	63.8 %	0.0 %	0.2 %	0.2 %
2018	64.5 %	64.6 %	64.6 %	63.6 %	-0.1 %	-0.1 %	0.9 %
2019	66.2 %	66.4 %	66.2 %	63.9 %	-0.2 %	0.0 %	2.3 %
2020	67.8 %	68.3 %	67.6 %	63.3 %	-0.5 %	0.2 %	4.5 %
2021	66.6 %	67.4 %	66.2 %	66.3 %	-0.8 %	0.4 %	0.3 %
2022	66.1 %	66.9 %	—	67.3 %	-0.8 %	—	-1.2 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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Consumer Loan Assignment Year	Purchased Loans						
	Forecasted Collection Percentage as of (1) (2)				Current Forecast Variance from		
	September 30, 2022	June 30, 2022	December 31, 2021	Initial Forecast	June 30, 2022	December 31, 2021	Initial Forecast
2013	74.3 %	74.3 %	74.2 %	71.6 %	0.0 %	0.1 %	2.7 %
2014	72.5 %	72.5 %	72.4 %	70.9 %	0.0 %	0.1 %	1.6 %
2015	68.9 %	68.9 %	68.9 %	68.5 %	0.0 %	0.0 %	0.4 %
2016	66.0 %	66.1 %	65.8 %	66.5 %	-0.1 %	0.2 %	-0.5 %
2017	66.3 %	66.3 %	66.0 %	64.6 %	0.0 %	0.3 %	1.7 %
2018	66.3 %	66.3 %	66.4 %	63.5 %	0.0 %	-0.1 %	2.8 %
2019	67.1 %	67.3 %	67.2 %	64.2 %	-0.2 %	-0.1 %	2.9 %
2020	68.1 %	68.6 %	68.4 %	63.6 %	-0.5 %	-0.3 %	4.5 %
2021	67.3 %	68.0 %	67.1 %	66.3 %	-0.7 %	0.2 %	1.0 %
2022	67.3 %	67.6 %	—	67.7 %	-0.3 %	—	-0.4 %

(1) Represents the total forecasted collections we expect to collect on the Consumer Loans as a percentage of the repayments that we were contractually owed on the Consumer Loans at the time of assignment. Contractual repayments include both principal and interest. Forecasted collection rates are negatively impacted by canceled Consumer Loans as the contractual amount owed is not removed from the denominator for purposes of computing forecasted collection rates in the table.
(2) The forecasted collection rates presented for Dealer Loans and Purchased Loans reflect the Consumer Loan classification at the time of assignment.

We evaluate and adjust the expected collection rate of each Consumer Loan subsequent to assignment primarily through the monitoring of consumer payment behavior. The following table summarizes the past-due status of Consumer Loan assignments as of September 30, 2022 and December 31, 2021, segmented by year of assignment:

(In millions)

Consumer Loan Assignment Year	Total Loans as of September 30, 2022 (1) (2)				
	Pre-term Consumer Loans (3)				
	Current (5)	Past Due 11-90 Days	Past Due Over 90 Days	Post-term Consumer Loans (4)	Total
2017 and Prior	$ 29.9	$ 15.4	$ 65.0	$ 170.4	$ 280.7
2018	198.3	90.8	228.6	27.8	545.5
2019	563.6	246.5	435.9	4.5	1,250.5
2020	889.1	377.3	422.6	0.4	1,689.4
2021	1,462.5	520.7	352.5	—	2,335.7
2022	2,549.4	469.4	65.8	—	3,084.6
	$ 5,692.8	$ 1,720.1	$ 1,570.4	$ 203.1	$ 9,186.4

(In millions)

Consumer Loan Assignment Year	Dealer Loans as of September 30, 2022 (1)				
	Pre-term Consumer Loans (3)				
	Current (5)	Past Due 11-90 Days	Past Due Over 90 Days	Post-term Consumer Loans (4)	Total
2017 and Prior	$ 14.1	$ 7.4	$ 30.7	$ 106.5	$ 158.7
2018	99.5	43.8	112.8	16.1	272.2
2019	271.2	117.7	206.8	2.9	598.6
2020	561.9	231.7	259.9	0.3	1,053.8
2021	1,011.5	353.7	237.0	—	1,602.2
2022	1,899.8	344.8	48.1	—	2,292.7
	$ 3,858.0	$ 1,099.1	$ 895.3	$ 125.8	$ 5,978.2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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(In millions)

	Purchased Loans as of September 30, 2022 (2)				
	Pre-term Consumer Loans (3)				
Consumer Loan Assignment Year	Current (5)	Past Due 11-90 Days	Past Due Over 90 Days	Post-term Consumer Loans (4)	Total
2017 and Prior	$ 15.8	$ 8.0	$ 34.3	$ 63.9	$ 122.0
2018	98.8	47.0	115.8	11.7	273.3
2019	292.4	128.8	229.1	1.6	651.9
2020	327.2	145.6	162.7	0.1	635.6
2021	451.0	167.0	115.5	—	733.5
2022	649.6	124.6	17.7	—	791.9
	$ 1,834.8	$ 621.0	$ 675.1	$ 77.3	$ 3,208.2

(In millions)

	Total Loans as of December 31, 2021 (1) (2)				
	Pre-term Consumer Loans (3)				
Consumer Loan Assignment Year	Current (5)	Past Due 11-90 Days	Past Due Over 90 Days	Post-term Consumer Loans (4)	Total
2016 and Prior	$ 7.4	$ 3.4	$ 38.6	$ 117.5	$ 166.9
2017	93.4	35.0	155.7	34.5	318.6
2018	452.4	169.9	395.1	6.7	1,024.1
2019	1,085.4	410.7	580.8	1.1	2,078.0
2020	1,586.4	538.6	405.5	—	2,530.5
2021	2,555.5	554.5	121.7	—	3,231.7
	$ 5,780.5	$ 1,712.1	$ 1,697.4	$ 159.8	$ 9,349.8

(In millions)

	Dealer Loans as of December 31, 2021 (1)				
	Pre-term Consumer Loans (3)				
Consumer Loan Assignment Year	Current (5)	Past Due 11-90 Days	Past Due Over 90 Days	Post-term Consumer Loans (4)	Total
2016 and Prior	$ 2.5	$ 1.1	$ 12.8	$ 82.2	$ 98.6
2017	44.9	16.8	75.2	21.8	158.7
2018	228.7	84.0	195.9	4.2	512.8
2019	530.7	194.2	276.3	0.7	1,001.9
2020	1,025.5	337.9	254.0	—	1,617.4
2021	1,800.5	382.8	82.4	—	2,265.7
	$ 3,632.8	$ 1,016.8	$ 896.6	$ 108.9	$ 5,655.1

(In millions)

	Purchased Loans as of December 31, 2021 (2)				
	Pre-term Consumer Loans (3)				
Consumer Loan Assignment Year	Current (5)	Past Due 11-90 Days	Past Due Over 90 Days	Post-term Consumer Loans (4)	Total
2016 and Prior	$ 4.9	$ 2.3	$ 25.8	$ 35.3	$ 68.3
2017	48.5	18.2	80.5	12.7	159.9
2018	223.7	85.9	199.2	2.5	511.3
2019	554.7	216.5	304.5	0.4	1,076.1
2020	560.9	200.7	151.5	—	913.1
2021	755.0	171.7	39.3	—	966.0
	$ 2,147.7	$ 695.3	$ 800.8	$ 50.9	$ 3,694.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

(1) As Consumer Loans are aggregated by Dealer for purposes of recognizing revenue and measuring credit losses, the Dealer Loan amount was estimated by allocating the balance of each Dealer Loan to the underlying Consumer Loans based on the forecasted future collections of each Consumer Loan.
(2) As certain Consumer Loans are aggregated by Dealer or month of purchase for purposes of recognizing revenue and measuring credit losses, the Purchased Loan amount was estimated by allocating the balance of certain Purchased Loans to the underlying Consumer Loans based on the forecasted future collections of each Consumer Loan.
(3) Represents the Loan balance attributable to Consumer Loans outstanding within their initial loan terms.
(4) Represents the Loan balance attributable to Consumer Loans outstanding beyond their initial loan terms.
(5) We consider a Consumer Loan to be current for purposes of forecasting expected collection rates if contractual repayments are less than 11 days past due.

The COVID-19 pandemic created conditions that increased the level of uncertainty associated with our estimate of the amount and timing of future net cash flows from our Loan portfolio. During the first quarter of 2020, we applied a subjective adjustment to our forecasting model to reflect our best estimate of the future impact of the COVID-19 pandemic on future net cash flows ("COVID forecast adjustment"), which reduced our estimate of future net cash flows by $162.2 million. We continued to apply the COVID forecast adjustment through the end of 2021 as it continued to represent our best estimate. During the first quarter of 2022, we determined that we had sufficient Consumer Loan performance experience since the lapse of federal stimulus payments and enhanced unemployment benefits to refine our estimate of future net cash flows. Accordingly, during the first quarter of 2022, we removed the COVID forecast adjustment and enhanced our methodology for forecasting the amount and timing of future net cash flows from our Loan portfolio through the utilization of more recent data and new forecast variables. Under CECL, changes in the amount and timing of forecasted net cash flows are recorded as a provision for credit losses in the period of change.

The removal of the COVID forecast adjustment and the implementation of the enhanced forecasting methodology during the first quarter of 2022 impacted forecasted net cash flows and provision for credit losses as follows:

(In millions)

Forecasting Methodology Changes	Increase / (Decrease) in Forecasted Net Cash Flows	Increase / (Decrease) in Provision for Credit Losses
Removal of COVID forecast adjustment	$ 149.5	$ (118
Implementation of enhanced forecasting methodology	(53.8)	47
Total	$ 95.7	$ (70

7. REINSURANCE

A summary of reinsurance activity is as follows:

(In millions)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net assumed written premiums	$ 18.8	$ 12.1	$ 55.6	$ 45.9
Net premiums earned	16.4	15.4	45.6	45.6
Provision for claims	12.9	10.0	34.0	29.3
Amortization of capitalized acquisition costs	0.3	0.2	1.1	1.0

The trust assets and related reinsurance liabilities are as follows:

(In millions)

	Balance Sheet location	As of September 30, 2022	As of December 31, 2021
Trust assets	Restricted cash and cash equivalents	$ 1.5	$ 0.3
Trust assets	Restricted securities available for sale	68.0	62.1
Unearned premium	Accounts payable and accrued liabilities	54.6	44.6
Claims reserve (1)	Accounts payable and accrued liabilities	3.2	2.4

(1) The claims reserve represents our liability for incurred-but-not-reported claims and is estimated based on historical claims experience.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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8. OTHER INCOME

Other income consists of the following:

(In millions)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Ancillary product profit sharing	$ 13.7	$ 9.6	$ 41.3	$ 25.0
Remarketing fees	7.1	1.9	11.0	6.0
Interest	1.9	0.2	2.9	0.9
Dealer enrollment fees	0.3	0.5	1.4	1.6
Dealer support products and services	0.3	0.2	0.9	0.9
Other	—	0.2	—	0.4
Total	$ 23.3	$ 12.6	$ 57.5	$ 34.8

Ancillary product profit sharing consists of payments received from TPPs based upon the performance of vehicle service contracts and GAP contracts, and is recognized as income over the life of the vehicle service contracts and GAP contracts.

Remarketing fees consist of fees retained from the sale of repossessed vehicles by Vehicle Remarketing Services, Inc. (“VRS”), our wholly owned subsidiary that is responsible for remarketing vehicles for Credit Acceptance. VRS coordinates vehicle repossessions with a nationwide network of repossession contractors, the redemption of the vehicles by the consumers, and the sale of the vehicles through a nationwide network of vehicle auctions. VRS recognizes income from the retained fees at the time of the sale and does not retain a fee if a repossessed vehicle is redeemed by the consumer prior to the sale.

Interest consists of income earned on cash and cash equivalents, restricted cash and cash equivalents, and restricted securities available for sale. Interest income is generally recognized over time as it is earned. Interest income on restricted securities available for sale is recognized over the life of the underlying financial instruments using the interest method.

Dealer enrollment fees include fees from Dealers that enrolled in our Portfolio Program prior to August 5, 2019. Depending on the enrollment option selected by the Dealer, Dealers may have enrolled by paying us an upfront, one-time fee of $9,850, or by agreeing to allow us to retain 50% of their accelerated Dealer Holdback payment(s) on the first 100 Consumer Loan assignments. For additional information regarding program enrollment, see Note 2 to the consolidated financial statements. A portion of the $9,850 upfront, one-time fee was considered to be Dealer support products and services revenue. The remaining portion of the $9,850 fee was considered to be a Dealer enrollment fee, which was amortized on a straight-line basis over the estimated life of the Dealer relationship. In the case of Dealers that enrolled by agreeing to allow us to retain 50% of their accelerated Dealer Holdback payment(s) on the first 100 Consumer Loan assignments, the 50% portion we retain is considered to be a Dealer enrollment fee. We do not recognize any of this Dealer enrollment fee until the Dealer has met the eligibility requirements to receive the accelerated Dealer Holdback payment(s) and the amount(s) of the payment(s), if any, have been calculated. Once the accelerated Dealer Holdback payment(s) have been calculated, we defer the 50% portion that we keep and recognize it on a straight-line basis over the remaining estimated life of the Dealer relationship. Since August 5, 2019, Dealers have enrolled in our Portfolio Program without incurring an enrollment fee.

Dealer support products and services consist of income earned from products and services provided to Dealers to assist with their operations, including sales and marketing, purchasing supplies and materials and acquiring vehicle inventory. Income is recognized in the period the product or service is provided.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

The following table disaggregates our other income by major source of income and timing of the revenue recognition:

(In millions)	For the Three Months Ended September 30, 2022					
	Ancillary product profit sharing	Remarketing fees	Interest	Dealer enrollment fees	Dealer support products and services	Total Other Income
Source of income						
Third Party Providers	$ 13.7	$ —	$ 1.9	$ —	$ —	$ 15.6
Dealers	—	7.1	—	0.3	0.3	7.7
Total	$ 13.7	$ 7.1	$ 1.9	$ 0.3	$ 0.3	$ 23.3
Timing of revenue recognition						
Over time	$ 13.7	$ —	$ 1.9	$ 0.3	$ —	$ 15.9
At a point in time	—	7.1	—	—	0.3	7.4
Total	$ 13.7	$ 7.1	$ 1.9	$ 0.3	$ 0.3	$ 23.3

(In millions)	For the Nine Months Ended September 30, 2022					
	Ancillary product profit sharing	Remarketing fees	Interest	Dealer enrollment fees	Dealer support products and services	Total Other Income
Source of income						
Third Party Providers	$ 41.3	$ —	$ 2.9	$ —	$ —	$ 44.2
Dealers	—	11.0	—	1.4	0.9	13.3
Total	$ 41.3	$ 11.0	$ 2.9	$ 1.4	$ 0.9	$ 57.5
Timing of revenue recognition						
Over time	$ 41.3	$ —	$ 2.9	$ 1.4	$ —	$ 45.6
At a point in time	—	11.0	—	—	0.9	11.9
Total	$ 41.3	$ 11.0	$ 2.9	$ 1.4	$ 0.9	$ 57.5

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

9. DEBT

Debt consists of the following:

(In millions)	As of September 30, 2022		
	Principal Outstanding	Unamortized Debt Issuance Costs	Carrying Amount
Revolving secured line of credit (1)	$ 188.9	$ —	$ 188.9
Secured financing (2)	3,649.4	(15.3)	3,634.1
Senior notes	800.0	(6.1)	793.9
Mortgage note	9.0	—	9.0
Total debt	$ 4,647.3	$ (21.4)	$ 4,625.9

(In millions)	As of December 31, 2021		
	Principal Outstanding	Unamortized Debt Issuance Costs	Carrying Amount
Revolving secured line of credit (1)	$ 2.6	$ —	$ 2.6
Secured financing (2)	3,830.4	(18.9)	3,811.5
Senior notes	800.0	(7.5)	792.5
Mortgage note	9.7	—	9.7
Total debt	$ 4,642.7	$ (26.4)	$ 4,616.3

(1) Excludes deferred debt issuance costs of $4.3 million and $3.6 million as of September 30, 2022 and December 31, 2021, respectively, which are included in other assets.
(2) Warehouse facilities and Term ABS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

General information for each of our financing transactions in place as of September 30, 2022 is as follows:

(Dollars in millions)

Financings	Wholly Owned Subsidiary	Maturity Date		Financing Amount	Interest Rate Basis as of September 30, 2022
Revolving Secured Line of Credit	n/a	06/22/2025		$ 410.0 (1)	At our option, either the Bloomberg Short-Term Bank Yield Index rate (BSBY) plus 187.5 basis points or the prime rate plus 87.5 basis points
Warehouse Facility II (2)	CAC Warehouse Funding LLC II	04/30/2024	(3)	400.0	LIBOR plus 175 basis points (4)
Warehouse Facility IV (2)	CAC Warehouse Funding LLC IV	05/20/2025	(3)	300.0	The Secured Overnight Financing Rate (SOFR) plus 221.4 basis points (4)
Warehouse Facility V (2)	CAC Warehouse Funding LLC V	12/18/2023	(5)	125.0	SOFR plus 235 basis points (4)
Warehouse Facility VI (2)	CAC Warehouse Funding LLC VI	09/30/2024	(3)	75.0	BSBY plus 200 basis points
Warehouse Facility VIII (2)	CAC Warehouse Funding LLC VIII	09/01/2024	(3)	200.0	SOFR plus 201.4 basis points (4)
Term ABS 2019-2 (2)	Credit Acceptance Funding LLC 2019-2	08/15/2025	(6)	500.0	Fixed rate
Term ABS 2019-3 (2)	Credit Acceptance Funding LLC 2019-3	11/15/2021	(3)	351.7	Fixed rate
Term ABS 2020-1 (2)	Credit Acceptance Funding LLC 2020-1	02/15/2022	(3)	500.0	Fixed rate
Term ABS 2020-2 (2)	Credit Acceptance Funding LLC 2020-2	07/15/2022	(3)	481.8	Fixed rate
Term ABS 2020-3 (2)	Credit Acceptance Funding LLC 2020-3	10/17/2022	(3)	600.0	Fixed rate
Term ABS 2021-1 (2)	Credit Acceptance Funding LLC 2021-1	02/15/2023	(6)	100.0	SOFR plus 208.5 basis points (4)
Term ABS 2021-2 (2)	Credit Acceptance Funding LLC 2021-2	02/15/2023	(3)	500.0	Fixed rate
Term ABS 2021-3 (2)	Credit Acceptance Funding LLC 2021-3	05/15/2023	(3)	450.0	Fixed rate
Term ABS 2021-4 (2)	Credit Acceptance Funding LLC 2021-4	10/16/2023	(3)	250.1	Fixed rate
Term ABS 2022-1 (2)	Credit Acceptance Funding LLC 2022-1	06/17/2024	(3)	350.0	Fixed rate
2024 Senior Notes	n/a	12/31/2024		400.0	Fixed rate
2026 Senior Notes	n/a	03/15/2026		400.0	Fixed rate
Mortgage Note (2)	Chapter 4 Properties, LLC	08/06/2023		12.0	LIBOR plus 150 basis points

(1) The amount of the facility will decrease by $25.0 million on June 22, 2023.
(2) Financing made available only to a specified subsidiary of the Company.
(3) Represents the revolving maturity date. The outstanding balance will amortize after the revolving maturity date based on the cash flows of the pledged assets.
(4) Interest rate cap agreements are in place to limit the exposure to increasing interest rates.
(5) Represents the revolving maturity date. The outstanding balance will amortize after the revolving maturity date and any amounts remaining on December 16, 2025 will be due on that date.
(6) Represents the revolving maturity date. The Company has the option to redeem and retire the indebtedness after the revolving maturity date. If we do not elect this option, the outstanding balance will amortize based on the cash flows of the pledged assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

Additional information related to the amounts outstanding on each facility is as follows:

(In millions)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revolving Secured Line of Credit				
Maximum outstanding principal balance	$ 356.3	$ 72.2	$ 379.7	$ 216.0
Average outstanding principal balance	169.1	1.5	152.8	26.9
Warehouse Facility II				
Maximum outstanding principal balance	100.0	—	201.0	201.0
Average outstanding principal balance	71.7	—	83.1	15.6
Warehouse Facility IV				
Maximum outstanding principal balance	—	—	43.8	—
Average outstanding principal balance	—	—	5.7	—
Warehouse Facility V				
Maximum outstanding principal balance	—	—	—	—
Average outstanding principal balance	—	—	—	—
Warehouse Facility VI				
Maximum outstanding principal balance	50.0	—	50.0	—
Average outstanding principal balance	50.0	—	17.2	—
Warehouse Facility VIII				
Maximum outstanding principal balance	—	—	48.2	—
Average outstanding principal balance	—	—	6.3	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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(Dollars in millions)	As of	
	September 30, 2022	December 31, 2021
Revolving Secured Line of Credit		
Principal balance outstanding	$ 188.9	$ 2.6
Amount available for borrowing (1)	221.1	432.4
Interest rate	4.99 %	1.98 %
Warehouse Facility II		
Principal balance outstanding	$ 100.0	$ —
Amount available for borrowing (1)	300.0	400.0
Loans pledged as collateral	141.1	—
Restricted cash and cash equivalents pledged as collateral	3.1	1.0
Interest rate	4.31 %	— %
Warehouse Facility IV		
Principal balance outstanding	$ —	$ —
Amount available for borrowing (1)	300.0	300.0
Loans pledged as collateral	—	—
Restricted cash and cash equivalents pledged as collateral	1.0	1.0
Interest rate	— %	— %
Warehouse Facility V		
Principal balance outstanding	$ —	$ —
Amount available for borrowing (1)	125.0	125.0
Loans pledged as collateral	—	—
Restricted cash and cash equivalents pledged as collateral	1.0	1.0
Interest rate	— %	— %
Warehouse Facility VI		
Principal balance outstanding	$ 50.0	$ —
Amount available for borrowing (1)	25.0	75.0
Loans pledged as collateral	67.2	—
Restricted cash and cash equivalents pledged as collateral	1.9	—
Interest rate	4.56 %	— %
Warehouse Facility VIII		
Principal balance outstanding	$ —	$ —
Amount available for borrowing (1)	200.0	200.0
Loans pledged as collateral	—	—
Restricted cash and cash equivalents pledged as collateral	—	—
Interest rate	— %	— %
Term ABS 2019-1		
Principal balance outstanding	$ —	$ 124.6
Loans pledged as collateral	—	292.4
Restricted cash and cash equivalents pledged as collateral	—	31.8
Interest rate	— %	3.86 %
Term ABS 2019-2		
Principal balance outstanding	$ 500.0	$ 500.0
Loans pledged as collateral	572.0	582.1
Restricted cash and cash equivalents pledged as collateral	49.9	50.7
Interest rate	5.15 %	3.13 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

Term ABS 2019-3		
Principal balance outstanding	$ 113.2	$ 323.9
Loans pledged as collateral	233.3	382.9
Restricted cash and cash equivalents pledged as collateral	27.0	36.5
Interest rate	2.94 %	2.58 %
Term ABS 2020-1		
Principal balance outstanding	$ 230.4	$ 500.0
Loans pledged as collateral	416.6	591.6
Restricted cash and cash equivalents pledged as collateral	43.4	51.9
Interest rate	2.38 %	2.18 %
Term ABS 2020-2		
Principal balance outstanding	$ 405.7	$ 481.8
Loans pledged as collateral	515.7	579.5
Restricted cash and cash equivalents pledged as collateral	48.3	50.1
Interest rate	1.70 %	1.65 %
Term ABS 2020-3		
Principal balance outstanding	$ 600.0	$ 600.0
Loans pledged as collateral	699.2	688.1
Restricted cash and cash equivalents pledged as collateral	57.8	58.4
Interest rate	1.44 %	1.44 %
Term ABS 2021-1		
Principal balance outstanding	$ 100.0	$ 100.0
Loans pledged as collateral	116.8	143.7
Restricted cash and cash equivalents pledged as collateral	9.1	10.2
Interest rate	4.93 %	2.10 %
Term ABS 2021-2		
Principal balance outstanding	$ 500.0	$ 500.0
Loans pledged as collateral	574.1	618.7
Restricted cash and cash equivalents pledged as collateral	46.9	49.2
Interest rate	1.12 %	1.12 %
Term ABS 2021-3		
Principal balance outstanding	$ 450.0	$ 450.0
Loans pledged as collateral	527.4	619.8
Restricted cash and cash equivalents pledged as collateral	41.5	46.5
Interest rate	1.14 %	1.14 %
Term ABS 2021-4		
Principal balance outstanding	$ 250.1	$ 250.1
Loans pledged as collateral	275.9	281.2
Restricted cash and cash equivalents pledged as collateral	22.9	22.1
Interest rate	1.44 %	1.44 %
Term ABS 2022-1		
Principal balance outstanding	$ 350.0	$ —
Loans pledged as collateral	448.0	—
Restricted cash and cash equivalents pledged as collateral	29.4	—
Interest rate	5.03 %	— %
2024 Senior Notes		
Principal balance outstanding	$ 400.0	$ 400.0
Interest rate	5.125 %	5.125 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

2026 Senior Notes		
Principal balance outstanding	$ 400.0	$ 400.0
Interest rate	6.625 %	6.625 %
Mortgage Note		
Principal balance outstanding	$ 9.0	$ 9.7
Interest rate	4.06 %	1.60 %

(1) Availability may be limited by the amount of assets pledged as collateral.

Revolving Secured Line of Credit Facility

We have a $410.0 million revolving secured line of credit facility with a commercial bank syndicate. The amount of the facility will decrease by $25.0 million on June 22, 2023. Borrowings under the revolving secured line of credit facility, including any letters of credit issued under the facility, are subject to a borrowing-base limitation. This limitation equals 80% of the value of Loans, as defined in the agreement, less a hedging reserve (not exceeding $1.0 million), and the amount of other debt secured by the collateral which secures the revolving secured line of credit facility. Borrowings under the revolving secured line of credit facility agreement are secured by a lien on most of our assets.

Warehouse Facilities

We have five Warehouse facilities with total borrowing capacity of $1,100.0 million. Each of the facilities is with a different lender or group of lenders. Under each Warehouse facility, we can contribute Loans to our wholly owned subsidiaries in return for cash and an increase in the value of our equity in each subsidiary. In turn, each subsidiary pledges the Loans as collateral to lenders to secure financing that will fund the cash portion of the purchase price of the Loans. The financing provided to each subsidiary under the applicable facility is generally limited to the lesser of 80% of the value of the contributed Loans, as defined in the agreements, plus the restricted cash and cash equivalents pledged as collateral on such Loans or the facility limit.

The financings create indebtedness for which the subsidiaries are liable and which is secured by all the assets of each subsidiary. Such indebtedness is non-recourse to us, even though we are consolidated for financial reporting purposes with the subsidiaries. Because the subsidiaries are organized as legal entities separate from us, their assets (including the contributed Loans) are not available to our creditors.

The subsidiaries pay us a monthly servicing fee equal to either 4% or 6%, depending upon the facility, of the collections received with respect to the contributed Loans. The servicing fee is paid out of the collections. Except for the servicing fee and holdback payments due to Dealers, if a facility is amortizing, we do not have any rights in any portion of such collections until all outstanding principal, accrued and unpaid interest, fees and other related costs have been paid in full. If a facility is not amortizing, the applicable subsidiary is entitled to any collections remaining after the payment of interest, certain other transaction expenses and any amounts necessary to satisfy the borrowing base requirements of the facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

Term ABS Financings

We have wholly owned subsidiaries (the "Funding LLCs") that have completed secured financing transactions with qualified institutional investors or lenders. In connection with these transactions, we contributed Loans on an arms-length basis to each Funding LLC for cash and the sole membership interest in that Funding LLC. In turn, each Funding LLC, other than those of Term ABS 2019-2 and 2021-1, contributed the Loans to the respective trusts that issued notes to qualified institutional investors. The Funding LLCs for the Term ABS 2019-2 and 2021-1 transactions pledged the Loans to their respective lenders. The Term ABS 2019-3, 2020-1, 2020-2, 2020-3, 2021-2, 2021-3 and 2021-4 transactions each consist of three classes of notes, while Term ABS 2022-1 consists of four classes of notes.

Each financing at the time of issuance has a specified revolving period during which we are likely to contribute additional Loans to each Funding LLC. Each Funding LLC (other than those of Term ABS 2019-2 and 2021-1) will then contribute the Loans to its respective trust. At the end of the applicable revolving period, the debt outstanding under each financing will begin to amortize.

The financings create indebtedness for which the trusts or Funding LLCs are liable and which is secured by all the assets of each trust or Funding LLC. Such indebtedness is non-recourse to us, even though we are consolidated for financial reporting purposes with the trusts and the Funding LLCs. Because the Funding LLCs are organized as legal entities separate from us, their assets (including the contributed Loans) are not available to our creditors. We receive a monthly servicing fee on each financing equal to either 4% or 6%, depending upon the financing, of the collections received with respect to the contributed Loans. The fee is paid out of the collections. Except for the servicing fee and Dealer Holdback payments due to Dealers, if a facility is amortizing, we do not have any rights in any portion of such collections until all outstanding principal, accrued and unpaid interest, fees and other related costs have been paid in full. If a facility is not amortizing, the applicable subsidiary may be entitled to retain any collections remaining after payment of interest, certain other transaction expenses and any amounts necessary to satisfy the borrowing base requirements of the facility. However, in our capacity as servicer of the Loans, we do have a limited right to exercise a "clean-up call" option to purchase Loans from the Funding LLCs and/or the trusts under certain specified circumstances. For those Funding LLCs with a trust, when the trust's underlying indebtedness is paid in full, either through collections or through a prepayment of the indebtedness, the trust is to pay any remaining collections over to its Funding LLC as the sole beneficiary of the trust. For all Funding LLCs, after the indebtedness is paid in full, any remaining collections will ultimately be available to be distributed to us as the sole member of the respective Funding LLC.

The table below sets forth certain additional details regarding the outstanding Term ABS financings:

(Dollars in millions)

Term ABS Financings	Close Date	Net Book Value of Loans Contributed at Closing	Revolving Period
Term ABS 2019-2	August 28, 2019	$ 625.1	Through August 15, 2025
Term ABS 2019-3	November 21, 2019	439.6	Through November 15, 2021
Term ABS 2020-1	February 20, 2020	625.1	Through February 15, 2022
Term ABS 2020-2	July 23, 2020	602.3	Through July 15, 2022
Term ABS 2020-3	October 22, 2020	750.1	Through October 17, 2022
Term ABS 2021-1	January 29, 2021	125.1	Through February 15, 2023
Term ABS 2021-2	February 18, 2021	625.1	Through February 15, 2023
Term ABS 2021-3	May 20, 2021	562.6	Through May 15, 2023
Term ABS 2021-4	October 28, 2021	312.6	Through October 16, 2023
Term ABS 2022-1	June 16, 2022	437.6	Through June 17, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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Senior Notes

On December 18, 2019, we issued $400.0 million aggregate principal amount of 5.125% senior notes due 2024 (the "2024 senior notes"). The 2024 senior notes were issued pursuant to an indenture, dated as of December 18, 2019, among the Company, as issuer, the Company's subsidiaries Buyers Vehicle Protection Plan, Inc. and Vehicle Remarketing Services, Inc., as guarantors (collectively, the "Guarantors"), and U.S. Bank National Association, as trustee.

The 2024 senior notes mature on December 31, 2024 and bear interest at a rate of 5.125% per annum, computed on the basis of a 360-day year composed of twelve 30-day months and payable semi-annually on June 30 and December 31 of each year, beginning on June 30, 2020. We used a portion of the net proceeds from the 2024 senior notes to repurchase or redeem all of the $300.0 million outstanding principal amount of our 6.125% senior notes due 2021 (the "2021 senior notes"), of which $148.2 million was repurchased on December 18, 2019 and the remaining $151.8 million was redeemed on January 17, 2020. We used the remaining net proceeds from the 2024 senior notes, together with borrowings under our revolving credit facility and cash on hand to the extent available, to redeem in full the $250.0 million outstanding principal amount of our 7.375% senior notes due 2023 (the "2023 senior notes") on March 15, 2020. During the fourth quarter of 2019, we recognized a pre-tax loss on extinguishment of debt of $1.8 million related to the repurchase of the 2021 senior notes in the fourth quarter of 2019 and the irrevocable notice given in December 2019 for the redemption of the remaining 2021 senior notes in the first quarter of 2020. During the first quarter of 2020, we recognized a pre-tax loss on extinguishment of debt of $7.4 million related to the redemption of the 2023 senior notes.

On March 7, 2019, we issued $400.0 million aggregate principal amount of 6.625% senior notes due 2026 (the "2026 senior notes"). The 2026 senior notes were issued pursuant to an indenture, dated as of March 7, 2019, among the Company, as issuer, the Guarantors and U.S. Bank National Association, as trustee.

The 2026 senior notes mature on March 15, 2026 and bear interest at a rate of 6.625% per annum, computed on the basis of a 360-day year composed of twelve 30-day months and payable semi-annually on March 15 and September 15 of each year, beginning on September 15, 2019. We used the net proceeds from the offering of the 2026 senior notes for general corporate purposes, including repayment of outstanding borrowings under our revolving secured line of credit facility.

The 2024 senior notes and 2026 senior notes (the "senior notes") are guaranteed on a senior basis by the Guarantors, which are also guarantors of obligations under our revolving secured line of credit facility. Other existing and future subsidiaries of ours may become guarantors of the senior notes in the future. The indentures for the senior notes provide for a guarantor of the senior notes to be released from its obligations under its guarantee of the senior notes under specified circumstances.

Mortgage Note

On August 6, 2018, we entered into a $12.0 million mortgage note with a commercial bank that is secured by a first mortgage lien on a building acquired by us and an assignment of all leases, rents, revenues and profits under all present and future leases of the building. The note matures on August 6, 2023, and bears interest at LIBOR plus 150 basis points.

Debt Covenants

As of September 30, 2022, we were in compliance with our covenants under the revolving secured line of credit facility and our Warehouse facilities, including those that require the maintenance of certain financial ratios and other financial conditions. These covenants require a minimum ratio of (1) our net earnings, adjusted for specified items, before income taxes, depreciation, amortization and fixed charges to (2) our fixed charges, as defined in the agreements. These covenants also limit the maximum ratio of our funded debt less unrestricted cash and cash equivalents to tangible net worth. Additionally, for one of our Warehouse facilities, we must maintain consolidated net income, as defined in the agreement, of not less than $1 for the two most recently ended fiscal quarters. Some of these covenants may indirectly limit the repurchase of common stock or payment of dividends on common stock. Our Warehouse facilities also contain covenants that measure the performance of the contributed assets.

Our Term ABS financings also contain covenants that measure the performance of the contributed assets. As of September 30, 2022, we were in compliance with all such covenants. As of the end of the quarter, we were also in compliance with our covenants under the senior notes indentures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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10. DERIVATIVE AND HEDGING INSTRUMENTS

Interest Rate Caps. We utilize interest rate cap agreements to manage the interest rate risk on certain secured financings. The following tables provide the terms of our interest rate cap agreements that were in effect as of September 30, 2022 and December 31, 2021:

(Dollars in millions)

As of September 30, 2022

Facility Amount	Facility Name	Purpose	Start	End	Notional	Cap Interest Rate (1)
$ 400.0	Warehouse Facility II	Cap Floating Rate	07/2022	12/2023	$ 205.0	6.50 %
300.0	Warehouse Facility IV	Cap Floating Rate	07/2019	07/2023	250.0	6.50 %
125.0	Warehouse Facility V	Cap Floating Rate	12/2020	01/2026	94.0	5.50 %
200.0	Warehouse Facility VIII	Cap Floating Rate	08/2019	08/2023	166.7	5.50 %
		Cap Floating Rate	09/2022	09/2025	33.3	5.50 %
					200.0	
100.0	Term ABS 2021-1	Cap Floating Rate	02/2021	06/2024	100.0	5.50 %

(Dollars in millions)

As of December 31, 2021

Facility Amount	Facility Name	Purpose	Start	End	Notional	Cap Interest Rate (1)
$ 400.0	Warehouse Facility II	Cap Floating Rate	12/2020	07/2022	$ 205.0	5.50 %
300.0	Warehouse Facility IV	Cap Floating Rate	07/2019	07/2023	300.0	6.50 %
125.0	Warehouse Facility V	Cap Floating Rate	12/2020	01/2026	94.0	5.50 %
200.0	Warehouse Facility VIII	Cap Floating Rate	08/2019	08/2023	200.0	5.50 %
100.0	Term ABS 2021-1	Cap Floating Rate	02/2021	06/2024	100.0	5.50 %

(1) Rate excludes the spread over the corresponding benchmark rate.

The interest rate caps have not been designated as hedging instruments. As of September 30, 2022 and December 31, 2021, the interest rate caps had a fair value of $2.6 million and $0.2 million, respectively. The increase in fair value from December 31, 2021 was the result of an increase in market rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
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11. INCOME TAXES

A reconciliation of the U.S. federal statutory income tax rate to our effective income tax rate is as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
State and local income taxes	6.9 %	3.3 %	3.9 %	3.1 %
Excess tax benefits from stock-based compensation	— %	— %	-0.1 %	-0.1 %
Other	1.0 %	0.4 %	0.8 %	0.1 %
Effective income tax rate	28.9 %	24.7 %	25.6 %	24.1 %

State and local income taxes

The increase was primarily due to changes in state and local tax laws that were enacted during the third quarter of 2022, which are expected to increase our long-term effective income tax rate by approximately 20 basis points. The enactment of these tax law changes increased our effective income tax rate by:

- approximately 280 basis points basis points for the three months ended September 30, 2022, of which 240 basis points related to the impact of tax law changes that are effective for future periods and 40 basis points related to the impact of tax law changes that were effective retroactively to the beginning of 2022; and
- approximately 60 basis points for the nine months ended September 30, 2022, of which 50 basis points related to the impact of tax law changes that are effective for future periods and 10 basis points related to the impact of tax law changes that were effective retroactively to the beginning of 2022.

Other

Other items impacting our effective income tax rate primarily consist of non-deductible executive compensation expense. The impact of non-deductible expense on our effective income tax rate for the three months ended September 30, 2022 increased in magnitude from the same period in 2021 primarily due to a decrease in pre-tax income. The impact of other items on our effective income tax rate for the nine months ended September 30, 2022 increased from the same period in 2021 primarily due to an increase in non-deductible executive compensation expense, which was primarily the result of stock options granted under our Amended and Restated Incentive Compensation Plan (the “Incentive Plan”). Additionally, the impact of non-deductible expenses on our effective income tax rate also increased in magnitude from 2021 to 2022 due to a decrease in pre-tax income. For additional information, see Note 14.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

12. NET INCOME PER SHARE

Basic net income per share has been computed by dividing net income by the basic number of weighted average shares outstanding. Diluted net income per share has been computed by dividing net income by the diluted number of weighted average shares outstanding using the treasury stock method. The share effect is as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Weighted average shares outstanding:				
Common shares	12,927,081	15,430,120	13,296,064	16,186,518
Vested restricted stock units	366,143	365,843	366,114	356,808
Basic number of weighted average shares outstanding	13,293,224	15,795,963	13,662,178	16,543,326
Dilutive effect of restricted stock, restricted stock units and stock options	70,936	33,203	75,693	16,313
Dilutive number of weighted average shares outstanding	13,364,160	15,829,166	13,737,871	16,559,639

For the three and nine months ended September 30, 2022, there were 63,875 and 56,321 stock options outstanding, respectively, that were excluded from the computation of diluted net income per share because their inclusion would have been anti-dilutive. For the three and nine months ended September 30, 2022, there were 4,000 and 2,432 restricted stock units outstanding, respectively, that were excluded from the computation of diluted net income per share because their inclusion would have been anti-dilutive. For the three and nine months ended September 30, 2022, there were no shares of restricted stock outstanding that were excluded from the computation of diluted net income per share because their inclusion would have been anti-dilutive.

For the three and nine months ended September 30, 2021, there were 120,217 and 204,557 stock options outstanding, respectively, that were excluded from the computation of diluted net income per share because their inclusion would have been anti-dilutive. For the three and nine months ended September 30, 2021, there were no shares of restricted stock or restricted stock units outstanding that were excluded from the computation of diluted net income per share because their inclusion would have been anti-dilutive.

13. STOCK REPURCHASES

The following table summarizes our stock repurchases for the three and nine months ended September 30, 2022 and 2021:

(Dollars in millions)	For the Three Months Ended September 30,			
	2022		2021	
	Number of Shares Repurchased	Cost	Number of Shares Repurchased	Cost
Open Market (1)	53,769	$ 26.5	1,286,246	$ 704.1

(Dollars in millions)	For the Nine Months Ended September 30,			
	2022		2021	
Stock Repurchases	Number of Shares Repurchased	Cost	Number of Shares Repurchased	Cost
Open Market (1)	1,259,712	$ 678.2	2,270,751	$ 1,091.2
Other (2)	1,745	1.0	7,066	2.7
Total	1,261,457	$ 679.2	2,277,817	$ 1,093.9

(1) Represents repurchases under authorizations by the board of directors for the repurchase of shares by us from time to time in the open market through privately negotiated transactions, through block trades, pursuant to trading plans adopted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934 or otherwise. On September 28, 2021, the board of directors authorized the repurchase of up to two million shares of our common stock in addition to the board's prior authorizations. As of September 30, 2022, we had authorization to repurchase 365,838 shares of our common stock.

(2) Represents shares of common stock released to us by team members as payment of tax withholdings upon the vesting of restricted stock and restricted stock units and the conversion of restricted stock units to common stock.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

14. STOCK-BASED COMPENSATION PLANS

Stock-based compensation expense consists of the following:

(In millions)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Stock options	$ 8.1	$ 14.7	$ 25.1	$ 14.7
Restricted stock units	0.6	0.4	1.8	(1.5)
Restricted stock	—	0.1	—	(7.8)
Total	$ 8.7	$ 15.2	$ 26.9	$ 5.4

From December 2020 through June 2021, we granted 770,500 stock options, subject to shareholder approval of an amendment to the Incentive Plan ("Shareholder Approval"). Under GAAP, if a stock award is subject to shareholder approval, it is not considered granted for accounting purposes until that approval is received. Shareholder Approval was received at our annual meeting of shareholders on July 21, 2021. Accordingly, the accounting grant date of the 770,500 previously-awarded stock options is July 21, 2021, and no expense was recognized for stock options prior to that date.

During the second quarter of 2021, we recognized an $11.5 million reversal of stock-based compensation expense due to the forfeiture of unvested restricted stock and restricted stock units upon the retirement of our former Chief Executive Officer in May 2021.

We expect to recognize the future stock-based compensation expense as follows:

(in millions) Year	Total Projected Stock-Based Compensation Expense
Remainder of 2022	$ 9.0
2023	35.1
2024	34.3
2025	4.6
2026	0.5
Total	$ 83.5

15. COMMITMENTS AND CONTINGENCIES

Litigation and Other Legal Matters

In the normal course of business and as a result of the consumer-oriented nature of the industry in which we operate, we and other industry participants are frequently subject to various consumer claims, litigation and regulatory investigations seeking damages, fines and statutory penalties. The claims allege, among other theories of liability, violations of state, federal and foreign truth-in-lending, credit availability, credit reporting, consumer protection, warranty, debt collection, insurance and other consumer-oriented laws and regulations, including claims seeking damages for alleged physical and mental harm relating to the repossession and sale of consumers' vehicles and other debt collection activities. As the assignee of Consumer Loans originated by Dealers, we may also be named as a co-defendant in lawsuits filed by consumers principally against Dealers. We may also have disputes and litigation with Dealers. The claims may allege, among other theories of liability, that we breached our Dealer servicing agreement. We may also have disputes and litigation with vendors and other third parties. The claims may allege, among other theories of liability, that we breached a license agreement or contract. The damages, fines and penalties that may be claimed by consumers, regulatory agencies, Dealers, vendors or other third parties in these types of matters can be substantial. The relief requested by plaintiffs varies but may include requests for compensatory, statutory and punitive damages and injunctive relief, and plaintiffs may seek treatment as purported class actions. The following matters include current actions to which we are a party and updates to matters that were disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(UNAUDITED)

On December 1, 2021, we received a subpoena from the Office of the Attorney General for the State of California seeking documents and information regarding GAP products, GAP product administration and refunds. We are cooperating with this inquiry and cannot predict the eventual scope, duration or outcome at this time. As a result, we are unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this investigation.

On October 2, 2020, a shareholder filed a putative class action complaint against the Company, its Chief Executive Officer (now former Chief Executive Officer), and its Chief Financial Officer (now Chief Executive Officer) in the United States District Court for the Eastern District of Michigan, Southern Division, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, based on alleged false and/or misleading statements or omissions regarding the Company and its business, and seeking class certification, unspecified damages plus interest and attorney and expert witness fees and other costs on behalf of a purported class consisting of all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Credit Acceptance common stock from November 1, 2019 through August 28, 2020. On May 28, 2021, the court issued an opinion and order appointing lead plaintiffs and lead counsel. On July 22, 2021, the lead plaintiffs filed an amended complaint asserting similar violations, seeking similar relief and expanding the putative class to include all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Credit Acceptance common stock from May 4, 2018 through August 28, 2020. On June 14, 2022, the Company reached an agreement in principle to settle this putative class action. The agreement in principle contemplated an aggregate cash payment by the Company of $12.0 million to settle claims brought on behalf of all persons and entities that purchased or otherwise acquired Credit Acceptance common stock from May 4, 2018 through August 28, 2020. On August 24, 2022, the parties executed and filed with the court a definitive stipulation and agreement of settlement, referred to herein as the settlement agreement, which was consistent with the agreement in principle and provides for a full release of all claims against all defendants, including the Company and its officers. The settlement agreement provides that the defendants expressly deny any liability, wrongdoing or responsibility. On September 19, 2022, the court entered an order preliminarily approving the settlement agreement and scheduled for December 7, 2022, a hearing to consider final approval. The settlement agreement provides that, upon final court approval of the settlement agreement, the litigation would be dismissed with prejudice. At this time, there can be no assurance that the court will grant final approval of the settlement agreement and that the litigation will be finally resolved in accordance with the settlement agreement. We have estimated a probable loss of $12.0 million, all of which was recognized as a contingent loss during the second quarter of 2022, in connection with this litigation.

On May 7, 2019, we received a subpoena from the Consumer Frauds and Protection Bureau of the Office of the New York State Attorney General, relating to the Company's origination and collection policies and procedures in the state of New York. On July 30, 2020, we received two additional subpoenas from the Office of the New York State Attorney General, both from the Consumer Frauds and Protection Bureau and the Investor Protection Bureau, relating to the Company's origination and collection policies and procedures in the state of New York and its securitizations. On August 28, 2020, we were informed that one of the two additional subpoenas was being withdrawn. On November 16, 2020, we received an additional subpoena for documents from the Office of the New York State Attorney General. On November 19, 2020, the Company received a letter from the Office of the New York State Attorney General stating that the New York State Attorney General was considering bringing claims against the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), New York Executive Law § 63(12), the New York Martin Act and New York General Business Law § 349 in connection with the Company's origination and securitization practices. On December 9, 2020, we responded to the New York State Attorney General's letter disputing the assertions contained therein. On December 21, 2020, we received two additional subpoenas from the Office of the New York State Attorney General, one relating to data and the other seeking testimony. On February 24 and April 30, 2021, we received additional subpoenas from the Office of the New York State Attorney General seeking information relating to its investigation. On August 23, 2022, we received a letter from the Consumer Frauds and Protection Bureau of the Office of the New York State Attorney General stating that the Office of the New York State Attorney General intends to commence litigation against the Company asserting violations of New York Executive Law § 63(12) and New York General Business Law §§ 349 and 352 et seq. and applicable federal laws, including but not limited to claims that the Company engaged in unfair and deceptive trade practices in auto lending, debt collection and asset-backed securitizations in the State of New York in violation of the Dodd-Frank Act, New York Executive Law § 63(12), the New York Martin Act and New York General Business Law § 349, and seeking to obtain injunctive relief, restitution, civil penalties, damages, disgorgement, reformation, rescission, costs and such other relief as the court may deem just and proper. We cannot predict the eventual scope, duration or outcome of this investigation or the scope, duration or outcome of any such litigation at this time. As a result, we are unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this investigation or any such litigation. The Company intends to vigorously defend itself in any such litigation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONCLUDED)
(UNAUDITED)

On April 22, 2019, we received a civil investigative demand from the Bureau of Consumer Financial Protection (the "Bureau") seeking, among other things, certain information relating to the Company's origination and collection of Consumer Loans, TPPs and credit reporting. On May 7, 2020, we received another civil investigative demand from the Bureau seeking additional information relating to its investigation. The Company raised various objections to the May 7, 2020 civil investigative demand, and on May 26, 2020, we were notified that it was withdrawn. On June 1, 2020, we received another civil investigative demand that was similar to the May 7, 2020 demand, and which raised many of the same objections. We formally petitioned the Bureau to modify the June 1, 2020 civil investigative demand. On September 3, 2020, the Director of the Bureau denied our petition to modify the June 1, 2020 civil investigative demand. On December 23, 2020, we received a civil investigative demand for investigational hearings in connection with the Bureau's investigation. The Company objected to certain portions of the civil investigative demands for hearings and, on January 19, 2021, the Bureau notified the Company that it had withdrawn such portions from the December 23, 2020 civil investigative demands. On March 11, 2021, we received another civil investigative demand from the Bureau seeking additional information relating to its investigation and an investigational hearing. On June 3, 2021, we received another civil investigative demand from the Bureau seeking additional information relating to its investigation. On December 6, 2021, we received a Notice and Opportunity to Respond and Advise ("NORA") letter from the Staff of the Office of Enforcement ("Staff") of the Bureau, stating that Staff is considering whether to recommend that the Bureau take legal action against the Company for alleged violations of the Consumer Financial Protection Act (the "CFPA") in connection with the Company's consumer loan origination practices. The NORA letter states that the Bureau may allege that the Company (i) committed abusive and unfair acts or practices in violation of 12 U.S.C. § 5531(c) and (d) and 12 U.S.C. § 5536(a)(1)(B) and (ii) substantially assisted the deceptive acts of others in violation of 12 U.S.C. § 5536 (a)(3). The NORA letter also states that, in connection with any action, the Bureau may seek all remedies available under the CFPA, including civil money penalties, consumer redress and injunctive relief. On January 18, 2022, the Company responded to the NORA letter disputing that it had committed any violations. On March 7, 2022, we received another civil investigative demand from the Bureau seeking additional information relating to its investigation. We cannot predict the eventual scope, duration or outcome of the investigation at this time. As a result, we are unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this investigation.

On March 18, 2016, we received a subpoena from the Attorney General of the State of Maryland, relating to the Company's repossession and sale policies and procedures in the state of Maryland. On April 3, 2020, we received a subpoena from the Attorney General of the State of Maryland relating to the Company's origination and collection policies and procedures in the state of Maryland. On August 11, 2020, we received a subpoena from the Attorney General of the State of Maryland restating most of the requests contained in the March 18, 2016 and April 3, 2020 subpoenas, making additional requests, and expanding the inquiry to include 41 other states (Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and Wisconsin) and the District of Columbia. Also on August 11, 2020, we received from the Attorney General of the State of New Jersey a subpoena that is essentially identical to the August 11, 2020 Maryland subpoena, both as to substance and as to the jurisdictions identified. We are cooperating with these investigations and cannot predict their eventual scope, duration or outcome at this time. As a result, we are unable to estimate the reasonably possible loss or range of reasonably possible loss arising from these investigations.

On December 9, 2014, we received a civil investigative subpoena from the U.S. Department of Justice pursuant to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 directing us to produce certain information relating to subprime automotive finance and related securitization activities. We have cooperated with the inquiry, but cannot predict the eventual scope, duration or outcome at this time. As a result, we are unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this investigation.

An adverse ultimate disposition in any action to which we are a party or otherwise subject could have a material adverse impact on our financial position, liquidity and results of operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included in Item 8 - Financial Statements and Supplementary Data, of our 2021 Annual Report on Form 10-K, as well as Part I - Item 1 - Financial Statements, of this Form 10-Q, which is incorporated herein by reference.

Overview

We offer financing programs that enable automobile dealers to sell vehicles to consumers, regardless of their credit history. Our financing programs are offered through a nationwide network of automobile dealers who benefit from sales of vehicles to consumers who otherwise could not obtain financing; from repeat and referral sales generated by these same customers; and from sales to customers responding to advertisements for our financing programs, but who actually end up qualifying for traditional financing.

For the three months ended September 30, 2022, consolidated net income was $86.8 million, or $6.49 per diluted share, compared to consolidated net income of $250.0 million, or $15.79 per diluted share, for the same period in 2021, primarily due to an increase in provision for credit losses and a decrease in finance charges. Our results for the three months ended September 30, 2022 included:

- A decrease in forecasted collection rates for Consumer Loans assigned in 2019 through 2022, which decreased forecasted net cash flows from our Loan portfolio by $85.4 million, or 0.9%.
- Forecasted profitability per Consumer Loan assignment that has significantly exceeded our initial estimates for Consumer Loans assigned in 2018 through 2020.
- Growth in Consumer Loan assignment volume, as unit and dollar volumes grew 29.3% and 32.1%, respectively, as compared to the third quarter of 2021.
- Stock repurchases of approximately 54,000 shares, which represented 0.4% of the shares outstanding at the beginning of the quarter.

For the nine months ended September 30, 2022, consolidated net income was $408.5 million, or $29.74 per diluted share, compared to consolidated net income of $740.7 million, or $44.73 per diluted share, for the same period in 2021, primarily due to an increase in provision for credit losses, an increase in operating expenses and a decrease in finance charges. Our results for the nine months ended September 30, 2022 included:

- A decrease in forecasted collection rates for Consumer Loans assigned in 2022 and an increase in forecasted collection rates for Consumer Loans assigned in 2014, 2016, 2017 and 2021, which decreased forecasted net cash flows from our Loan portfolio by $18.6 million, or 0.2%.
- Forecasted profitability per Consumer Loan assignment that has significantly exceeded our initial estimates for Consumer Loans assigned in 2018 through 2020.
- A decline in Consumer Loan assignment unit volume of 0.4%, while dollar volume grew 11.5%, as compared to the same period in 2021.
- Stock repurchases of approximately 1.3 million shares, which represented 8.9% of the shares outstanding at the beginning of the year.
- A $12.0 million expense in the second quarter of 2022, compared to a $27.2 million expense in the first quarter of 2021, related to previously-disclosed legal matters, and a $21.6 million increase in stock-based compensation expense primarily due to the retirement of our former Chief Executive Officer in May 2021 and the timing of shareholder approval for 2020 and 2021 stock option grants.

Critical Success Factors

Critical success factors include our ability to accurately forecast Consumer Loan performance, access capital on acceptable terms, and maintain or grow Consumer Loan volume at the level and on the terms that we anticipate, with the objective to maximize economic profit over the long term. Economic profit is a non-GAAP financial measure we use to evaluate our financial results and determine certain incentive compensation. We also use economic profit as a framework to evaluate business decisions and strategies. Economic profit measures how efficiently we utilize our total capital, both debt and equity, and is a function of the return on capital in excess of the cost of capital and the amount of capital invested in the business.

Consumer Loan Metrics

At the time a Consumer Loan is submitted to us for assignment, we forecast future expected cash flows from the Consumer Loan. Based on the amount and timing of these forecasts and expected expense levels, an advance or one-time purchase payment is made to the related Dealer at a price designed to maximize economic profit.

We use a statistical model to estimate the expected collection rate for each Consumer Loan at the time of assignment. We continue to evaluate the expected collection rate of each Consumer Loan subsequent to assignment. Our evaluation becomes more accurate as the Consumer Loans age, as we use actual performance data in our forecast. By comparing our current expected collection rate for each Consumer Loan with the rate we projected at the time of assignment, we are able to assess the accuracy of our initial forecast. The following table compares our forecast of Consumer Loan collection rates as of September 30, 2022, with the forecasts as of June 30, 2022, as of December 31, 2021 and at the time of assignment, segmented by year of assignment:

Consumer Loan Assignment Year	Forecasted Collection Percentage as of (1)				Current Forecast Variance from		
	September 30, 2022	June 30, 2022	December 31, 2021	Initial Forecast	June 30, 2022	December 31, 2021	Initial Forecast
2013	73.4 %	73.4 %	73.4 %	72.0 %	0.0 %	0.0 %	1.4 %
2014	71.7 %	71.7 %	71.5 %	71.8 %	0.0 %	0.2 %	-0.1 %
2015	65.2 %	65.2 %	65.1 %	67.7 %	0.0 %	0.1 %	-2.5 %
2016	63.8 %	63.8 %	63.6 %	65.4 %	0.0 %	0.2 %	-1.6 %
2017	64.6 %	64.6 %	64.4 %	64.0 %	0.0 %	0.2 %	0.6 %
2018	65.1 %	65.1 %	65.1 %	63.6 %	0.0 %	0.0 %	1.5 %
2019	66.5 %	66.7 %	66.5 %	64.0 %	-0.2 %	0.0 %	2.5 %
2020	67.9 %	68.4 %	67.9 %	63.4 %	-0.5 %	0.0 %	4.5 %
2021	66.8 %	67.6 %	66.5 %	66.3 %	-0.8 %	0.3 %	0.5 %
2022 (2)	66.5 %	67.1 %	—	67.4 %	-0.6 %	—	-0.9 %

(1) Represents the total forecasted collections we expect to collect on the Consumer Loans as a percentage of the repayments that we were contractually owed on the Consumer Loans at the time of assignment. Contractual repayments include both principal and interest. Forecasted collection rates are negatively impacted by canceled Consumer Loans as the contractual amount owed is not removed from the denominator for purposes of computing forecasted collection rates in the table.

(2) The forecasted collection rate for 2022 Consumer Loans as of September 30, 2022 includes both Consumer Loans that were in our portfolio as of June 30, 2022 and Consumer Loans assigned during the most recent quarter. The following table provides forecasted collection rates for each of these segments:

2022 Consumer Loan Assignment Period	Forecasted Collection Percentage as of			Current Forecast Variance from	
	September 30, 2022	June 30, 2022	Initial Forecast	June 30, 2022	Initial Forecast
January 1, 2022 through June 30, 2022	66.3 %	67.1 %	67.6 %	-0.8 %	-1.3 %
July 1, 2022 through September 30, 2022	66.9 %	—	67.1 %	—	-0.2 %

Consumer Loans assigned in 2013 and 2018 through 2020 have yielded forecasted collection results significantly better than our initial estimates, while Consumer Loans assigned in 2015 and 2016 have yielded forecasted collection results significantly worse than our initial estimates. For all other assignment years presented, actual results have been close to our initial estimates. For the three months ended September 30, 2022, forecasted collection rates declined for Consumer Loans assigned in 2019 through 2022 and were generally consistent with expectations at the start of the period for all other assignment years presented. For the nine months ended September 30, 2022, forecasted collection rates improved for Consumer Loans assigned in 2014, 2016, 2017 and 2021, declined for Consumer Loans assigned in 2022, and were generally consistent with expectations at the start of the period for all other assignment years presented.

The changes in forecasted collection rates for the three and nine months ended September 30, 2022 and 2021 impacted forecasted net cash flows (forecasted collections less forecasted Dealer Holdback payments) as follows:

(In millions)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Increase (Decrease) in Forecasted Net Cash Flows	2022	2021	2022	2021
Dealer Loans	$ (37.3)	$ 20.3	$ (17.4)	$ 79.9
Purchased Loans	(48.1)	62.0	(1.2)	214.3
Total	$ (85.4)	$ 82.3	$ (18.6)	$ 294.2

Total realized collections for October 2022 were consistent with our expectations at the start of the month. However, we have not yet completed our analysis of the collection results to determine the impact on forecasted net cash flows.

The following table presents information on the average Consumer Loan assignment for each of the last 10 years:

	Average		
Consumer Loan Assignment Year	Consumer Loan (1)	Advance (2)	Initial Loan Term (in months)
2013	$ 15,445	$ 7,344	47
2014	15,692	7,492	47
2015	16,354	7,272	50
2016	18,218	7,976	53
2017	20,230	8,746	55
2018	22,158	9,635	57
2019	23,139	10,174	57
2020	24,262	10,656	59
2021	25,632	11,790	59
2022 (3)	27,197	12,938	59

(1) Represents the repayments that we were contractually owed on Consumer Loans at the time of assignment, which include both principal and interest.
(2) Represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program and one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program. Payments of Dealer Holdback and accelerated Dealer Holdback are not included.
(3) The averages for 2022 Consumer Loans include both Consumer Loans that were in our portfolio as of June 30, 2022 and Consumer Loans assigned during the most recent quarter. The following table provides averages for each of these segments:

	Average		
2022 Consumer Loan Assignment Period	Consumer Loan	Advance	Initial Loan Term (in months)
January 1, 2022 through June 30, 2022	$ 27,118	$ 12,995	59
July 1, 2022 through September 30, 2022	27,357	12,820	60

Forecasting collection rates accurately at Loan inception is difficult. With this in mind, we establish advance rates that are intended to allow us to achieve acceptable levels of profitability, even if collection rates are less than we initially forecast.

The following table presents forecasted Consumer Loan collection rates, advance rates, the spread (the forecasted collection rate less the advance rate), and the percentage of the forecasted collections that had been realized as of September 30, 2022. All amounts, unless otherwise noted, are presented as a percentage of the initial balance of the Consumer Loan (principal + interest). The table includes both Dealer Loans and Purchased Loans.

	As of September 30, 2022			
Consumer Loan Assignment Year	Forecasted Collection %	Advance % (1)	Spread %	% of Forecast Realized (2)
2013	73.4 %	47.6 %	25.8 %	99.8 %
2014	71.7 %	47.7 %	24.0 %	99.5 %
2015	65.2 %	44.5 %	20.7 %	99.0 %
2016	63.8 %	43.8 %	20.0 %	98.4 %
2017	64.6 %	43.2 %	21.4 %	96.6 %
2018	65.1 %	43.5 %	21.6 %	91.1 %
2019	66.5 %	44.0 %	22.5 %	80.9 %
2020	67.9 %	43.9 %	24.0 %	65.1 %
2021	66.8 %	46.0 %	20.8 %	41.3 %
2022 (3)	66.5 %	47.6 %	18.9 %	10.5 %

(1) Represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program and one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program as a percentage of the initial balance of the Consumer Loans. Payments of Dealer Holdback and accelerated Dealer Holdback are not included.

(2) Presented as a percentage of total forecasted collections.

(3) The forecasted collection rate, advance rate and spread for 2022 Consumer Loans as of September 30, 2022 include both Consumer Loans that were in our portfolio as of June 30, 2022 and Consumer Loans assigned during the most recent quarter. The following table provides forecasted collection rates, advance rates, and spreads for each of these segments:

	As of September 30, 2022		
2022 Consumer Loan Assignment Period	Forecasted Collection %	Advance %	Spread %
January 1, 2022 through June 30, 2022	66.3 %	47.9 %	18.4 %
July 1, 2022 through September 30, 2022	66.9 %	46.9 %	20.0 %

The risk of a material change in our forecasted collection rate declines as the Consumer Loans age. For 2018 and prior Consumer Loan assignments, the risk of a material forecast variance is modest, as we have currently realized in excess of 90% of the expected collections. Conversely, the forecasted collection rates for more recent Consumer Loan assignments are less certain as a significant portion of our forecast has not been realized.

The spread between the forecasted collection rate and the advance rate has ranged from 18.9% to 25.8%, on an annual basis, over the last 10 years. The spreads in 2019 and 2020 were positively impacted by Consumer Loan performance, which has exceeded our initial estimates by a greater margin than the other years presented. The decrease in the spread from 2021 to 2022 was primarily due to Consumer Loan performance, as the performance of 2021 Consumer Loans has exceeded our initial estimates while the performance of 2022 Consumer Loans has been lower than our initial estimates, and a lower initial spread on 2022 Consumer Loans due to the advance rate increasing by a greater margin than the initial forecast. The increase in the spread from the first six months of 2022 to the third quarter of 2022 was primarily due to Consumer Loan performance, as the performance of Consumer Loans assigned during the first six months of 2022 has been significantly lower than our initial estimates, and a higher initial spread on Consumer Loans assigned during the third quarter of 2022 due to the advance rate decreasing by a greater margin than the initial forecast.

The following table compares our forecast of Consumer Loan collection rates as of September 30, 2022 with the forecasts at the time of assignment, for Dealer Loans and Purchased Loans separately:

	Dealer Loans			Purchased Loans		
	Forecasted Collection Percentage as of (1)			Forecasted Collection Percentage as of (1)		
Consumer Loan Assignment Year	September 30, 2022	Initial Forecast	Variance	September 30, 2022	Initial Forecast	Variance
2013	73.4 %	72.1 %	1.3 %	74.3 %	71.6 %	2.7 %
2014	71.5 %	71.9 %	-0.4 %	72.5 %	70.9 %	1.6 %
2015	64.5 %	67.5 %	-3.0 %	68.9 %	68.5 %	0.4 %
2016	63.0 %	65.1 %	-2.1 %	66.0 %	66.5 %	-0.5 %
2017	64.0 %	63.8 %	0.2 %	66.3 %	64.6 %	1.7 %
2018	64.5 %	63.6 %	0.9 %	66.3 %	63.5 %	2.8 %
2019	66.2 %	63.9 %	2.3 %	67.1 %	64.2 %	2.9 %
2020	67.8 %	63.3 %	4.5 %	68.1 %	63.6 %	4.5 %
2021	66.6 %	66.3 %	0.3 %	67.3 %	66.3 %	1.0 %
2022	66.1 %	67.3 %	-1.2 %	67.3 %	67.7 %	-0.4 %

(1) The forecasted collection rates presented for Dealer Loans and Purchased Loans reflect the Consumer Loan classification at the time of assignment. The forecasted collection rates represent the total forecasted collections we expect to collect on the Consumer Loans as a percentage of the repayments that we were contractually owed on the Consumer Loans at the time of assignment. Contractual repayments include both principal and interest. Forecasted collection rates are negatively impacted by canceled Consumer Loans as the contractual amount owed is not removed from the denominator for purposes of computing forecasted collection rates in the table.

The following table presents forecasted Consumer Loan collection rates, advance rates, and the spread (the forecasted collection rate less the advance rate) as of September 30, 2022 for Dealer Loans and Purchased Loans separately. All amounts are presented as a percentage of the initial balance of the Consumer Loan (principal + interest).

	Dealer Loans			Purchased Loans		
Consumer Loan Assignment Year	Forecasted Collection % (1)	Advance % (1)(2)	Spread %	Forecasted Collection % (1)	Advance % (1)(2)	Spread %
2013	73.4 %	47.2 %	26.2 %	74.3 %	51.5 %	22.8 %
2014	71.5 %	47.2 %	24.3 %	72.5 %	51.8 %	20.7 %
2015	64.5 %	43.4 %	21.1 %	68.9 %	50.2 %	18.7 %
2016	63.0 %	42.1 %	20.9 %	66.0 %	48.6 %	17.4 %
2017	64.0 %	42.1 %	21.9 %	66.3 %	45.8 %	20.5 %
2018	64.5 %	42.7 %	21.8 %	66.3 %	45.2 %	21.1 %
2019	66.2 %	43.1 %	23.1 %	67.1 %	45.6 %	21.5 %
2020	67.8 %	43.0 %	24.8 %	68.1 %	45.5 %	22.6 %
2021	66.6 %	45.1 %	21.5 %	67.3 %	47.7 %	19.6 %
2022	66.1 %	46.5 %	19.6 %	67.3 %	50.1 %	17.2 %

(1) The forecasted collection rates and advance rates presented for Dealer Loans and Purchased Loans reflect the Consumer Loan classification at the time of assignment.
(2) Represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program and one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program as a percentage of the initial balance of the Consumer Loans. Payments of Dealer Holdback and accelerated Dealer Holdback are not included.

Although the advance rate on Purchased Loans is higher as compared to the advance rate on Dealer Loans, Purchased Loans do not require us to pay Dealer Holdback.

The spread on Dealer Loans decreased from 21.5% in 2021 to 19.6% in 2022 primarily as a result of Consumer Loan performance, as the performance of 2021 Consumer Loans in our Dealer Loan portfolio has exceeded our initial estimates while the performance of 2022 Consumer Loans in our Dealer Loan portfolio has been significantly lower than our initial estimates, and a lower initial spread on 2022 Consumer Loans in our Dealer Loan portfolio, due to the advance rate increasing by a greater margin than the initial forecast in our Dealer Loan portfolio. The spread on Purchased Loans decreased from 19.6% in 2021 to 17.2% in 2022 primarily as a result of Consumer Loan performance, as the performance of the 2021 Consumer Loans in our Purchased Loan portfolio has significantly exceeded our initial estimates while the performance of 2022 Consumer Loans in our Purchased Loan portfolio has been lower than our initial estimates, and a lower initial spread on 2022 Consumer Loans in our Purchased Loan portfolio, due to the advance rate increasing by a greater margin than the initial forecast in our Purchased Loan portfolio.

Access to Capital

Our strategy for accessing capital on acceptable terms needed to maintain and grow the business is to: (1) maintain consistent financial performance; (2) maintain modest financial leverage; and (3) maintain multiple funding sources. Our funded debt to equity ratio was 2.9 to 1 as of September 30, 2022. We currently utilize the following primary forms of debt financing: (1) a revolving secured line of credit; (2) Warehouse facilities; (3) Term ABS financings; and (4) senior notes.

Consumer Loan Volume

The following table summarizes changes in Consumer Loan assignment volume in each of the last seven quarters as compared to the same period in the previous year:

	Year over Year Percent Change	
Three Months Ended	Unit Volume	Dollar Volume (1)
March 31, 2021	-7.5 %	-2.2 %
June 30, 2021	-28.7 %	-20.5 %
September 30, 2021	-29.4 %	-17.9 %
December 31, 2021	-22.6 %	-12.7 %
March 31, 2022	-22.1 %	-10.5 %
June 30, 2022	5.1 %	22.0 %
September 30, 2022	29.3 %	32.1 %

(1) Represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program and one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program. Payments of Dealer Holdback and accelerated Dealer Holdback are not included.

Consumer Loan assignment volumes depend on a number of factors including (1) the overall demand for our financing programs, (2) the amount of capital available to fund new Loans, and (3) our assessment of the volume that our infrastructure can support. Our pricing strategy is intended to maximize the amount of economic profit we generate, within the confines of capital and infrastructure constraints.

Unit and dollar volumes grew 29.3% and 32.1%, respectively, during the third quarter of 2022 as the number of active Dealers grew 12.6% and the average unit volume per active Dealer grew 15.1%. Unit volume for October 2022 grew 21.2% compared to unit volume for October 2021. The comparable 2021 periods reflected significant declines in unit volume, which we believe were primarily due to low dealer inventories and elevated used vehicle prices, which we believe were primarily due to the downstream impact of supply chain disruptions in the automotive industry.

The following table summarizes the changes in Consumer Loan unit volume and active Dealers:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Consumer Loan unit volume	71,937	55,620	29.3 %	218,393	219,303	-0.4 %
Active Dealers (1)	8,547	7,588	12.6 %	10,880	10,815	0.6 %
Average volume per active Dealer	8.4	7.3	15.1 %	20.1	20.3	-1.0 %
Consumer Loan unit volume from Dealers active both periods	56,381	48,141	17.1 %	192,302	201,409	-4.5 %
Dealers active both periods	5,518	5,518	—	8,096	8,096	—
Average volume per Dealer active both periods	10.2	8.7	17.1 %	23.8	24.9	-4.5 %
Consumer Loan unit volume from Dealers not active both periods	15,556	7,479	108.0 %	26,091	17,894	45.8 %
Dealers not active both periods	3,029	2,070	46.3 %	2,784	2,719	2.4 %
Average volume per Dealer not active both periods	5.1	3.6	41.7 %	9.4	6.6	42.4 %

(1) Active Dealers are Dealers who have received funding for at least one Consumer Loan during the period.

The following table provides additional information on the changes in Consumer Loan unit volume and active Dealers:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Consumer Loan unit volume from new active Dealers	2,522	1,476	70.9 %	17,653	12,361	42.8 %
New active Dealers (1)	674	460	46.5 %	2,044	1,615	26.6 %
Average volume per new active Dealer	3.7	3.2	15.6 %	8.6	7.7	11.7 %
Attrition (2)	-13.4 %	-16.6 %		-8.2 %	-9.2 %	

(1) New active Dealers are Dealers who enrolled in our program and have received funding for their first Loan from us during the period.
(2) Attrition is measured according to the following formula: decrease in Consumer Loan unit volume from Dealers who have received funding for at least one Loan during the comparable period of the prior year but did not receive funding for any Loans during the current period divided by prior year comparable period Consumer Loan unit volume.

The following table shows the percentage of Consumer Loans assigned to us as Dealer Loans and Purchased Loans for each of the last seven quarters:

	Unit Volume		Dollar Volume (1)	
Three Months Ended	Dealer Loans	Purchased Loans	Dealer Loans	Purchased Loans
March 31, 2021	65.4 %	34.6 %	62.7 %	37.3 %
June 30, 2021	66.9 %	33.1 %	64.0 %	36.0 %
September 30, 2021	69.9 %	30.1 %	66.8 %	33.2 %
December 31, 2021	71.8 %	28.2 %	68.0 %	32.0 %
March 31, 2022	72.7 %	27.3 %	68.6 %	31.4 %
June 30, 2022	74.0 %	26.0 %	70.4 %	29.6 %
September 30, 2022	74.3 %	25.7 %	70.5 %	29.5 %

(1) Represents advances paid to Dealers on Consumer Loans assigned under our Portfolio Program and one-time payments made to Dealers to purchase Consumer Loans assigned under our Purchase Program. Payments of Dealer Holdback and accelerated Dealer Holdback are not included.

As of September 30, 2022 and December 31, 2021, the net Dealer Loans receivable balance was 64.1% and 61.3%, respectively, of the total net Loans receivable balance.

Results of Operations

The net Loan income (finance charge revenue less provision for credit losses expense) that we recognize over the life of a Loan equals the cash we collect from the underlying Consumer Loan less the cash we pay to the Dealer. We believe the economics of our business are best exhibited by recognizing net Loan income on a level-yield basis over the life of the Loan based on expected future net cash flows. We do not believe the GAAP methodology we employ (known as CECL) provides sufficient transparency into the economics of our business due to its asymmetry requiring us to recognize a significant provision for credit losses expense at the time of assignment for contractual net cash flows we never expect to realize and to recognize in subsequent periods finance charge revenue that is significantly in excess of our expected yields. For additional information, see Note 3 and Note 6 to the consolidated financial statements contained in Part I - Item 1 of this Form 10-Q, which is incorporated herein by reference.

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

The following is a discussion of our results of operations and income statement data on a consolidated basis.

(Dollars in millions, except per share data)	For the Three Months Ended September 30,			
	2022	2021	$ Change	% Change
Revenue:				
Finance charges	$ 420.6	$ 442.1	$ (21.5)	-4.9 %
Premiums earned	16.4	15.4	1.0	6.5 %
Other income	23.3	12.6	10.7	84.9 %
Total revenue	460.3	470.1	(9.8)	-2.1 %
Costs and expenses:				
Salaries and wages (1)	66.9	63.2	3.7	5.9 %
General and administrative (1)	16.6	16.9	(0.3)	-1.8 %
Sales and marketing (1)	19.7	16.3	3.4	20.9 %
Provision for credit losses	180.3	(8.3)	188.6	-2,272.3 %
Interest	41.8	39.8	2.0	5.0 %
Provision for claims	12.9	10.0	2.9	29.0 %
Total costs and expenses	338.2	137.9	200.3	145.3 %
Income before provision for income taxes	122.1	332.2	(210.1)	-63.2 %
Provision for income taxes	35.3	82.2	(46.9)	-57.1 %
Net income	$ 86.8	$ 250.0	$ (163.2)	-65.3 %
Net income per share:				
Basic	$ 6.53	$ 15.83	$ (9.30)	-58.7 %
Diluted	$ 6.49	$ 15.79	$ (9.30)	-58.9 %
Weighted average shares outstanding:				
Basic	13,293,224	15,795,963	(2,502,739)	-15.8 %
Diluted	13,364,160	15,829,166	(2,465,006)	-15.6 %
(1) Operating expenses	$ 103.2	$ 96.4	$ 6.8	7.1 %

Finance Charges. The decrease of $21.5 million, or 4.9%, was primarily the result of a decrease in the average net Loans receivable balance, as follows:

(Dollars in millions)	For the Three Months Ended September 30,		
	2022	2021	Change
Average net Loans receivable balance	$ 6,316.6	$ 6,676.8	$ (360.2)
Average yield on our Loan portfolio	26.6 %	26.5 %	0.1 %

The following table summarizes the impact each component had on the overall decrease in finance charges for the three months ended September 30, 2022:

(In millions)	Year over Year Change
Impact on finance charges:	**For the Three Months Ended September 30, 2022**
Due to a decrease in the average net Loans receivable balance	$ (23.9)
Due to an increase in the average yield	2.4
Total decrease in finance charges	$ (21.5)

The decrease in the average net Loans receivable balance was primarily due to the principal collected on Loans receivable exceeding the dollar volume of new Consumer Loan assignments.

Other Income. The increase of $10.7 million, or 84.9%, was primarily due to:

- A $5.2 million increase in remarketing fee income for fees related to the repossession and remarketing of vehicles, which included $4.5 million of fees charged to dealers for repossession activity that occurred from August 2020 through June 2022.
- A $4.1 million increase in ancillary product profit sharing income primarily due to a decrease in average claim rates on Guaranteed Asset Protection ("GAP") contracts.

Operating Expenses. The increase of $6.8 million, or 7.1%, was primarily due to:

- An increase in salaries and wages expense of $3.7 million, or 5.9%, primarily due to:
  - An increase of $10.1 million, excluding stock-based compensation expense, primarily related to an increase in the number of team members in our technology department.
  - A decrease of $6.4 million in stock-based compensation expense, primarily related to stock options. From December 2020 through June 2021, we granted stock options, subject to shareholder approval of an amendment to our incentive compensation plan. Because stock-based awards subject to shareholder approval are not considered granted for accounting purposes until that approval is received, no stock-based compensation expense could be recognized with respect to those stock options until we received shareholder approval at the annual meeting on July 21, 2021. Accordingly, the first annual vesting installment was recognized over the period from July 2021 through the first anniversary of the date on which the options were granted, resulting in a higher expense during the third quarter of 2021.
- An increase in sales and marketing expense of $3.4 million, or 20.9%, primarily due to a change in the compensation plan for our sales force in September 2021, an increase in the size of our sales force, and growth in Consumer Loan assignment unit volume.

Provision for Credit Losses. The increase of $188.6 million was primarily due to an increase in provision for credit losses on forecast changes.

We recognize provision for credit losses on new Consumer Loan assignments for contractual net cash flows that are not expected to be realized at the time of assignment. We also recognize provision for credit losses on forecast changes in the amount and timing of expected future net cash flows subsequent to assignment. The following table summarizes the provision for credit losses for each of these components:

(In millions)	For the Three Months Ended September 30,		
Provision for Credit Losses	**2022**	**2021**	**Change**
New Consumer Loan assignments	$ 83.4	$ 75.5	$ 7
Forecast changes	96.9	(83.8)	180
Total	$ 180.3	$ (8.3)	$ 188

The increase in provision for credit losses related to forecast changes was primarily due to a decline in Consumer Loan performance during the third quarter of 2022 compared to an improvement in Consumer Loan performance during the third quarter of 2021. During the third quarter of 2022, we reduced our estimate of future net cash flows by $85.4 million to reflect a decline in Consumer Loan performance during the period. During the third quarter of 2021, we increased our estimate of future net cash flows by $82.3 million to reflect an improvement in Consumer Loan performance during the period.

The increase in provision for credit losses related to new Consumer Loan assignments was primarily due to a 29.3% increase in Consumer Loan assignment unit volume, partially offset by a decrease in the average provision per Consumer Loan assignment.

Provision for Income Taxes. For the three months ended September 30, 2022, the effective income tax rate increased to 28.9% from 24.7% for the three months ended September 30, 2021. The increase was primarily due to changes in state and local tax laws that were enacted during the third quarter of 2022 and the impact of non-deductible expenses on our effective income tax rate, which increased in magnitude from 2021 to 2022 primarily due to a decrease in pre-tax income. For additional information, see Note 11 to the consolidated financial statements contained in Part I - Item 1 of this Form 10-Q, which is incorporated herein by reference.

Nine Months Ended September 30, 2022 Compared to Nine Months Ended September 30, 2021

The following is a discussion of our results of operations and income statement data on a consolidated basis.

(Dollars in millions, except per share data)	For the Nine Months Ended September 30,			
	2022	2021	$ Change	% Change
Revenue:				
Finance charges	$ 1,270.3	$ 1,312.4	$ (42.1)	-3.2 %
Premiums earned	45.6	45.6	—	— %
Other income	57.5	34.8	22.7	65.2 %
Total revenue	1,373.4	1,392.8	(19.4)	-1.4 %
Costs and expenses:				
Salaries and wages (1)	196.7	150.9	45.8	30.4 %
General and administrative (1)	67.8	79.9	(12.1)	-15.1 %
Sales and marketing (1)	57.9	48.4	9.5	19.6 %
Provision for credit losses	351.1	(17.5)	368.6	-2,106.3 %
Interest	117.2	125.6	(8.4)	-6.7 %
Provision for claims	34.0	29.3	4.7	16.0 %
Total costs and expenses	824.7	416.6	408.1	98.0 %
Income before provision for income taxes	548.7	976.2	(427.5)	-43.8 %
Provision for income taxes	140.2	235.5	(95.3)	-40.5 %
Net income	$ 408.5	$ 740.7	$ (332.2)	-44.8 %
Net income per share:				
Basic	$ 29.90	$ 44.77	$ (14.87)	-33.2 %
Diluted	$ 29.74	$ 44.73	$ (14.99)	-33.5 %
Weighted average shares outstanding:				
Basic	13,662,178	16,543,326	(2,881,148)	-17.4 %
Diluted	13,737,871	16,559,639	(2,821,768)	-17.0 %
(1) Operating expenses	$ 322.4	$ 279.2	$ 43.2	15.5 %

Finance Charges. The decrease of $42.1 million, or 3.2%, was primarily the result of a decrease in the average net Loans receivable balance, partially offset by an increase in the average yield on our Loan portfolio, as follows:

(Dollars in millions)	For the Nine Months Ended September 30,		
	2022	2021	Change
Average net Loans receivable balance	$ 6,316.9	$ 6,772.6	$ (455.7)
Average yield on our Loan portfolio	26.8 %	25.8 %	1.0 %

The following table summarizes the impact each component had on the overall decrease in finance charges for the nine months ended September 30, 2022:

(In millions)	Year over Year Change
Impact on finance charges:	For the Nine Months Ended September 30, 2022
Due to a decrease in the average net Loans receivable balance	$ (88.3)
Due to an increase in the average yield	46.2
Total decrease in finance charges	$ (42.1)

The decrease in the average net Loans receivable balance was primarily due to the principal collected on Loans receivable exceeding the dollar volume of new Consumer Loan assignments. The average yield on our Loan portfolio for the nine months ended September 30, 2022 increased as compared to the same period in 2021 primarily due to the adoption of CECL on January 1, 2020, which requires us to recognize finance charges on new Consumer Loan assignments using effective interest rates based on contractual future net cash flows, which are significantly in excess of our expected yields.

Other Income. The increase of $22.7 million, or 65.2%, was primarily due to:

- A $16.3 million increase in ancillary product profit sharing income primarily due to a decrease in average claim rates on GAP contracts.
- A $5.0 million increase in remarketing fee income for fees related to the repossession and remarketing of vehicles, which included $3.1 million of fees charged to dealers for repossession activity that occurred from August 2020 through December 2021.

Operating Expenses. The increase of $43.2 million, or 15.5%, was primarily due to:

- An increase in salaries and wages expense of $45.8 million, or 30.4%, primarily due to:
  - An increase of $24.2 million, excluding stock-based compensation expense, primarily related to an increase in the number of team members in our technology department.
  - An increase of $21.6 million in stock-based compensation expense, primarily related to:
    - An $11.5 million reversal of expense during the second quarter of 2021 due to the forfeiture of unvested restricted stock and restricted stock units upon the retirement of our former Chief Executive Officer in May 2021.
    - An increase of $10.4 million related to stock options. From December 2020 through June 2021, we granted stock options, subject to shareholder approval of an amendment to our incentive compensation plan. Because stock-based awards subject to shareholder approval are not considered granted for accounting purposes until that approval is received, no stock-based compensation expense could be recognized with respect to those stock options until we received shareholder approval at the annual meeting on July 21, 2021.
- A decrease in general and administrative expense of $12.1 million, or 15.1%, primarily due to a decrease in legal expenses. Legal expenses for the nine months ended September 30, 2021 included a $27.2 million settlement with the Commonwealth of Massachusetts to settle and fully resolve the claims asserted by the Commonwealth of Massachusetts against the Company, while legal expenses for the nine months ended September 30, 2022 included the recognition of a $12.0 million contingent loss related to the Company reaching an agreement in principle to settle a previously-disclosed putative class action lawsuit.

Provision for Credit Losses. The increase of $368.6 million was due to an increase in provision for credit losses on forecast changes, partially offset by a decrease in provision for credit losses on new Consumer Loan assignments.

We recognize provision for credit losses on new Consumer Loan assignments for contractual net cash flows that are not expected to be realized at the time of assignment. We also recognize provision for credit losses on forecast changes in the amount and timing of expected future net cash flows subsequent to assignment. The following table summarizes the provision for credit losses for each of these components:

(In millions)	For the Nine Months Ended September 30,		
Provision for Credit Losses	**2022**	**2021**	**Change**
New Consumer Loan assignments	$ 283.5	$ 298.9	$ (15.
Forecast changes	67.6	(316.4)	384
Total	$ 351.1	$ (17.5)	$ 368

The increase in provision for credit losses related to forecast changes was primarily due to a decline in Consumer Loan performance during the first nine months of 2022 compared to an improvement in Consumer Loan performance during the same period in 2021. During the first nine months of 2022, we reduced our estimate of future net cash flows by $18.6 million to reflect a decline in Consumer Loan performance during the period. During the first nine months of 2021, we increased our estimate of future net cash flows by $294.2 million to reflect an improvement in Consumer Loan performance during the period. The results for the first nine months of 2022 include the impact of forecasting methodology changes implemented during the first quarter, which upon implementation increased our estimate of future net cash flows by $95.7 million and reduced our provision for credit losses by $70.6 million. The forecasting methodology changes included the removal of the COVID forecast adjustment from our estimate of future net cash flows and an enhancement to our methodology for forecasting the amount and timing of future net cash flows from our Loan portfolio through the utilization of more recent data and new

forecast variables. For additional information, see Note 6 to the consolidated financial statements contained in Part I - Item 1 of this Form 10-Q, which is incorporated herein by reference.

The decrease in provision for credit losses related to new Consumer Loan assignments was primarily due to a 0.4% decrease in Consumer Loan assignment unit volume and a decrease in the average provision per Consumer Loan assignment.

Provision for Income Taxes. For the nine months ended September 30, 2022, our effective income tax rate increased to 25.6% from 24.1% for the nine months ended September 30, 2021. The increase was primarily due to changes in state and local tax laws that were enacted during the third quarter of 2022 and an increase in non-deductible executive compensation expense. Additionally, the impact of non-deductible expenses on our effective income tax rate also increased in magnitude from 2021 to 2022 due to a decrease in pre-tax income. For additional information, see Note 11 to the consolidated financial statements contained in Part I - Item 1 of this Form 10-Q, which is incorporated herein by reference.

Properties

The COVID-19 pandemic had a significant impact on our work environment, as the vast majority of our team members began working remotely. Because our remote operations and processes proved successful early on, we now pursue a “remote first” strategy to take advantage of the national talent pool and an increased rate of team member satisfaction. While remote work has become the primary experience for most of our team members, we do have team members that, due to their personal preference or the nature of their responsibilities, have continued to work primarily in one of our office properties. Additionally, we have various on-site meetings, events and team building activities for which in-person attendance is encouraged. Therefore, we believe we will always have a need for some amount of office space.

As a result of the “remote first” strategy, we have excess space in the two office buildings that we own in Southfield, Michigan and the office space that we lease in Henderson, Nevada. Our Henderson lease, which we will not renew, expires in December 2022. We are currently considering options to further reduce our office space, which could result in the sale of one or both of our buildings. As there is currently a significant amount of unoccupied office space in Southfield, we believe the market value of our buildings and improvements, land and land improvements, and office furniture and equipment is significantly less than their combined carrying value of $39.2 million. If we were to reclassify one or both of these buildings as held for sale, we would be required to record an impairment charge to reduce the carrying value of the buildings held for sale to their estimated market value less costs to sell.

Liquidity and Capital Resources

We need capital to maintain and grow our business. Our primary sources of capital are cash flows from operating activities, collections of Consumer Loans and borrowings under: (1) a revolving secured line of credit; (2) Warehouse facilities; (3) Term ABS financings; and (4) senior notes. There are various restrictive covenants to which we are subject under each financing arrangement and we were in compliance with those covenants as of September 30, 2022. For information regarding these financings and the covenants included in the related documents, see Note 9 to the consolidated financial statements contained in Part I - Item 1 of this Form 10-Q, which is incorporated herein by reference.

On June 16, 2022, we completed a $350.0 million Term ABS financing, which was used to repay outstanding indebtedness and for general corporate purposes. The financing has an expected annualized cost of approximately 5.4% (including the initial purchasers' fees and other costs), and it will revolve for 24 months, after which it will amortize based upon the cash flows on the contributed Loans.

On June 16, 2022, we extended the date on which our $300.0 million Warehouse Facility IV will cease to revolve from November 17, 2023 to May 20, 2025.

On June 22, 2022, we extended the maturity of our revolving secured line of credit facility from June 22, 2024 to June 22, 2025. Prior to this amendment, the amount of the facility was set to decrease by $35.0 million on June 22, 2022; however, this amendment increased the amount of the facility by $10.0 million, resulting in a net decrease of $25.0 million, from $435.0 million to $410.0 million. As previously reported, the amount of the facility will further decrease by $25.0 million on June 22, 2023. Additionally, this amendment removed the covenant that required us to maintain consolidated net income of not less than $1 for the two most recently ended fiscal quarters.

On August 12, 2022, we extended by three years the $500.0 million Term ABS financing that we entered into on August 28, 2019 and to which we refer as Term ABS 2019-2. Under the amendment effecting the extension, the date on which the financing will cease to revolve has been extended from August 15, 2022 to August 15, 2025. The amendment has also increased the interest rate under the financing from 3.13% to 5.15%.

Cash and cash equivalents as of September 30, 2022 and December 31, 2021 was $10.7 million and $23.3 million, respectively. As of September 30, 2022 and December 31, 2021, we had $1,171.1 million and $1,532.4 million, respectively, in unused and available lines of credit. Our total balance sheet indebtedness increased to $4,625.9 million as of September 30, 2022 from $4,616.3 million as of December 31, 2021, primarily due to stock repurchases.

A summary of our scheduled principal debt maturities as of September 30, 2022 is as follows:

(In millions)

Year	Scheduled Principal Debt Maturities (1)
Remainder of 2022	$ 315.2
2023	1,608.8
2024	1,293.8
2025	1,026.4
2026	403.1
Over five years	—
Total	$ 4,647.3

(1) The principal maturities of certain financings are estimated based on forecasted collections.

Based upon anticipated cash flows, management believes that cash flows from operations and our various financing alternatives will provide sufficient financing for debt maturities and for future operations. Our ability to borrow funds may be impacted by economic and financial market conditions. If the various financing alternatives were to become limited or unavailable to us, our operations and liquidity could be materially and adversely affected.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we review our accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021 discusses several critical accounting estimates, which we believe involve a high degree of judgment and complexity. There have been no material changes to the estimates and assumptions associated with these accounting estimates from those discussed in our Annual Report on Form 10-K for the year ended December 31, 2021, except as described below:

The COVID-19 pandemic created conditions that increased the level of uncertainty associated with our estimate of the amount and timing of future net cash flows from our Loan portfolio. During the first quarter of 2020, we applied a subjective adjustment to our forecasting model to reflect our best estimate of the future impact of the COVID-19 pandemic on future net cash flows ("COVID forecast adjustment"), which reduced our estimate of future net cash flows by $162.2 million. We continued to apply the COVID forecast adjustment through the end of 2021 as it continued to represent our best estimate. During the first quarter of 2022, we determined that we had sufficient Consumer Loan performance experience since the lapse of federal stimulus payments and enhanced unemployment benefits to refine our estimate of future net cash flows. Accordingly, during the first quarter of 2022, we removed the COVID forecast adjustment and enhanced our methodology for forecasting the amount and timing of future net cash flows from our Loan portfolio through the utilization of more recent data and new forecast variables. Under CECL, changes in the amount and timing of forecasted net cash flows are recorded as a provision for credit losses in the period of change.

The removal of the COVID forecast adjustment and the implementation of the enhanced forecasting methodology during the first quarter of 2022 impacted forecasted net cash flows and provision for credit losses as follows:

(In millions)	Increase / (Decrease) in	
Forecasting Methodology Changes	Forecasted Net Cash Flows	Provision for Credi Losses
Removal of COVID forecast adjustment	$ 149.5	$ (118
Implementation of enhanced forecasting methodology	(53.8)	47
Total	$ 95.7	$ (70

Forward-Looking Statements

We make forward-looking statements in this report and may make such statements in future filings with the Securities and Exchange Commission ("SEC"). We may also make forward-looking statements in our press releases or other public or shareholder communications. Our forward-looking statements are subject to risks and uncertainties and include information about our expectations and possible or assumed future results of operations. When we use any of the words "may," "will," "should," "believe," "expect," "anticipate," "assume," "forecast," "estimate," "intend," "plan," "target" or similar expressions, we are making forward-looking statements.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all of our forward-looking statements. These forward-looking statements represent our outlook only as of the date of this report. While we believe that our forward-looking statements are reasonable, actual results could differ materially since the statements are based on our current expectations, which are subject to risks and uncertainties. Factors that might cause such a difference include, but are not limited to, the factors set forth in Item 1A of our Form 10-K for the year ended December 31, 2021 and Item 1A in Part II of this report, other risk factors discussed herein or listed from time to time in our reports filed with the SEC and the following:

Industry, Operational and Macroeconomic Risks

- The outbreak of COVID-19 has adversely impacted our business, and the continuance of this pandemic, or any future outbreak of any contagious diseases or other public health emergency, could materially and adversely affect our business, financial condition, liquidity and results of operations.
- Our inability to accurately forecast and estimate the amount and timing of future collections could have a material adverse effect on results of operations.

- Due to competition from traditional financing sources and non-traditional lenders, we may not be able to compete successfully.
- Reliance on third parties to administer our ancillary product offerings could adversely affect our business and financial results.
- We are dependent on our senior management and the loss of any of these individuals or an inability to hire additional team members could adversely affect our ability to operate profitably.
- Our reputation is a key asset to our business, and our business may be affected by how we are perceived in the marketplace.
- The concentration of our dealers in several states could adversely affect us.
- Reliance on our outsourced business functions could adversely affect our business.
- Our ability to hire and retain foreign information technology personnel could be hindered by immigration restrictions.
- We may be unable to execute our business strategy due to current economic conditions.
- Adverse changes in economic conditions, the automobile or finance industries, or the non-prime consumer market could adversely affect our financial position, liquidity and results of operations, the ability of key vendors that we depend on to supply us with services, and our ability to enter into future financing transactions.
- Natural disasters, climate change, acts of war, terrorist attacks and threats or the escalation of military activity in response to these attacks or otherwise may negatively affect our business, financial condition and results of operations.
- Governmental or market responses to climate change and related environmental issues could have a material adverse effect on our business.
- Consequences of the current conflict between Russia and Ukraine could have a material adverse effect on our business, financial condition, liquidity and results of operations.
- A small number of our shareholders have the ability to significantly influence matters requiring shareholder approval and such shareholders have interests which may conflict with the interests of our other security holders.

Capital and Liquidity Risks

- We may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow our business.
- The terms of our debt limit how we conduct our business.
- A violation of the terms of our asset-backed secured financing facilities or revolving secured warehouse facilities could have a material adverse impact on our operations.
- Our substantial debt could negatively impact our business, prevent us from satisfying our debt obligations and adversely affect our financial condition.
- We may not be able to generate sufficient cash flows to service our outstanding debt and fund operations and may be forced to take other actions to satisfy our obligations under such debt.
- Interest rate fluctuations may adversely affect our borrowing costs, profitability and liquidity.
- The phaseout of the London Interbank Offered Rate (“LIBOR”), or the replacement of LIBOR with a different reference rate, could result in a material adverse effect on our business.
- Reduction in our credit rating could increase the cost of our funding from, and restrict our access to, the capital markets and adversely affect our liquidity, financial condition and results of operations.
- We may incur substantially more debt and other liabilities. This could exacerbate further the risks associated with our current debt levels.
- The conditions of the U.S. and international capital markets may adversely affect lenders with which we have relationships, causing us to incur additional costs and reducing our sources of liquidity, which may adversely affect our financial position, liquidity and results of operations.

Information Technology and Cybersecurity Risks

- Our dependence on technology could have a material adverse effect on our business.
- Our use of electronic contracts could impact our ability to perfect our ownership or security interest in Consumer Loans.
- Failure to properly safeguard confidential consumer and team member information could subject us to liability, decrease our profitability and damage our reputation.

Legal and Regulatory Risks

- Litigation we are involved in from time to time may adversely affect our financial condition, results of operations and cash flows.
- Changes in tax laws and the resolution of uncertain income tax matters could have a material adverse effect on our results of operations and cash flows from operations.
- The regulations to which we are or may become subject could result in a material adverse effect on our business.

Other factors not currently anticipated by management may also materially and adversely affect our business, financial condition and results of operations. We do not undertake, and expressly disclaim any obligation, to update or alter our statements whether as a result of new information, future events or otherwise, except as required by applicable law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Refer to our Annual Report on Form 10-K for the year ended December 31, 2021 for a complete discussion of our market risk. There have been no material changes to the market risk information included in our 2021 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES.

(a) *Disclosure Controls and Procedures.* Our management, with the participation of our principal executive and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, our principal executive and principal financial officer has concluded that, as of the end of such period, our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act and are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Internal Control Over Financial Reporting.* There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business and as a result of the consumer-oriented nature of the industry in which we operate, we and other industry participants are frequently subject to various consumer claims, litigation and regulatory investigations seeking damages, fines and statutory penalties. The claims allege, among other theories of liability, violations of state, federal and foreign truth-in-lending, credit availability, credit reporting, consumer protection, warranty, debt collection, insurance and other consumer-oriented laws and regulations, including claims seeking damages for alleged physical and mental harm relating to the repossession and sale of consumers' vehicles and other debt collection activities. As the assignee of Consumer Loans originated by Dealers, we may also be named as a co-defendant in lawsuits filed by consumers principally against Dealers. We may also have disputes and litigation with Dealers. The claims may allege, among other theories of liability, that we breached our Dealer servicing agreement. We may also have disputes and litigation with vendors and other third parties. The claims may allege, among other theories of liability, that we breached a license agreement or contract. The damages, fines and penalties that may be claimed by consumers, regulatory agencies, Dealers, vendors or other third parties in these types of matters can be substantial. The relief requested by plaintiffs varies but may include requests for compensatory, statutory and punitive damages and injunctive relief, and plaintiffs may seek treatment as purported class actions. An adverse ultimate disposition in any action to which we are a party or otherwise subject could have a material adverse impact on our financial position, liquidity and results of operations.

For a description of significant litigation to which we are a party, see Note 15 to the consolidated financial statements contained in Part I - Item 1 of this Form 10-Q, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

The following risk factor updates and supplements, and should be read in conjunction with, the risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021.

Consequences of the current conflict between Russia and Ukraine could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Credit and financial markets have experienced volatility and disruptions due to the current conflict between Russia and Ukraine and the sanctions that the United States and other countries have imposed on Russia and various related parties in response to Russia's actions in Ukraine. The conflict and the sanctions that have been or may be imposed may have further global economic and other consequences, including diminished liquidity and credit availability, reduced consumer confidence, disruptions to energy and food supplies, decreased economic growth, higher unemployment rates, increased inflation and political and social upheaval. Expansion of the military conflict beyond Ukraine or other retaliatory action, such as cyberattacks, by Russia and its allies in response to sanctions and other measures that the United States and its allies have taken or may take in support of Ukraine, could broaden and intensify the negative impact of the conflict on financial markets, economic conditions and geopolitical stability. The consequences of the conflict could reduce used-car sales and demand for our product, impair the performance of our Loan portfolio, limit our access to capital, intensify other risks described in our Annual Report on Form 10-K for the year ended December 31, 2021, including cybersecurity-related risks, and otherwise have a material adverse effect on our business, financial condition, liquidity and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Stock Repurchases

The following table summarizes stock repurchases for the three months ended September 30, 2022:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
July 1 to July 31, 2022	53,769	$ 493.94	53,769	365,838
August 1 to August 31, 2022	—	—	—	365,838
September 1 to September 30, 2022	—	—	—	365,838
	53,769	$ 493.94	53,769	

(1) On September 28, 2021, our board of directors authorized the repurchase by us from time to time of up to two million shares of our common stock (the "September 2021 Authorization"). The September 2021 Authorization, which was announced on October 1, 2021, does not have a specified expiration date. Repurchases under the September 2021 Authorization may be made in the open market, through privately negotiated transactions, through block trades, pursuant to trading plans adopted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934 or otherwise.

ITEM 6. EXHIBITS

Exhibit No.	Description
4.102	Amendment No. 1 to Loan and Security Agreement and Backup Servicing Agreement, dated as of August 12, 2022, by and among the Company, Credit Acceptance Funding LLC 2019-2 and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.102 to Credit Acceptance Corporation's Current Report on Form 8-K filed August 17, 2022).
4.103	Second Amendment to Loan and Security Agreement, dated as of July 22, 2022, by and among Credit Acceptance Corporation, CAC Warehouse Funding LLC VIII, Citizens Bank, N.A., and Wells Fargo Bank, National Association.
4.104	Seventh Amendment to Loan and Security Agreement, dated as of July 28, 2022, by and among Credit Acceptance Corporation, CAC Warehouse Funding LLC V and Fifth Third Bank, National Association.
4.105	Second Amendment to Loan and Security Agreement, dated as of July 28, 2022, by and among Credit Acceptance Corporation, Credit Acceptance Funding LLC 2021-1 and Fifth Third Bank, National Association.
10.16	Credit Acceptance Corporation Amended and Restated Incentive Compensation Plan (incorporated by reference to Annex A to the Company's definitive proxy statement on Schedule 14A filed June 10, 2021).*
31.1	Certification of principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101(SCH)	Inline XBRL Taxonomy Extension Schema Document.
101(CAL)	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101(DEF)	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101(LAB)	Inline XBRL Taxonomy Extension Label Linkbase Document.
101(PRE)	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (included in the Exhibit 101 Inline XBRL Document Set).
*	Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CREDIT ACCEPTANCE CORPORATION
(Registrant)

By:	/s/ Jay D. Martin
	Jay D. Martin
	Senior Vice President, Finance and Accounting
	(Chief Accounting Officer)
Date:	November 1, 2022

EXHIBIT 4.103

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT

This SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT, dated as of July 22, 2022 (this "Amendment"), is entered into by and among CAC Warehouse Funding LLC VIII, a Delaware limited liability company (the "Borrower"), Credit Acceptance Corporation, a Michigan corporation ("Credit Acceptance", the "Originator", the "Servicer" or the "Custodian"), Citizens Bank, N.A., as the lender (the "Lender"), as the deal agent (the "Deal Agent") and as the collateral agent (the "Collateral Agent"), and Wells Fargo Bank, National Association, a national banking association, as the backup servicer (the "Backup Servicer").

Reference is hereby made to the Loan and Security Agreement, dated as of July 26, 2019 (as amended by the First Amendment thereto, dated as of September 1, 2021, the "Agreement"), among the Borrower, Credit Acceptance, the Lender and each other lender from time to time party thereto, the Deal Agent, the Collateral Agent and the Backup Servicer. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

W I T N E S S E T H :

WHEREAS, the Borrower, Credit Acceptance, the Lender, the Deal Agent, the Collateral Agent and the Backup Servicer have previously entered into and are currently party to the Agreement; and

WHEREAS, the Borrower, Credit Acceptance, the Lender, the Deal Agent, the Collateral Agent and the Backup Servicer wish to amend the Agreement pursuant to Section 13.1 thereof in certain respects as provided herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Amendments. Subject to the conditions to effectiveness set forth in Section 2 below, the Agreement is hereby amended by deleting the stricken text (indicated in the same manner as the following example: ~~stricken text~~) and adding the inserted text (indicated in the same manner as the following example: inserted text) as set forth on the pages of the Agreement attached as Exhibit A hereto.

2. Conditions to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the conditions precedent that the Deal Agent shall have received executed counterparts of this Amendment from each party hereto.

3. Representations of the Borrower and Credit Acceptance. Each of the Borrower and Credit Acceptance hereby represents and warrants to the other parties hereto that as of the date hereof each of the representations and warranties contained in Article IV of the Agreement and in any other Transaction Document to which it is a party are true and correct as of the date hereof and after giving effect to this Amendment (except to the extent that such representations and warranties relate solely to an earlier date, and then that they were true and correct as of such earlier date) and that no Termination Event or Servicer Termination Event has occurred and is continuing as of the date hereof and after giving effect to this Amendment.

4. Agreement in Full Force and Effect. Except as expressly set forth herein, all terms and conditions of the Agreement shall remain in full force and effect. Reference to this specific Amendment need not be made in the Agreement, any Note or any other instrument or document

executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

5. Execution in Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which so executed shall be deemed an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment.

6. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

7. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Loan and Security Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

CAC WAREHOUSE FUNDING LLC VIII

By: /s/ Douglas W. Busk
Name: Douglas W. Busk
Title: Chief Treasury Officer

CREDIT ACCEPTANCE CORPORATION

By: /s/ Douglas W. Busk
Name: Douglas W. Busk
Title: Chief Treasury Officer

CITIZENS BANK, N.A., as Lender, Deal Agent and Collateral Agent

By: /s/ Gordon Wong
Name: Gordon Wong
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Backup Servicer

By: Computershare Trust Company, N.A., its agent and attorney-in-fact

By: /s/ Kristen Walters
Name: Kristen Walters
Title: Vice President

Exhibit A

[*see attached*]

EXHIBIT 4.103

Conformed through First Amendment, dated as of September 1, 2021 Conformed through Second Amendment, dated as of July 22, 2022

U.S. $200,000,000

LOAN AND SECURITY AGREEMENT

Dated as of July 26, 2019

among

CAC WAREHOUSE FUNDING LLC VIII,
as the Borrower,

CREDIT ACCEPTANCE CORPORATION,
as the Servicer and Custodian,

CITIZENS BANK, N.A.,
as the Deal Agent,

THE LENDERS FROM TIME TO TIME PARTY HERETO,

CITIZENS BANK, N.A.,
as the Collateral Agent, and
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Backup Servicer

EXHIBIT 4.103

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SCHEDULE II — Credit Guidelines and Collection Guidelines
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SCHEDULE VII — Commitments and Applicable Percentages SCHEDULE VIII — Wire Information

THIS LOAN AND SECURITY AGREEMENT (the *"Agreement"*) is made as of July 26, 2019 among:

(1) CAC WAREHOUSE FUNDING LLC VIII, a Delaware limited liability company (the *"Borrower"*);

(2) CREDIT ACCEPTANCE CORPORATION, a Michigan corporation (*"Credit Acceptance"*, the *"Originator"*, the *"Servicer"* or the *"Custodian"*);

(3) The LENDERS from time to time party hereto;

(4) CITIZENS BANK, N.A., a national banking association (*"Citizens"*), as deal agent (the *"Deal Agent"*);

(5) CITIZENS BANK, N.A., a national banking association (the *"Collateral Agent"*); and

(6) WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as backup servicer (the *"Backup Servicer"*).

WHEREAS, the Borrower desires that the Lenders extend financing to the Borrower on the terms and conditions set forth herein;

WHEREAS, the Lenders are willing to provide such financing on the terms and conditions set forth in the Agreement; and

WHEREAS, each of the Servicer, the Custodian, the Deal Agent, the Collateral Agent and the Backup Servicer has been requested and is willing to act in certain capacities in accordance with the terms hereof.

IT IS AGREED as follows:

ARTICLE I DEFINITIONS

Section 1.1. Certain Defined Terms. (a) Certain capitalized terms used throughout this Agreement are defined above or in this Section 1.1.

(b) As used in this Agreement and its schedules, exhibits and other attachments, unless the context requires a different meaning, the following terms shall have the following meanings:

"Addition Date": (a) With respect to any Dealer Loan, the date on which such Dealer Loan is contributed or otherwise transferred by Credit Acceptance to the Borrower pursuant to the Contribution Agreement; and (b) with respect to any Purchased Loan, the date on which such

Purchased Loan is contributed or otherwise transferred by Credit Acceptance to the Borrower pursuant to the Contribution Agreement.

"*Additional Amount*": Defined in Section 2.11.

"*Additional Cut-Off Date*": Each date on and after which Collections on an Additional Loan are to be transferred to the Collateral.

"*Additional Loans*": All Loans that become part of the Collateral after the Initial Funding.

"*Additional Principal Payment Amount*": With respect to any Payment Date during the Amortization Period, the lesser of (i) the Aggregate Loan Amount as of the immediately preceding Payment Date (after giving effect to all payments in reduction of principal on such Payment Date); and (ii) Collections remaining after distribution of amounts described in Section 2.6(a)(i) through (vii).

~~"*Adjusted LIBOR*": For any Funding of Eurodollar Loans, a rate per annum determined in accordance with the following formula:~~

~~Adjusted LIBOR = LIBOR~~
~~1 - Eurodollar Reserve Percentage~~

"*Administrative Questionnaire*": An Administrative Questionnaire in a form supplied by the Deal Agent.

"*Affected Party*": Each of the Lenders, any permitted assignee or participant of any Lender, the Deal Agent, or any sub-agent of the Deal Agent.

"*Affiliate*": With respect to a Person, means any other Person that, directly or indirectly, controls, is controlled by or under common control with such Person, or is a director or officer of such Person. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") when used with respect to any specified Person means the possession, direct or indirect, of the power to vote 5% or more of the voting securities of such Person or to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"*Aggregate Commitments*": As at any date of determination thereof, the sum of all Commitments of all Lenders at such date. The Borrower and the Lenders acknowledge and agree that the Aggregate Commitments are $200,000,000 on the Closing Date.

"*Aggregate Loan Amount*": On any date of determination, the aggregate principal amount of all Revolving Loans outstanding hereunder.

"*Aggregate Outstanding Eligible Loan Balance*": On any date of determination, the sum of the Outstanding Balances of all Eligible Loans on such day.

"*Aggregate Outstanding Eligible Loan Net Balance*": Before January 1, 2020 (and on January 1, 2020 and thereafter if the Company has not adopted the CECL Methodology), on any date of determination, the Aggregate Outstanding Eligible Loan Balance *less* the related Loan Loss Reserves at the end of the most recent Collection Period. Beginning on January 1, 2020, so long as the Company has adopted the CECL Methodology, on any date of determination, the Aggregate Outstanding Eligible Loan Balance.

"*Aggregate Unpaids*": At any time, an amount, equal to the sum of all accrued and unpaid Aggregate Loan Amount, Interest, Breakage Costs, Hedge Breakage Costs and all other amounts owed by the Borrower hereunder, under any Hedging Agreement (including, without limitation, payments in respect of the termination of any such Hedging Agreement) or under any other Transaction Document or by the Borrower or any other Person under any fee letter (including, without limitation, the Fee Letter) delivered in connection with the transactions contemplated by this Agreement (whether due or accrued) and any unpaid fees due to the Backup Servicer, both before and after the Assumption Date.

"*Amortization Event*": The occurrence of any of the following events: (i) on any Determination Date, the average Payment Rate for the preceding three (3) Collection Periods with respect to which the Payment Rate was calculated is less than 3.0%; (ii) a Reserve Advance is made, except if on the date of such Reserve Advance, the Aggregate Loan Amount is zero;
(iii) Collections are less than 80.0% of Forecasted Collections for any two (2) consecutive Collection Periods; (iv) on any Payment Date, the Weighted Average Spread Rate is less than ~~25.0~~22.0%; or (v) the Commitment Termination Date.

"*Amortization Period*": The period beginning on the earlier of: (i) the occurrence of an Amortization Event and (ii) the occurrence or declaration of the Termination Date, and ending on the Collection Date.

"*Applicable Law*": For any Person, all existing and future applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including, without limitation, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, orders, or action of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

"*Applicable Percentage*": With respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments, represented by the amount of the Commitment of such Lender at such time; *provided* that if the Aggregate Commitments have been terminated at such time, then the Applicable Percentage of each Lender shall be the Applicable Percentage of such Lender immediately prior to such termination and after giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender with respect to the Aggregate Commitments is set forth opposite the name of such Lender on Schedule VII or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"*Approved Fund*": Defined in the definition of "Eligible Assignee".

"*Assignment and Assumption*": An assignment and assumption agreement entered into by a Lender and an Eligible Assignee, and accepted by or delivered to, the Deal Agent, as applicable, in substantially the form of Exhibit L hereto or any other form approved by the Deal Agent.

"*Assumption Date*": Defined in the Backup Servicing Agreement.

"*Authoritative Electronic Copy*": With respect to any Contract stored in an electronic medium, the single electronic "authoritative copy" (within the meaning of Section 9-105 of the UCC) of such Contract (i) that constitutes the single authoritative copy of the record or records comprising the related chattel paper which is unique, identifiable and, except as otherwise provided in clauses (iv), (v) and (vi) below, unalterable, (ii) that identifies Credit Acceptance as the sole assignee thereof, (iii) is communicated to and maintained by Credit Acceptance, (iv) copies or revisions to which that add or change an identified assignee thereof can only be made with the participation of Credit Acceptance, (v) for which any copy thereof is readily identifiable as a copy that is not the authoritative copy and (vi) for which any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

"*Available Funds*": With respect to any Payment Date: (i) all amounts deposited in the Collection Account during the Collection Period (other than Dealer Collections and Repossession Expenses) that ended on the last day of the calendar month immediately preceding the calendar month in which such Payment Date occurs and investment earnings thereon; (ii) all Reserve Advances (which shall be applied in accordance with Section 2.6(c) hereof); (iii) all amounts paid by the Borrower pursuant to Section 4.5 hereof with respect to the prior Collection Period in respect of Ineligible Loans; (iv) amounts paid by the Borrower pursuant to Section 2.13 hereof;
(v) all amounts paid under any Dealer Agreement; and (vi) any other funds on deposit in the Collection Account on such date (other than Dealer Collections and Repossession Expenses).

"*Available Tenor*": As of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of "Interest Period" pursuant to Section 2.14(d).

"*Backup Servicer*": Wells Fargo or any Person designated as a successor backup servicer following Wells Fargo's removal as Backup Servicer pursuant to the terms of the Backup Servicing Agreement.

"*Backup Servicing Agreement*": The Backup Servicing Agreement, dated as of the Closing Date, among Wells Fargo, the Servicer, the Deal Agent, the Collateral Agent and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"*Backup Servicing Fee*": The fee payable by the Borrower to the Backup Servicer pursuant to the Backup Servicing Agreement and Section 7.3 hereof.

"*Bankruptcy Code*": The United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, *et seq.*), as amended from time to time.

"*Base Rate*": On any date, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established by Citizens from time to time as its prime commercial rate, or its equivalent, for U.S. dollar loans to borrowers located in the United States as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be Citizens' best or lowest rate), (b) the sum of
(i) the rate determined by Citizens to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to Citizens at approximately 10:00 a.m. (New York time) (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by Citizens for sale to Citizens at face value of Federal funds in the secondary market in an amount equal or comparable to the principal amount for which such rate is being determined, *plus*
(ii) 2.00%, and (c) the ~~LIBOR Quoted Rate for such day. As used herein, the term *"LIBOR Quoted Rate"* means, for any day, the rate per annum equal to the quotient of (i) the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. dollars for a one-month interest period which appears on the LIBOR01 Page as of 11:00 a.m. (London, England time) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) divided by (ii) one (1) minus the Eurodollar Reserve Percentage; *provided* that in no event shall the "LIBOR Quoted Rate" be less than 0.00%.~~Benchmark, provided that if the Base Rate as determined above shall ever be less than the Floor, then the Base Rate shall be deemed to be the Floor.

"*Base Rate Loan*": Any Revolving Loan which bears interest at the Base Rate.

"Benchmark": Initially, Daily Simple SOFR; provided that if a Benchmark Transition Event has occurred with respect to Daily Simple SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.14 hereof.

"Benchmark Loan": Any Revolving Loan which bears interest at the Benchmark, other than pursuant to clause (c) of the definition of Base Rate.

"Benchmark Replacement": means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Deal Agent for the applicable Benchmark Replacement Date:

(a) Term SOFR Reference Rate plus any applicable Benchmark Replacement Adjustment; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Deal Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents.

"Benchmark Replacement Adjustment": With respect to any replacement of the then- current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Deal Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Date": The earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of *"Benchmark Transition Event"*, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of *"Benchmark Transition Event"*, the first date on which all Available Tenors of such Benchmark (or the published component used in the calculation thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the *"Benchmark Replacement Date"* will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event": The occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a *"Benchmark Transition Event"* will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period": The period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.14 hereof and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.14 hereof.

"*Benefit Plan*": Any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate of the Borrower is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"*Borrower*": CAC Warehouse Funding LLC VIII, a Delaware limited liability company.

"*Borrowing Base*": On any date of determination, (a) the product of (i) the Aggregate Outstanding Eligible Loan Net Balance and (ii) the Net Advance Rate, *minus* (b) the Excess Defaulted Contract Amount, *minus* (c) the Overconcentration Loan Amount.

"*Breakage Costs*": Any amount or amounts as shall compensate a Lender for any loss, cost or expense incurred by such Lender (as determined by such Lender in such Lender's sole discretion) as a result of a prepayment by the Borrower of Revolving Loans or Interest.

"*Business Day*": Any day other than a Saturday or a Sunday on which ~~(a)~~ banks are not required or authorized to be closed in New York City, New York, or Detroit, Michigan~~, and (b) if the term "Business Day" is used in connection with the determination of the Adjusted LIBOR, dealings in United States dollar deposits are carried on in the London interbank market~~.

"*Cap*": Defined in Section 2.6(a).

"*Capped Servicing Fee*": With respect to any Collection Period when the Backup Servicer has become the Servicer, the greater of (x) an amount equal to the product of (i) 8.00% and (ii) Collections received during such Collection Period (exclusive of amounts received under any Hedging Agreement) and (y) $5,000.

"*Carrying Costs*": With respect to any Payment Date, the sum of amounts payable under Section 2.6(a)(v)(A)-(C).

"*Cash Advance Loss*": For all Dealers with Dealer Loans constituting Collateral, the amount, if any, by which Credit Acceptance's original cash advance to such Dealer for Dealer Loans and all of such Dealer's other dealer loans from Credit Acceptance that are not pledged hereunder exceeds 80% of the aggregate amount of (i) all forecasted collections on such Dealer Loans and (ii) all forecasted collections on such other dealer loans that are not pledged hereunder.

"*CECL Methodology*": The current expected credit losses methodology for credit losses accounting under GAAP established under ASU 2016-13.

"*Certificate of Title*": With regard to each Financed Vehicle (i) the original certificate of title relating thereto, or copies of correspondence and application made in accordance with applicable law to the appropriate state title registration agency, and all enclosures thereto, for issuance of its original certificate of title or (ii) if the appropriate state title registration agency issues a letter or other form of evidence of Lien (whether in paper or electronic form) in lieu of a certificate of title, the original lien entry letter or form or copies of correspondence and application made in accordance with applicable law to such state title registration agency, and all enclosures thereto, for issuance of the original lien entry letter or form.

"*Change-in-Control*": Any of the following:

(a) the creation or imposition of any Lien on any limited liability company interests in the Borrower; or

(b) the failure by the Originator to own all of the issued and outstanding limited liability company interests in the Borrower.

"*Change in Law*": (a) The adoption of any law, treaty, order, rule or regulation after the date of this Agreement, (b) any change in any law, treaty, order, rule or regulation or in the interpretation or application thereof by any governmental authority after the date of this Agreement or (c) compliance by any Affected Party (or, by any such Affected Party's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided* that notwithstanding anything herein to the contrary, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices, in each case, shall be deemed to be a "*Change in Law,*" regardless of the date enacted, adopted or issued.

"*Citizens*": Citizens Bank, N.A., a national banking association.

"*Closed Pool*": With respect to any Dealer Loan, a Pool as to which, pursuant to the terms of the related Dealer Agreement, no additional Dealer Loan Contracts may be allocated.

"*Closing Date*": July 26, 2019.

"*Code*": The United States Internal Revenue Code of 1986, as amended from time to time.

"*Collateral*": Defined in Section 2.2(a).

"*Collateral Agent*": Citizens Bank, N.A., and its successors and assigns.

"*Collection Account*": Defined in Section 6.7(a).

"*Collection Date*": The date following the Termination Date on which the Aggregate Unpaids have been reduced to zero and indefeasibly paid in full.

"*Collection Guidelines*": With respect to Credit Acceptance, the policies and procedures of the Servicer, attached hereto as Schedule II, relating to the collection of amounts due on contracts for the sale of automobiles and/or light-duty trucks, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents or otherwise as required by Applicable Law, and with respect to the Backup Servicer, as Successor Servicer, the servicing policies and procedures set forth in the Backup Servicing Agreement.

"*Collection Period*": Each calendar month, except in the case of the first Collection Period, the period beginning on the Cut-Off Date to and including the last day of the calendar month in which the Funding Date occurs.

"*Collections*": All payments (including Recoveries, credit-related insurance proceeds and proceeds of Related Security and so long as Credit Acceptance is the Servicer, excluding certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements) received by the Servicer, Credit Acceptance or the Borrower on or after the Cut-Off Date in respect of the Loans in the form of cash, checks, wire transfers or other form of payment in accordance with the Loans and the Dealer Agreements and all net amounts received under any Hedging Agreement, subject to the provisions of Section 2.7(d) with respect to Dealer Collections.

"*Commitment*": As to any Lender, the obligation of such Lender to make Revolving Loans to the Borrower hereunder in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule VII hereto or in an Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be reduced or modified from time to time pursuant to the terms hereof.

"*Commitment Termination Date*": September 1, 2024, or such later date to which the Commitment Termination Date may be extended if agreed in writing among the Borrower, the Deal Agent and the Lenders.

"*Conforming Changes*": With respect to either the use or administration of Daily Simple SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day", the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Deal Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Deal Agent in a manner substantially consistent with market practice (or, if the Deal Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Deal Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Deal Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

"*Contract*": Any Dealer Loan Contract or Purchased Loan Contract.

"*Contract Files*": With respect to each Contract, the fully executed original counterpart of such Contract or, in the case of any Contract constituting electronic chattel paper, the Authoritative Electronic Copy of the Contract (in each case, for UCC purposes), either a copy of the application to the appropriate state authorities for a Certificate of Title with respect to the related financed vehicle or a standard assurance in the form commonly used in the industry relating to the provision of a Certificate of Title or other evidence of lien, all original or electronic instruments modifying the terms and conditions of such Contract and the original or electronic endorsements or assignments of such Contract.

"*Contractual Obligation*": With respect to any Person, means any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or is subject.

"*Contribution Agreement*": The Sale and Contribution Agreement, dated as of the Closing Date, substantially in the form of Exhibit F hereto, between Credit Acceptance and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"*Credit Acceptance*": Credit Acceptance Corporation, a Michigan corporation, and its successors and permitted assigns.

"*Credit Acceptance Payment Account*": The clearinghouse account number xxxxxx5068 maintained by Credit Acceptance or any Successor Servicer, as applicable, at Comerica Bank, where payments received in respect of all loans and contracts are deposited or paid.

"*Credit Agreement*": The Sixth Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 23, 2014, among Credit Acceptance, Comerica Bank, as administrative agent and collateral agent, and the banks signatory thereto, as amended from time to time.

"*Credit Guidelines*": The policies and procedures of Credit Acceptance, attached hereto as Schedule II, relating to the extension of credit to automobile and light-duty truck dealers and consumers in respect of retail installment contracts for the sale of automobiles and/or light-duty trucks, including, without limitation, the policies and procedures for determining the creditworthiness of such dealers and consumers and, relating to this extension of credit to such dealers and consumers, the maintenance of installment sale contracts, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents or as required by Applicable Law.

"*Custodian*": Credit Acceptance, or any person appointed as Custodian pursuant to Section 6.2(d).

"*Cut-Off Date*": With respect to the Initial Funding, the date agreed upon by the Lenders and the Borrower in connection therewith, and with respect to each Incremental Funding, the related Additional Cut-Off Date.

"*Daily Simple SOFR*": For any day, the sum of (i) SOFR on the fifth Business Day preceding such day plus (ii) 0.11448%, with the conventions for this rate (including any adjustments to the lookback period referred to in clause (i)) being established by the Deal Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; *provided*, that if the Deal Agent decides that any such convention is not administratively feasible for the Deal Agent, then the Deal Agent may establish another convention in its reasonable discretion. If the rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"*Date of Processing*": With respect to any transaction relating to a Loan or a Contract, the date on which such transaction is first recorded on the Servicer's master servicing file (without regard to the effective date of such recordation).

"*Deal Agent*": Defined in the preamble of this Agreement.

"*Dealer*": Any new or used automobile and/or light-duty truck dealer who has entered into a Dealer Agreement or a Purchase Agreement with Credit Acceptance.

"*Dealer Agreement*": Each agreement between Credit Acceptance and any Dealer, in substantially the forms attached hereto as Exhibit H.

"*Dealer Collections*": Defined in Section 2.7(d).

"*Dealer Collections Purchase*": Defined in Section 6.15(a)

"*Dealer Collections Purchase Agreement*": Defined in Section 6.15(a).

"*Dealer Collections Purchase Price*": Defined in Section 6.15(b).

"*Dealer Concentration Limit*": With respect to any Dealer, an amount equal to, in the case of Dealer Loans related to any Dealer, 4.0% of the aggregate Net Loan Balance of Dealer Loans, on the Funding Date.

"*Dealer Loan*": All amounts advanced by Credit Acceptance under a Dealer Agreement and payable from Collections, including servicing charges, insurance charges and service policies and all related finance charges, late charges, and all other fees and charges; *provided, however,* that the term *"Dealer Loan"* shall, for the purposes of this Agreement, include only those Dealer Loans identified from time to time on Schedule V hereto, as amended from time to time in accordance herewith.

"*Dealer Loan Contract*": Each retail installment sales contract, in substantially one of the forms attached hereto as Exhibit I, relating to the sale of an automobile or light-duty truck originated by a Dealer and in which Credit Acceptance shall have been granted a security interest and shall have acquired certain other rights under a related Dealer Agreement to secure the related dealer's obligation to repay one or more related Dealer Loans.

"*Default Rate*": As defined in the Fee Letter.

"*Defaulted Contract*": A Contract shall be deemed a Defaulted Contract no later than the earlier of (x) the day it becomes 90 days delinquent, based on the date the last payment thereon was received by the Servicer and (y) the day on which an auction check is posted to the relevant account.

"*Delayed Amount*": As defined in Section 2.3(c).

"*Delayed Funding Date*": As defined in Section 2.3(c). "*Delayed Funding Notice*":
As defined in Section 2.3(c). "*Delaying Lender*": As defined in Section 2.3(c).

"*Derivatives*": Any exchange-traded or over-the-counter (i) forward, future, option, swap, cap, collar, floor or foreign exchange contract or any combination thereof, whether for physical delivery or cash settlement, relating to any interest rate, interest rate index, currency, currency exchange rate, currency exchange rate index, debt instrument, debt price, debt index, depository instrument, depository price, depository index, equity instrument, equity price, equity index, commodity, commodity price or commodity index, (ii) any similar transaction, contract, instrument, undertaking or security, or (iii) any transaction, contract, instrument, undertaking or security containing any of the foregoing.

"*Determination Date*": The fourth (4th) Business Day prior to the related Payment Date. "*Eligible Assignee*": (a) Any Lender or an Affiliate of any Lender; (b) any Person (other than a natural person) that is engaged in the business of making, purchasing, holding or otherwise investing in commercial revolving loans in the ordinary course of its business, provided that such Person is administered or managed by a Lender, an Affiliate of a Lender or an entity or Affiliate of an entity that administers or manages a Lender (an "*Approved Fund*"); or (c) any other Person (other than a natural person) approved by (i) the Deal Agent and (ii) unless a Termination Event has occurred and is continuing or such assignment is to any Federal Reserve Bank, the Borrower (each such approval not to be unreasonably withheld or delayed); *provided* that notwithstanding the foregoing, "*Eligible Assignee*" shall not include the Borrower, or any of the Borrower's Affiliates or Subsidiaries.

"*Eligible Contract*": Each Eligible Dealer Loan Contract and each Eligible Purchased Loan Contract.

"*Eligible Dealer Agreement*": Each Dealer Agreement:

(a) which was originated by the Originator in material compliance with all applicable requirements of law and which complies in all material respects with all applicable requirements of law;

(b) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower, by Credit Acceptance or by the Servicer in connection with the origination of such Dealer Agreement or the execution, delivery and performance by the Borrower, by Credit Acceptance or by the Servicer of such Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(c) as to which at the time of the transfer of rights thereunder to the Collateral Agent and the other Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens;

(d) the Borrower's rights under which have been the subject of a valid grant by the Borrower of a first priority perfected security interest in such rights and in the proceeds thereof in favor of the Collateral Agent;

(e) which will at all times be the legal, valid and binding obligation of the Dealer party thereto (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Dealer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(f) which constitutes either a "*general intangible*" or "*tangible chattel paper*" under and as defined in Article 9 of the UCC;

(g) which, at the time of the pledge of the rights to payment thereunder to the Collateral Agent and the other Secured Parties, no right to payment thereunder has been waived or modified;

(h) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(i) as to which Credit Acceptance, the Servicer and the Borrower have satisfied in all material respects all obligations to be fulfilled at the time the rights to payment thereunder are pledged to the Collateral Agent and the other Secured Parties;

(j) as to which the related Dealer has not asserted that such agreement is void or unenforceable in any legal proceedings not being contested in good faith;

(k) as to which the related Dealer is not known to be bankrupt or insolvent;

(l) as to which the related Dealer is not an Affiliate of or an executive of Credit Acceptance or an Affiliate of Credit Acceptance;

(m) as to which the related Dealer is located in the United States; and

(n) as to which none of Credit Acceptance, the Servicer or the Borrower has done anything, at the time of its pledge to the Collateral Agent and the other Secured

Parties, to materially impair the rights of the Collateral Agent and the other Secured Parties therein.

"Eligible Dealer Loan Contract": Each Dealer Loan Contract which at the time of its pledge by the applicable Dealer to the Originator, satisfied the requirements for "Qualifying Receivable" set forth in the related Dealer Agreement.

"Eligible Dealer Loans": Each Dealer Loan, at the time of its transfer to the Borrower under the Contribution Agreement:

(a) which has arisen under a Dealer Agreement that, on the day the Dealer Loan was created, qualified as an Eligible Dealer Agreement;

(b) which was created in material compliance with all applicable requirements of law and pursuant to an Eligible Dealer Agreement which complies in all material respects with all applicable requirements of law;

(c) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower, in connection with the creation of such Dealer Loan or the execution, delivery and performance by the Borrower, of the related Eligible Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(d) as to which at the time of the pledge of such Dealer Loan to the Collateral Agent and the other Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens;

(e) as to which a valid first priority perfected security interest in such Dealer Loan, related security and in the Proceeds thereof has been granted by the Originator in favor of the Borrower and by the Borrower in favor of the Collateral Agent;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which constitutes a "general intangible" under and as defined in Article 9 of the UCC as in effect in the relevant State;

(h) which is denominated and payable in United States dollars and which was originated in the United States;

(i) which, at the time of its pledge to the Collateral Agent and the other Secured Parties, has not been waived or modified;

(j) which is not subject to any right of rescission (subject to the rights of the related Dealer to repay the outstanding balance of the Dealer Loan and terminate the related Dealer Agreement), setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(k) as to which Credit Acceptance, the Servicer and the Borrower have satisfied all material obligations to be fulfilled at the time it is pledged to the Collateral Agent and the other Secured Parties;

(l) as to which the related Dealer has not asserted that the related Dealer Agreement is void or unenforceable in any legal proceedings not being contested in good faith;

(m) as to which the related Dealer is not known to be bankrupt or insolvent;

(n) as to which none of Credit Acceptance, the Servicer or the Borrower has done anything, at the time of its pledge to the Collateral Agent and the other Secured Parties, to materially impair the rights of the Collateral Agent and the other Secured Parties;

(o) the proceeds of which were used to finance the purchases of new or used automobiles and/or light-duty trucks and related products; and

(p) if any Dealer Loan Contract securing such Dealer Loan is an electronic contract, such electronic contract constitutes "electronic chattel paper" and there is only a single "authoritative copy" (as such terms are used in Section 9-105 of the UCC) of such electronic contract and such "authoritative copy" constitutes an Authoritative Electronic Copy.

"*Eligible Loans*": The Eligible Dealer Loans and Eligible Purchased Loans.

"*Eligible Purchased Loan Contract*": Each Purchased Loan Contract which at the time of its purchase from the applicable Dealer by the Originator, evidenced an Eligible Purchased Loan.

"*Eligible Purchased Loans*": Each Purchased Loan, at the time of its transfer to the Borrower under the Contribution Agreement:

(a) which has been originated in the United States by a Dealer for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business and is evidenced by a fully and properly executed Purchased Loan Contract of which there is only one original executed copy (or, if such Purchased Loan Contract is an electronic contract, there is only a single "authoritative copy" (as such term is used in Section 9-105 of the UCC) of such

electronic contract and such "authoritative copy" constitutes an Authoritative Electronic Copy);

(b) which creates a valid, subsisting, and enforceable first priority security interest for the benefit of the Originator in the Financed Vehicle, which security interest has been, in turn, assigned by the Originator to the Borrower, and by the Borrower to the Collateral Agent;

(c) which contains customary and enforceable provisions such that the rights and remedies of the holder thereof shall be adequate for realization against the collateral of the benefits of the security;

(d) which provides for, in the event that such Purchased Loan is prepaid in full, a prepayment that fully pays the Outstanding Balance of such Purchased Loan (net of all rebates for the unused portion of any ancillary products and net of all unearned finance charges);

(e) which was created in material compliance with all applicable requirements of law;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(h) the Obligor thereon is not the United States, any State or any agency, department, or instrumentality of the United States or any State;

(i) the Obligor thereon is a natural person;

(j) with respect to which, to the best of the Originator's knowledge, no liens or claims have been filed for work, labor, materials, taxes or liens that arise out of operation of law relating to the applicable Financed Vehicle that are prior to, or equal with, the security interest in the Financed Vehicle granted by the related Purchased Loan Contract;

(k) with respect to which, to the best of the Originator's knowledge, there was no material misrepresentation by the Obligor thereon on such Obligor's credit application;

(l) which has not been originated in, and is not subject to the laws of, any jurisdiction under which the sale, transfer and assignment of such Purchased Loan under this Agreement or pursuant to the transfer of the related Purchased Loan Contract shall be unlawful, void or voidable;

(m) which (i) constitutes either "tangible chattel paper," "electronic chattel paper" or a "payment intangible," as such terms are defined in the UCC in the relevant State, (ii) if "tangible chattel paper," shall be maintained in its original "tangible" form, unless the Collateral Agent (acting with the consent, or at the direction, of the Required Lenders) has consented in writing to such chattel paper being maintained in another form or medium, and (iii) if "electronic chattel paper," there is only a single "authoritative copy" (as such term is used in Section 9-105 of the UCC) and such "authoritative copy" constitutes an Authoritative Electronic Copy;

(n) which is payable in U.S. dollars and the Obligor thereon is an individual who is a United States resident;

(o) which satisfies in all material respects the requirements under the Credit Guidelines;

(p) with respect to which the collection practices used with respect thereto have complied in all material respects with the Collection Guidelines;

(q) with respect to which there are no proceedings pending, or to the best of the Originator's knowledge, threatened, wherein the Obligor thereon or any governmental agency has alleged that such Purchased Loan is illegal or unenforceable;

(r) with respect to which the Originator has duly fulfilled all material obligations to be fulfilled on the lender's part under or in connection with the origination, acquisition and assignment of such Purchased Loan, including, without limitation, giving any notices or consents necessary to effect the acquisition of such Purchased Loan by the Borrower, and has done nothing to materially impair the rights of the Borrower, or the Secured Parties in payments with respect thereto;

(s) which was purchased by the Originator from a Dealer pursuant to a Purchase Agreement, or in the case of any Purchased Loan Contract that previously secured a Dealer Loan, another agreement with the applicable Dealer;

(t) with respect to which the Dealer from whom the Originator purchased such Purchased Loan has not engaged in any conduct constituting fraud or material misrepresentation with respect to such Purchased Loan to the best of the Originator's knowledge;

(u) with respect to which, at the time such Purchased Loan was originated the proceeds thereof were fully disbursed and there is no requirement for future advances

thereunder, and all fees and expenses in connection with the origination of such Purchased Loan have been paid;

(v) with respect to which the Servicer holds the Certificate of Title or the application for a Certificate of Title for the related Financed Vehicle as of the date on which the related Purchased Loan Contract is transferred to the Borrower and will obtain within 180 days of such date the Certificate of Title with respect to such Financed Vehicle as to which the Servicer holds only such application; and

(w) with respect to which the related Purchased Loan Contract has not been extended or rewritten and is not subject to any forbearance, or any other modified payment plan other than in accordance with the Credit Guidelines or the Collection Guidelines or as required by Applicable Law.

"*ERISA*": The United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"*ERISA Affiliate*": (a) Any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in clause (a) above or any trade or business described in clause (b) above.

"*Erroneous Payment*" ~~has the meaning assigned to it~~: Defined in Section 11.10(a).

"*Erroneous Payment Notice*" ~~has the meaning assigned to it~~: Defined in Section 11.10(a).

~~"*Eurocurrency Liabilities*": Defined in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.~~

~~"*Eurodollar Disruption Event*": The occurrence of any of the following: (a) a determination by a Lender that it would be contrary to law or to the directive of any central bank or other governmental authority (whether or not having the force of law) to obtain United States dollars in the London interbank market to make, fund or maintain a Funding, (b) a determination by a Lender that the rate at which deposits of United States dollars are being offered to such Lender in the London interbank market does not accurately reflect the cost to such Lender of making, funding or maintaining the Eurodollar Loans, (c) the inability of a Lender to obtain United States dollars in the London interbank market to make, fund or maintain the Eurodollar Loans or (d) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including because the LIBOR Index Rate is not available or published on a current basis and such circumstances are unlikely to be temporary.~~

~~"*Eurodollar Loan*": Any Revolving Loan which bears interest at the Adjusted LIBOR.~~

~~*"Eurodollar Reserve Percentage":* The maximum reserve percentage applicable to a Lender, expressed as a decimal, at which reserves (including, without limitation, any emergency, marginal, special, and supplemental reserves) are imposed by the Board of Governors of the Federal Reserve System (or any successor) on *"eurocurrency liabilities"*, as defined in such Board's Regulation D (or any successor thereto), subject to any amendments of such reserve requirement by such Board or its successor, taking into account any transitional adjustments thereto. For purposes of this definition, the relevant Revolving Loans shall be deemed to be *"eurocurrency liabilities"* as defined in Regulation D without benefit or credit for any prorations, exemptions or offsets under Regulation D. The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any such reserve percentage.~~

"*Excess Defaulted Contract Amount*": On any date of determination, the amount, if any, by which (a) the product of (i) the Net Advance Rate and (ii) the Aggregate Outstanding Eligible Loan Net Balance as of such date, exceeds (b) the product of (i) 50% and (ii) the Outstanding Balance of Eligible Contracts as of such date minus the Outstanding Balance of Defaulted Contracts as of such date.

"*Excess Reserve Amount*": With respect to any Payment Date, the excess, if any, of the amount on deposit in the Reserve Account over the Required Reserve Account Amount.

"*Excluded Dealer Agreement Rights*": With respect to any Dealer Agreement, the rights of Credit Acceptance thereunder related to loans made to the related Dealer which are not Dealer Loans pledged by the Borrower to the Collateral Agent hereunder, including rights of set-off and rights of indemnification, related to such Dealer Loans.

"*Excluded Taxes*": Any of the following Taxes imposed on or with respect to a recipient or required to be withheld or deducted from a payment to a recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Revolving Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in a Revolving Loan or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such recipient's failure to comply with Section 2.11(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"*FATCA*": Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"*Fee Letter*": The Fee Letter, dated as of the date hereof, among the Borrower, the Servicer, the Deal Agent and the Lenders, as such letter may be amended, modified, supplemented, restated or replaced from time to time.

"*Financed Vehicle*": With respect to a Contract, any new or used automobile, light-duty truck, minivan or sport utility vehicle, together with all accessories thereto, securing the related Obligor's indebtedness thereunder.

"*Floor*": The rate per annum of interest equal to 0.00%.

"*Forecasted Collections*": The expected amount of Collections to be received with respect to the Aggregate Outstanding Eligible Loan Balance each month as determined by Credit Acceptance in accordance with its forecasting model, which shall be submitted to the Deal Agent and each Lender with each Funding Notice related to a proposed Revolving Loan when new Pools are pledged to the Collateral Agent or in accordance with Section 2.13(a)(vii) or Section 6.5(f).

"*Foreign Lender*": If the Borrower is (a) a U.S. Person, a Lender that is not a U.S. Person, and (b) not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"*Funding*": An advance of Revolving Loans by the Lenders pursuant to Section 2.1 and Section 2.3 hereof.

"*Funding Date*": In the case of the Initial Funding, and as to any Incremental Funding, the date set forth in each Funding Notice delivered to the Deal Agent and each Lender in accordance with Section 2.3 hereof.

"*Funding Notice*": The notice, in the form of Exhibit A hereto, delivered in accordance with Section 2.3 hereof.

"*GAAP*": Generally accepted accounting principles as in effect from time to time in the United States.

"*Governmental Authority*": Any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person, and any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

"*Hedge Breakage Costs*": For any Hedging Agreement, any amount payable by the Borrower for the early termination of such Hedging Agreement or any portion thereof.

"*Hedge Costs*": For any Hedging Agreement, any amount payable by the Borrower with respect thereto, including any swap payments, any breakage payments, any termination payments, any notional reduction payments and any other amounts due to the Hedge Counterparty.

"*Hedge Counterparty*": Any entity that (a) on the date of entering into any Hedge Transaction (i) is a financial institution that offers interest rate protection products and (ii) unless otherwise agreed to by the Deal Agent (acting with the consent, or at the direction, of the Required Lenders), has a long-term unsecured debt rating of not less than "A" by S&P and not less than "A2" by Moody's ("*Long-term Rating Requirement*") and a short-term unsecured debt rating of not less than "A-1" by S&P and not less than "P-1" by Moody's ("*Short-term Rating Requirement*"), and (b) in a Hedging Agreement (i) consents to the assignment of the Borrower's rights under the Hedging Agreement to the Collateral Agent pursuant to Section 2.2(a) (except in the case of an interest rate cap where such consent is not required) and (ii) agrees that in the event that Moody's or S&P reduces its long-term unsecured debt rating below the Long-term Rating Requirement, or reduces its short-term unsecured debt rating below the Short-term Rating Requirement, it shall transfer its rights and obligations under each Hedging Agreement to another entity that meets the requirements of clauses (a) and (b) hereof and has entered into a Hedging Agreement with the Borrower on or prior to the date of such transfer (except in the case of an interest rate cap where such transfer is not required).

"*Hedge Transaction*": Each interest rate swap or other interest rate protection transaction between the Borrower and a Hedge Counterparty that is entered into pursuant to Section 5.3 hereof and is governed by a Hedging Agreement.

"*Hedging Agreement*": Each agreement between the Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into pursuant to Section 5.3 hereof, as shall be reviewed and approved by the Deal Agent (acting with the consent, or at the direction, of the Required Lenders), and each "Confirmation" thereunder confirming the specific terms of each such Hedge Transaction, *provided, however,* that for the avoidance of doubt no ISDA Master Agreement shall be required for any interest rate cap transaction.

"*Illegality Notice*": Defined in Section 2.16.

"*Increased Costs*": Any amounts required to be paid by the Borrower to an Affected Party pursuant to Section 2.10.

"*Incremental Funding*": Any Revolving Loan made after the Initial Funding that increases the Aggregate Loan Amount hereunder.

"*Indebtedness*": With respect to any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument, (b) all obligations of such Person under leases that shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities

secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (e) all indebtedness, obligations or

liabilities of that Person in respect of Derivatives, and (f) obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clauses (a) through (e) above.

"*Indemnified Amounts*": Defined in Section 10.1(a).

"*Indemnified Parties*": Defined in Section 10.1(a).

"*Indemnified Taxes*": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or the Servicer under any Transaction Document and (b) to the extent not otherwise described in (a), Other Taxes, but not, in any event, Excluded Taxes.

"*Independent Director*": Defined in Section 5.2(n)(xxvii). "*Ineligible Contract*": Each Contract other than an Eligible Contract. "*Ineligible Loan*": Each Loan other than an Eligible Loan. "*Initial Funding*": The initial funding, if any, under this Agreement made by the Lenders to the Borrower.

"*Insolvency Event*": With respect to a specified Person, (a) (i) the entry of an order for relief against such Person in an involuntary case under any applicable Insolvency Law or (ii) the filing of any proceeding by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the ordering by such court of the winding-up or liquidation of such Person's affairs, and such proceeding, appointment or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"*Insolvency Laws*": The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"*Insolvency Proceeding*": Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

"*Instrument*": Any "instrument" (as defined in Article 9 of the UCC), other than an instrument that constitutes part of chattel paper.

"*Intercreditor Agreement*": The Amended and Restated Intercreditor Agreement, dated as of ~~the Closing Date,~~June 16, 2022, by and among Credit Acceptance Corporation, ~~CAC Warehouse Funding Corporation II, CAC Warehouse Funding LLC IV, CAC Warehouse Funding LLC V, CAC Warehouse Funding LLC VI, CAC Warehouse Funding LLC VII, CAC Warehouse Funding LLC VIII, Credit Acceptance Funding LLC 2019-1, Credit Acceptance Funding LLC 2018-3, Credit Acceptance Funding LLC 2018-2, Credit Acceptance Funding LLC 2018-1, Credit Acceptance Funding LLC 2017-3, Credit Acceptance Funding LLC 2017-2, Credit Acceptance Funding LLC 2017-1, Credit Acceptance Funding LLC 2016-3, Credit Acceptance Funding LLC 2016-2, Credit Acceptance Auto Loan Trust 2019-1, Credit Acceptance Auto Loan Trust 2018-3, Credit Acceptance Auto Loan Trust 2018-2, Credit Acceptance Auto Loan Trust 2018-1, Credit Acceptance Auto Loan Trust 2017-3, Credit Acceptance Auto Loan Trust 2017-2, Credit Acceptance Auto Loan Trust 2017-1, Credit Acceptance Auto Loan Trust 2016-3, Credit Acceptance Auto Loan Trust 2016-2, Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2019-1 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2018-3 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2018-2 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2018-1 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2017-3 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2017-2 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2017-1 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2016-3 Securitization Documents (as defined therein), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2016-2 Securitization Documents (as defined therein), Citizens Bank, N.A., as collateral agent under the Transaction Documents, Wells Fargo Bank, National Association, as collateral agent under the Wells Fargo Warehouse Documents (as defined therein), Fifth Third Bank, as agent under the Fifth Third Warehouse Documents (as defined therein), Bank of Montreal, as collateral agent under the BMO Warehouse Documents (as defined therein), Flagstar Bank, FSB, as collateral agent under the Flagstar Warehouse Documents (as defined therein), Wells Fargo Bank, National Association, as collateral agent under the Credit Suisse Warehouse Documents (as defined therein), Comerica Bank, as agent under the CAC Credit Facility Documents (as defined therein), and each other creditor who becomes a~~the Borrower, the Collateral Agent, the other signatories thereto, and each other person who may from time to time become party thereto after the date thereof, as amended, amended and restated, or otherwise modified from time to time.

"*Interest*": With respect to a Lender and the portion of the Aggregate Loan Amount funded or maintained by such Lender, with respect to any Interest Period, the sum (for each day during such Interest Period) of:

$$\frac{(IR \times BRL \times 1)}{360} + \frac{(IR \times ELDSL \times 1)}{360}$$

where:

BRL = the aggregate outstanding principal amount of Base Rate Loans of such Lender;

ELDSL = the aggregate outstanding principal amount of EurodollarBenchmark Loans of such Lender

and

IR = the Interest Rate for such Lender applicable on such day for each Revolving Loan;

provided, however, that (i) no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by Applicable Law and (ii) Interest shall not be considered paid by any distribution if at any time such distribution is rescinded or must otherwise be returned for any reason.

"*Interest Period*": For any Payment Date, the most recently ended calendar month, except (i) in the case of the first Payment Date, the period beginning on the Closing Date to and including the last day of the calendar month in which the Closing Date occurs, and (ii) in the case of any Funding that does not occur on a Payment Date, the period beginning on the date of such Funding to and including the last day of the calendar month in which the Funding occurs.

"*Interest Rate*": For each day during any Interest Period and for the aggregate outstanding principal amount of the Revolving Loans allocated to such Interest Period:

(a) a rate equal to the Base Rate for Base Rate Loans or the Adjusted LIBOR for Eurodollarapplicable Benchmark for Benchmark Loans; or

(b) after the occurrence of an Amortization Event or a Termination Event, the Default Rate.

"*Investment*": With respect to any Person, any direct or indirect loan, advance or investment by such Person in any other Person, whether by means of share purchase, capital contribution, loan or otherwise, excluding the acquisition of Collateral pursuant to the Contribution Agreement and excluding commission, travel and similar advances to officers, employees and directors made in the ordinary course of business.

"*Late Fees*": If the Backup Servicer has become the Successor Servicer, any late fees collected with respect to any Contract in accordance with the Collection Guidelines.

"*Lender*": Each Person listed on Schedule VII and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

~~"*LIBOR*": For an Interest Period for a Funding of Eurodollar Loans, (a) the LIBOR Index Rate for such Interest Period, if such rate is available, and (b) if the LIBOR Index Rate cannot be determined, the arithmetic average of the rates of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which deposits in U.S. dollars in immediately available funds are offered to Citizens at 11:00 a.m. (London, England time) two (2) Business Days before the beginning of such Interest Period by three (3) or more major banks in the interbank eurodollar market selected by Citizens for delivery on the first day of and for a period equal to such Interest Period and in an amount equal or comparable to the principal amount of the Eurodollar Loan scheduled to be made as part of such Funding; *provided* that in no event shall "LIBOR" be less than 0.00%.~~

~~"*LIBOR Index Rate*": For any Interest Period, the greater of (a) the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. dollars for a period equal to one-month, as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Deal Agent from time to time) as of 11:00 a.m. (London, England time) on the day two (2) Business Days before the commencement of such Interest Period and (b) zero percent (0%).~~

"*Lien*": With respect to any Loan, Dealer Agreement or Contract, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind (other than any tax liens, mechanics' liens, liens of collection attorneys or agents collecting the property subject to such tax lien or mechanics' lien and any liens which attach thereto by operation of law).

"*Loan*": Any Dealer Loan or Purchased Loan.

"*Loan Loss Reserve*": The loan loss reserve, calculated in accordance with Credit Acceptance's accounting policies set forth in its periodic reports filed with the Securities and Exchange Commission which shall be equal to the amount that reduces the net asset value to the discounted value of forecasted future cash flows discounted at (i) for "impaired Pools", the interest rate established at inception of the Loans, and (ii) for Pools that are not impaired, the current forecasted interest rate, at the end of the most recent Collection Period (it being understood that a Pool is an "impaired Pool" if the current forecasted cash flows are less than estimated/forecasted cash flows at inception).

"*Loss Rate*": With respect to each Quarterly Determination Date during the Revolving Period, for all Dealers with Dealer Loans constituting Collateral, the ratio (expressed as a percentage) at any time the same is to be determined, where (i) the numerator of which is equal to the Cash Advance Loss at such time, if any, and (ii) the denominator of which is equal to the sum

of Credit Acceptance's original cash advances for all Dealer Loans and all of its other dealer loans not pledged hereunder at such time.

"*Material Adverse Effect*": With respect to any event or circumstance, means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Originator, the Servicer or the Borrower, (b) the validity, enforceability or collectability of this Agreement or any other Transaction Document or the validity, enforceability or collectability of the Loans, (c) the rights and remedies of the Deal Agent, the Collateral Agent, the Lenders or the other Secured Parties, (d) the ability of the Borrower, the Originator or the Servicer to perform its obligations under this Agreement or any other Transaction Document, or (e) the status, existence, perfection, priority or enforceability of the Collateral Agent's or any other Secured Party's interest in the Collateral.

"*Material Debt*": Defined in Section 6.11(i).

"*Monthly Principal Payment Amount*": With respect to any Payment Date, the amount, if any, necessary to reduce the Aggregate Loan Amount as of the prior Payment Date to the lesser of
(x) the Borrowing Base and (y) the Aggregate Commitments as of the last day of the related Collection Period.

"*Monthly Report*": Defined in Section 6.5(a).

"*Moody's*": Moody's Investors Service, Inc., and any successor thereto.

"*Multiemployer Plan*": A "multiemployer plan" as defined in Section 4001(a)(3) of ERISA that is or was at any time during the current year or the immediately preceding five years contributed to by the Borrower or any ERISA Affiliate on behalf of its employees.

"*Net Advance Rate*": 80%.

"*Net Loan Balance*": Before January 1, 2020 (and on January 1, 2020 and thereafter if the Company has not adopted the CECL Methodology) with respect to any Loan, the excess of the related Outstanding Balance over the related Loan Loss Reserve. Beginning on January 1, 2020, so long as the Company has adopted the CECL Methodology, with respect to any Loan, the Outstanding Balance.

"*Nonconforming Contract*": Defined in Section 6.2(c)(ii).

"*Nonconforming Contract Payment Amount*": With respect to a Nonconforming Contract, an amount equal to the sum of (i) the product of the Outstanding Balance of such Contract as of the last day of the related Collection Period and a fraction, the numerator of which is the Aggregate Loan Amount as of the Funding Date and the denominator of which is the Outstanding Balance of Eligible Contracts as of the Funding Date; (ii) accrued and unpaid Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts related to such Contract through the date of such deposit; and (iii) all Hedge Costs due to the relevant Hedge Counterparties for any termination in

whole or in part of one or more transactions related to the relevant Hedging Agreement, as required by the terms of any Hedging Agreement.

"*Note*": A Variable Funding Note or an Amended and Restated Variable Funding Note, as applicable, of the Borrower, issued to a Lender pursuant to Section 2.1(c) hereof substantially in the form of Exhibit G hereto.

"*Obligor*": With respect to any Loan, Dealer Agreement or Contract, the Person or Persons obligated to make payments with respect to such Dealer Agreement, Loan or Contract, respectively, including any guarantor thereof.

"*OFAC*": The U.S. Department of the Treasury's Office of Foreign Assets Control.

"*Officer's Certificate*": A certificate signed by any officer of the Borrower, the Originator or the Servicer, as the case may be, and delivered to the Deal Agent and the Lenders.

"*Open Pool*": With respect to any Dealer Loan, a Pool as to which, pursuant to the terms of the related Dealer Agreement, additional Dealer Loan Contracts may be allocated.

"*Opinion of Counsel*": A written opinion of counsel, which opinion and counsel are reasonably acceptable to the Deal Agent (acting with the consent, or at the direction, of the Required Lenders).

"*Original Advance Rate*": With respect to any Dealer, the ratio (expressed as a percentage) at any time the same is to be determined, where (i) the numerator of which is equal to the sum of the Outstanding Balances of all Eligible Loans of such Dealer on the dates such Eligible Loans were originated at such time and (ii) the denominator of which is equal to the sum of payments due under all Eligible Contracts related to such Dealer on their dates of origination at such time.

"*Originator*": Defined in the preamble of this Agreement.

"*Other Connection Taxes*": With respect to any recipient, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Revolving Loan or Transaction Document).

"*Other Taxes*": All present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Transaction Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"*Outstanding Balance*": Before January 1, 2020 (and on January 1, 2020 and thereafter if the Company has not adopted the CECL Methodology):

(i) with respect to any Contract on any date of determination, all amounts owing under such Contract (whether considered principal or as finance charges) on such date of determination. The Outstanding Balance with respect to a Contract shall be deemed to have been created at the end of the day on the Date of Processing of such Contract; which shall be greater than or equal to zero (except in the case of a Contract as to which the final payment on such Contract is in excess of the amount owed on such Contract on the date of such final payment);

(ii) with respect to any Dealer Loan on any date of determination, the aggregate amount advanced under such Dealer Loan plus revenue accrued with respect to such Dealer Loan in accordance with Credit Acceptance's accounting policies set forth in its periodic reports filed with the Securities and Exchange Commission, recoveries on Dealer Loans previously written off and the payment of monies to a Dealer under the related Dealer Agreement, less Collections on the related Dealer Loan Contracts applied through such date of determination in accordance with the related Dealer Agreement to the reduction of the balance of such Dealer Loan and write offs of such Dealer Loan;

(iii) with respect to any Purchased Loan (other than any Purchased Loan arising from a Dealer Collections Purchase Agreement) on any date of determination, the aggregate amount advanced under such Purchased Loan plus revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's accounting policies set forth in its periodic reports filed with the Securities and Exchange Commission plus recoveries on such Purchased Loan, if it has been written off, less Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan and write offs of such Purchased Loan; and

(iv) with respect to any Purchased Loan arising from a Dealer Collections Purchase Agreement on any date of determination, (A) such Purchased Loan's pro rata share of the sum of
(x) the Outstanding Balance of the related Dealer Loan as of the date of the related Dealer Collections Purchase and (y) the Dealer Collections Purchase Price with respect to such Dealer Loan (such pro rata share determined based on such Purchased Loan's pro rata share of the forecasted collections on the pool of Purchased Loans which previously constituted Dealer Loan Contracts securing such Dealer Loan), plus following the acquisition of such Purchased Loan (B) revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's accounting policies set forth in its periodic reports filed with the Securities and Exchange Commission and recoveries on such Purchased Loan if it has been written off, less (C) Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan and write offs of such Purchased Loan.

Beginning on January 1, 2020, so long as the Company has adopted the CECL Methodology:

(i) With respect to any Contract on any date of determination, all amounts owing under such Contract (whether considered principal or as finance charges) on such date of determination. The Outstanding Balance with respect to a Contract shall be deemed to have been created at the end of the day on the Date of Processing of such Contract; which shall be greater than or equal to zero (except in the case of a Contract as to which the final payment on such Contract is in excess of the amount owed on such Contract on the date of such final payment);

(ii) with respect to any Dealer Loan on any date of determination, the aggregate amount advanced under such Dealer Loan plus revenue accrued with respect to such Dealer Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) as described on Exhibit M hereto and the payment of monies to a Dealer under the related Dealer Agreement, less Collections on the related Dealer Loan Contracts applied through such date of determination in accordance with the related Dealer Agreement to the reduction of the balance of such Dealer Loan;

(iii) with respect to any Purchased Loan (other than any Purchased Loan arising from a Dealer Collections Purchase Agreement) on any date of determination, the aggregate amount advanced under such Purchased Loan plus revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) as described on Exhibit M hereto, less Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan; and

(iv) with respect to any Purchased Loan arising from a Dealer Collections Purchase Agreement on any date of determination, (A) such Purchased Loan's pro rata share of the sum of
(x) the Outstanding Balance of the related Dealer Loan as of the date of the related Dealer Collections Purchase and (y) the Dealer Collections Purchase Price with respect to such Dealer Loan (such pro rata share determined based on such Purchased Loan's pro rata share of the forecasted collections on the pool of Purchased Loans which previously constituted Dealer Loan Contracts securing such Dealer Loan), plus following the acquisition of such Purchased Loan (B) revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) as described on Exhibit M hereto, less (C) Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan.

"*Overconcentration Loan Amount*": With respect to any Dealer, the amount by which the aggregate Net Loan Balance of Dealer Loans made to such Dealer, calculated on each Funding Date, exceeds the Dealer Concentration Limit.

"*Patriot Act*": Defined in Section 4.1(z).

"*Payment Date*": The fifteenth (15th) day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day.

"*Payment Rate*": For any Collection Period in which a Take-Out does not occur, the ratio, expressed as a percentage, the numerator of which is equal to Collections received during such Collection Period and the denominator of which is equal to the Aggregate Outstanding Eligible Loan Net Balance as of the first day of such Collection Period. For the avoidance of doubt, the Payment Rate will not be required to be calculated for any Collection Period in which a Take-Out occurs.

"Permitted Investments": Any one or more of the following types of investments:

(a) marketable obligations of the United States, the full and timely payment of which are backed by the full faith and credit of the United States and that have a maturity of not more than 270 days from the date of acquisition;

(b) marketable obligations, the full and timely payment of which are directly and fully guaranteed by the full faith and credit of the United States and that have a maturity of not more than 270 days from the date of acquisition;

(c) bankers' acceptances and certificates of deposit and other interest-bearing obligations (in each case having a maturity of not more than 270 days from the date of acquisition) denominated in United States dollars and issued by any bank with capital, surplus and undivided profits aggregating at least $100,000,000, the short-term obligations of which are rated at least A-1 by S&P and P-1 by Moody's;

(d) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (a), (b) and (c) above entered into with any bank of the type described in clause (c) above;

(e) commercial paper rated at least A-1 by S&P and P-1 by Moody's;

(f) demand deposits, time deposits or certificates of deposit (having original maturities of no more than 365 days) of depository institutions or trust companies incorporated under the laws of the United States or any state thereof (or domestic branches of any foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities; *provided, however,* that at the time such investment, or the commitment to make such investment, is entered into, the short-term debt rating of such depository institution or trust company shall be at least A-1 by S&P and P-1 by Moody's; and

(g) money market mutual funds (including funds for which the Collateral Agent may act as a sponsor or advisor or for which the Collateral Agent may receive fee income) having a rating, at the time of such investment, in the highest investment category granted thereby.

Each of the Permitted Investments may be purchased by the Collateral Agent or through an Affiliate of the Collateral Agent.

"Permitted Liens": Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable and Liens granted pursuant to the Transaction Documents and with respect to the Dealer Loan Contracts, the second priority lien of the related Dealer therein as set forth in the related Dealer Agreement.

"*Person"*: An individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"*Pool"*: An identifiable group of Dealer Loan Contracts related to a particular Dealer Agreement identified on Schedule V hereto (as amended from time to time in accordance herewith), which, for the avoidance of doubt, may take the form of an Open Pool or Closed Pool at the time it is pledged hereunder.

"*Potential Servicer Termination Event"*: Any event that, with the giving of notice or the lapse of time, or both, would become a Servicer Termination Event.

"*Proceeds"*: With respect to any portion of the Collateral, all "proceeds" as such term is defined in Article 9 of the UCC, including, whatever is receivable or received when such portion of Collateral is sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating thereto.

"*Program Fee"*: As defined in the Fee Letter.

"*PTE":* A prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"*Purchase Agreement"*: Each agreement between Credit Acceptance and any Dealer in substantially the form attached hereto as Exhibit J, together with any Dealer Collections Purchase Agreement.

"*Purchased Loan"*: A motor vehicle retail installment loan relating to the sale of an automobile or light-duty truck originated by a Dealer, purchased by the Originator from such Dealer and evidenced by a Purchased Loan Contract; *provided, however,* that the term "Purchased Loan" shall, for purposes of this Agreement, include only those Purchased Loans identified from time to time on Schedule V hereto, as amended from time to time in accordance herewith.

"*Purchased Loan Contract"*: Each motor vehicle retail installment sales contract, in substantially one of the forms attached hereto as Exhibit I, relating to a Purchased Loan.

"*Quarterly Determination Date*": The last Business Day of each January, April, July, and October.

"*Qualified Institution"*: Defined in Section 6.7(a).

"*Records"*: The Dealer Agreements, Contracts, Contract Files and all other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related contracts, records and other media for storage of information) in each case whether tangible or electronic that are maintained with respect to the Loans and the Contracts and the related Obligors.

"*Recoveries*": All amounts, if any, received in respect of the Collateral by the Servicer or Credit Acceptance with respect to Defaulted Contracts.

"*Related Security*": With respect to any Loan, all of Credit Acceptance's and the Borrower's interest in:

(i) the Dealer Agreements (other than Excluded Dealer Agreement Rights, but including Credit Acceptance's rights to service the Loans and the related Contracts and receive the related collection fee and receive reimbursement of certain repossession and recovery expenses, in accordance with the terms of the Dealer Agreements) and Contracts securing payment of such Loan;

(ii) all security interests or liens purporting to secure payment of such Loan, whether pursuant to such Loan, the related Dealer Agreement or otherwise, together with all financing statements signed by the related Obligor describing any collateral securing such Loan and all other property obtained upon foreclosure of any security interest securing payment of such Loan or any related Contract;

(iii) all guarantees, insurance (including insurance insuring the priority or perfection of any lien) or other agreements or arrangements of any kind from time to time supporting or securing payment of each Contract whether pursuant to such Contract or otherwise, including any of the foregoing relating to any Contract securing payment of such Loan;

(iv) all of the Borrower's interest in all Records, documents and writing evidencing or related to such Loan;

(v) all rights of recovery of the Borrower against the Originator;

(vi) all Collections (other than Dealer Collections), the Collection Account, the Reserve Account, and all amounts on deposit therein and investments thereof;

(vii) all of the Borrower's right, title and interest in and to (but not its obligations under) any Hedging Agreement and any payment from time to time due thereunder;

(viii) all of the Borrower's right, title and interest in and to the Contribution Agreement and the assignment to the Collateral Agent of all UCC financing statements filed by the Borrower against the Originator under or in connection with the Contribution Agreement; and

(ix) the Proceeds of each of the foregoing.

For the avoidance of doubt, the term "*Related Security*" with respect to any Dealer Loan includes all rights arising under such Dealer Loan which rights are attributable to advances made under such Dealer Loan as the result of such Dealer Loan being secured by an Open

Pool on the date such Dealer Loan was sold and Dealer Loan Contracts being added to such Open Pool.

"Relevant Governmental Body": The Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

"*Release Date*": Defined in Section 4.5(b). "*Release Price*": Defined in Section 4.5(a). "*Reliening Expenses*": Defined in Section 6.2(d)(ii).

"*Repossession Expenses*": For any Collection Period, any expenses payable pursuant to the terms of this Agreement, incurred by the Backup Servicer, if it has become the Successor Servicer, in connection with the liquidation or repossession of any Financed Vehicle, in an aggregate amount not to exceed the cash proceeds received by the Backup Servicer, if it has become the Successor Servicer, from the disposition of the Financed Vehicles.

"*Required Lenders*": As of any date of determination, Lenders holding more than 50% of the sum of (a) the Aggregate Loan Amount and (b) the unused Aggregate Commitments; but if at least two unaffiliated Lenders exist, Required Lenders must include at least two unaffiliated Lenders.

"*Required Reserve Account Amount*": With respect to any date of determination, an amount equal to the sum of (a) the product of (i) 1.0% and (ii) the Aggregate Loan Amount on such date (after the application of funds pursuant to Section 2.6 on the related Payment Date) plus
(b) all amounts required to be maintained by the Borrower pursuant to Section 6.2(c)(ii) hereof; *provided, however*, the Required Reserve Account Amount shall at no time be less than $70,000 (unless the Aggregate Loan Amount is zero, in which case the Required Reserve Account Amount shall be $0).

"*Reserve Account*": Defined in Section 6.7(a).

"*Reserve Advance*": Defined in Section 2.6(c)(i).

"*Responsible Officer*": As to any Person any officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"*Retransfer Amount*": Defined in Section 4.5(b).

"*Revolving Loan*": Defined in Section 2.1.

"*Revolving Period*": The period commencing on the Closing Date and ending on the day immediately preceding the first day of the Amortization Period.

"*S&P*": S&P Global Ratings, and any successor thereto.

"*Sanctioned Country*": Any country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs, or as otherwise published from time to time.

"*Sanctioned Person*": (i) a Person named on the list of "Specially Designated Nationals" or "Blocked Persons" maintained by OFAC available at http://www.treas.gov/offices/enforcement/ofac/sdn, or as otherwise published from time to time, or (ii)(a) an agency of the government of a Sanctioned Country, (b) an organization controlled by a Sanctioned Country or (c) a Person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

"*Secured Party*": (i) The Deal Agent, the Collateral Agent and each Lender and (ii) each Hedge Counterparty that is either a Lender or an Affiliate of a Lender if that Affiliate is a Hedge Counterparty and executes a counterpart of this Agreement agreeing to be bound by the terms of this Agreement applicable to a Secured Party.

"*Servicer*": Credit Acceptance, the Backup Servicer, if it has become the Successor Servicer or any other Successor Servicer, appointed in accordance with the terms hereof as the Servicer of the Loans and Contracts.

"*Servicer Termination Event*": Defined in Section 6.11.

"*Servicer Termination Notice*": Defined in Section 6.11.

"*Servicer Expenses*": Any expenses incurred by the Backup Servicer, if it has become the Successor Servicer hereunder, other than Repossession Expenses, Reliening Expenses or Transition Expenses.

"*Servicing Fee*": For each Payment Date, a fee payable to Servicer for services rendered during the related Collection Period, equal to (i) so long as Credit Acceptance is the Servicer, the product of (A) 4.00% and (B) the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement) and (ii) if the Backup Servicer is the Servicer, the sum of (1) the greatest of: (a) the product of 8.00% and the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement), (b) the actual costs incurred by the Backup Servicer as Successor Servicer, and (c) the product of (x) $30.00 and

(y) the aggregate number of Contracts serviced by it during the related Collection Period, plus

(2) without duplication, Late Fees and Servicer Expenses; *provided, however,* with respect to each Payment Date on which the Backup Servicer is the Servicer, the Servicing Fee shall be at least equal to $5,000.

"SOFR": A rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator": The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"*Solvent*": As to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair salable value of the property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital.

"*Subsidiary*": A corporation, limited liability company or other entity of which the Originator and/or its Subsidiaries own, directly or indirectly, such number of outstanding shares or other ownership interests which have more than 50% of the ordinary voting power for the election of directors or other persons performing similar functions.

"*Successor Servicer*": Defined in Section 6.12(a).

"*Take-Out*": The release of certain Loans and the related contracts from the Lien of this Agreement and the reduction of the Aggregate Loan Amount by at least $10,000,000 in connection with a refinancing (which may take the form of a sale) of such Loans by the Borrower using an affiliated special purpose entity.

"*Take-Out Date*": Defined in Section 2.13(a).

"*Take-Out Release*": The release to be executed pursuant to Section 2.13 hereto, substantially in the form of Exhibit E hereto.

"*Taxes*": All present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR": For any calculation with respect to:

(a) a Benchmark Loan at any time when Term SOFR is the applicable Benchmark, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the *"Periodic Term SOFR Determination Day"*) that

is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; *provided*, *however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; or

(b) a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the *"Base Rate Term SOFR Determination Day"*) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided*, *however*, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day;

provided, if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

"Term SOFR Administrator": CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Deal Agent in its reasonable discretion).

"Term SOFR Reference Rate": The forward-looking term rate based on SOFR.

"*Termination Date*": The earlier of: (a) the date of the declaration, or automatic occurrence, of the Termination Date pursuant to Section 9.2 and (b) the date of termination in whole of the Commitments pursuant to Section 2.5.

"*Termination Event*": Defined in Section 9.1.

"*Transaction Documents*": This Agreement, the Contribution Agreement, each Hedging Agreement, the Fee Letter, the Backup Servicing Agreement, the Intercreditor Agreement and any additional document the execution of which is necessary or incidental to carrying out the terms of the foregoing documents.

"*Transition Expenses*": If the Backup Servicer has become the Successor Servicer, the sum of: (i) reasonable costs and expenses incurred by the Backup Servicer in connection with its assumption of the servicing obligations hereunder, related to travel, Obligor welcome letters, freight and file shipping plus (ii) a boarding fee equal to the product of $7.50 and the number of Contracts to be serviced.

"*UCC*": The Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"*Unadjusted Benchmark Replacement*": The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"*United States*" or "*U.S.*": United States of America.

"*Unmatured Termination Event*": Any event that, with the giving of notice or the lapse of time, or both, would become a Termination Event.

"*Unsatisfactory Audit*": The occurrence of any audit exceptions resulting from any audit, inspection or review pursuant to Section 6.1(c), Section 6.2(e) or Section 6.9, which, in the reasonable judgment of the Deal Agent (acting with the consent, or at the direction, of the Required Lenders), would have a material adverse effect on the ability of the Servicer to identify and allocate Collections.

"*Unused Fee*": As defined in the Fee Letter.

"*Upfront Fee*": As defined in the Fee Letter.

"*U.S. Person*": Any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"*U.S. Tax Compliance Certificate*": Defined in paragraph (g) of Section 2.11.

"*U.S. Government Securities Business Day*": Any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"*Weighted Average Final Score*": With respect to each Payment Date during the Revolving Period, the ratio (expressed as a percentage) at any time the same is to be determined, where (i) the numerator of which is equal to the aggregate for all Dealers of the product of (a) for each Dealer, the final output from Credit Acceptance's proprietary credit scoring process, which, when divided by 1,000, represents Credit Acceptance's expectation of the ultimate collection rate on a Contract at inception at such time and (b) the aggregate outstanding Net Loan Balance of all Eligible Loans for such Dealer at such time and (ii) the denominator of which is equal to the Aggregate Outstanding Eligible Loan Net Balance at such time.

"*Weighted Average Original Advance Rate*": With respect to each Payment Date during the Revolving Period, the ratio (expressed as a percentage) at any time the same is to be determined, where (i) the numerator of which is equal to the aggregate sum for all Dealers of the product of (a) the Original Advance Rate of each Dealer at such time and (b) the aggregate outstanding Net Loan Balance of all Eligible Loans for such Dealer at such time and (ii) the denominator of which is equal to the Aggregate Outstanding Eligible Loan Net Balance at such time.

"*Weighted Average Spread Rate*": With respect to each Payment Date during the Revolving Period, one minus the Weighted Average Original Advance Rate divided by the Weighted Average Final Score (expressed as a percentage).

"*Wells Fargo*": Wells Fargo Bank, National Association, and its successors and assigns.

Section 1.2. Other Terms. All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.4. Interpretation. In each Transaction Document, unless a contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, restated, supplemented or otherwise modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor; and

(v) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law

from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision.

Section 1.5. Divisions. For all purposes under the Transaction Documents, in connection with any division or plan of division under Delaware law with respect to any Person that is a limited liability company formed under Delaware law (or any comparable event under the applicable laws of any other relevant jurisdiction): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence as a result of such division or plan of division (or such other comparable event), such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

ARTICLE II THE LOAN FACILITY

Section 2.1. Funding of the Revolving Loans. (a) On the terms and conditions hereinafter set forth (including, without limitation, the conditions set forth in Sections 3.1 and 3.2), the Borrower may, at its option, request an advance of a loan or loans (individually a *"Revolving Loan"* and collectively the *"Revolving Loans"*) pursuant to, and in accordance with, the terms of Section 2.3. On the terms and conditions hereinafter set forth (including, without limitation, the conditions set forth in Sections 3.1 and 3.2), each Lender severally agrees to make Revolving Loans to the Borrower on a revolving basis from time to time as requested by the Borrower during the period from the date hereof to but not including the Termination Date in an aggregate amount not to exceed at any time outstanding the amount equal to the lesser of (i) such Lender's Commitment and (ii) such Lender's Applicable Percentage of the Borrowing Base; *provided*, that under no circumstances shall any Lender make a Revolving Loan if, after giving effect to the Funding of such Revolving Loan, the Aggregate Loan Amount would exceed the lesser of (i) the Aggregate Commitments and (ii) the Borrowing Base. As provided in Section 2.3 and subject to Section 2.10(e), each Funding of Revolving Loans shall consist of ~~Eurodollar~~Benchmark Loans. Upon the occurrence of an Amortization Event or the declaration of the Termination Date, the Borrower may not request and the Lender shall not be required to effect any Funding.

(b) The Borrower may, within 60 days, but no later than 45 days, prior to the then existing Commitment Termination Date, by written notice to the Deal Agent and the Lenders, make written request for the Lenders to extend the Commitment Termination Date for an additional period as specified by the Borrower. The Lenders shall make a determination, in their respective sole discretion, not less than 15 days prior to the then applicable Commitment Termination Date as to whether or not they will agree to extend the Commitment Termination Date; *provided*, *however*, that the failure of a Lender, or the Deal Agent on its behalf, to make a timely response to the Borrower's request for extension of the Commitment Termination Date shall be deemed to constitute a refusal by the Lenders to extend the Commitment Termination Date. If each Lender agrees to extend the Commitment Termination Date in accordance with the Borrower's request made pursuant to the first sentence of this clause (b), the Commitment Termination Date then in effect shall be extended to the date that is the last day of the additional time period specified by

the Borrower pursuant to this clause (b) or, if such day is not a Business Day, the next preceding Business Day.

(c) *The Notes.* (i) The Borrower's obligation to pay the principal of and interest on all Revolving Loans advanced by a Lender pursuant to the Fundings shall be evidenced by a Note which shall: (1) be dated the Closing Date; (2) be in the stated principal amount equal to the Commitment of such Lender; (3) bear interest as provided therein; (4) be payable to such Lender; and (5) be substantially in the form of Exhibit G hereto, with blanks appropriately completed in conformity herewith. Each Lender may, and is hereby authorized to, make a notation on the schedule attached to such Note of the date and the amount of the Fundings and the date and amount of the payment of principal thereon, and prior to any transfer of such Note, such Lender shall endorse the outstanding principal amount of such Note on the schedule attached thereto; *provided, however,* that failure to make such notation shall not adversely affect such Lender's rights with respect to such Note.

(ii) Although each Note shall be dated the Closing Date, interest in respect thereof shall be payable only for the periods during which amounts are outstanding thereunder. In addition, although the stated principal amount of each Note shall be equal to the applicable Lender's Commitment, each such Note shall be enforceable with respect to the Borrower's obligation to pay the principal thereof only to the extent of the unpaid principal amount of all Revolving Loans made by such Lender at the time such enforcement shall be sought.

Section 2.2. Grant of Security Interest; Acceptance by Collateral Agent. (a)(i) As security for the prompt and complete payment of each Note and the performance of all of the Borrower's obligations under each Note, this Agreement and the other Transaction Documents, the Borrower hereby grants to the Collateral Agent, for the benefit of the Secured Parties, without recourse except as provided herein, a security interest in and continuing Lien on all right, title, and interest of the Borrower in the following property of the Borrower (whether now owned or hereafter created, acquired or arising, and wherever located):

> Accounts, Chattel Paper, Instruments (including Promissory Notes), Documents, General Intangibles (including Payment Intangibles and Software, patents, trademarks, tradestyles, copyrights, and all other intellectual property rights, including all applications, registration, and licenses therefor, and all goodwill of the business connected therewith or represented thereby), Letter-of-Credit Rights, Supporting Obligations, Deposit Accounts, Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts), Inventory, Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof),Commercial Tort Claims, Rights to merchandise and other Goods (including rights to returned or repossessed Goods and rights of stoppage in transit) which are represented by, arise from, or relate to any of the foregoing, Monies, personal property, and interests in personal property of the Borrower of any kind or description now held by the Collateral Agent for the benefit of the Secured Parties or at any time hereafter transferred or delivered to, or coming into the possession, custody, or control of, the Collateral Agent, or any agent or affiliate of the Collateral Agent, whether expressly as collateral security or for any other purpose (whether for safekeeping, custody, collection

or otherwise), and all dividends and distributions on or other rights in connection with any such property, Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of the Borrower to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes, and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained, Accessions and additions to, and substitutions and replacements of, any and all of the foregoing, and Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof (each of the foregoing terms as used in this paragraph which are defined in the UCC shall have the same meanings herein as such terms are defined in the UCC in New York, unless this Agreement shall otherwise specifically provide);

including, without limitation, all of its right, title and interest to: (x) the Loans, and all monies due or to become due in payment thereupon on and after the related Cut-Off Date; (y) all Related Security; and (z) all income and Proceeds of the foregoing (all of the foregoing property of the Borrower described in this Section 2.2(a)(i) collectively referred to herein as the *"Collateral"*). The foregoing pledge does not constitute an assumption by the Collateral Agent of any obligations of the Borrower to Obligors or any other Person in connection with the Collateral or under any agreement or instrument relating to the Collateral, including, without limitation, any obligation to make future advances to or on behalf of such Obligors.

(ii) In connection with such grant, the Borrower agrees to record and file, or cause to be recorded or filed, at its own expense, financing statements with respect to the Collateral now existing and hereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the first priority security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, and to deliver a file-stamped copy of such financing statements or other evidence of such filing to the Collateral Agent, the Deal Agent and each Lender on or prior to each Funding Date. Any such financing statement may describe as the collateral covered thereby "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral as described in this Agreement. In addition, the Borrower and the Servicer agree to clearly and unambiguously mark their respective general ledgers and all accounting records and documents and all computer tapes and records to show that the Collateral, including that portion of the Collateral consisting of the Dealer Agreements listed on Schedule V hereto (and each addendum thereto), the Loans and the related Contracts and the rights to payment under the related Dealer Agreements, has been pledged to the Collateral Agent for the benefit of the Secured Parties hereunder.

(iii) In connection with such pledge, the Borrower (or the Servicer on its behalf) agrees to deliver to the Collateral Agent on the Closing Date or any Funding Date on which new Pools or Purchased Loans are pledged to the Collateral Agent, as the case may be, one or more computer files, spreadsheets or microfiche lists containing true and complete lists of all applicable Dealer Agreements, Pools and Loans securing the payment of the Notes and amounts due under the Transaction Documents and all of the Borrower's obligations under the Notes and the Transaction

Documents as of the Closing Date and each Funding Date, and all Contracts securing all such Loans, identified by, as applicable, account number, dealer number and pool number as of the end of the Collection Period immediately preceding such date. Such file shall be marked as Schedule V hereto or as an addendum thereto, shall be delivered to the Collateral Agent as confidential and proprietary, and such Schedule V and each addendum thereto are hereby incorporated into and made a part of this Agreement. Such Schedule V shall be supplemented and updated on the date of each Incremental Funding in the Revolving Period to include all Loans and Contracts pledged on such date so that, on each such date, the Collateral Agent will have a Schedule V that describes all Loans pledged by the Borrower to the Collateral Agent hereunder on or prior to said date of Incremental Funding, any related Dealer Agreements, Purchase Agreements and all Contracts securing or evidencing such Loans (other than those that have been released from the Collateral and those Dealer Loans that have been deemed to be satisfied pursuant to Section 6.15(b) hereto). Such updated Schedule V shall be deemed to replace any existing Schedule V as of the date such updated Schedule V is provided in accordance with this Section 2.2(a)(iii). Furthermore, Schedule V hereto shall be deemed to be supplemented on each date of Dealer Collections Purchase by the list set forth under Section 6.15(c). For the avoidance of doubt, any incorrect or unintended deletions or omissions from the previous version of Schedule V shall not be effective to release the rights of the Collateral Agent on behalf of the Secured Parties in such Collateral except upon compliance with the procedures and requirements of Section 2.13, Section 4.5 or Section 8.2 hereof or Section 6.1 of the Contribution Agreement.

(iv) In connection with such pledge, each of the Borrower, Credit Acceptance and the Servicer also agrees, within 180 days of the Closing Date or relevant Funding Date, as the case may be, to clearly mark at least 98% of the Contracts or Contract folders securing a Loan with the following legend: "THIS AGREEMENT HAS BEEN PLEDGED TO CITIZENS BANK N.A. AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN SECURED PARTIES".

(b) The Collateral Agent hereby acknowledges its acceptance, on behalf of the Secured Parties, of the pledge by the Borrower of the Loans and all other Collateral. The Collateral Agent further acknowledges that, prior to or simultaneously with the execution and delivery of this Agreement, the Borrower delivered to the Collateral Agent the computer file, spreadsheet or microfiche list represented by the Borrower to be the computer file, spreadsheet or microfiche list described in Section 2.2(a)(iii).

(c) The Collateral Agent hereby agrees not to disclose to any Person (including any other Secured Party) any of the account numbers or other information contained in the computer files, spreadsheets or microfiche lists delivered to the Collateral Agent by the Borrower pursuant to Section 2.2(a)(iii), except as is required in connection with the performance of its duties hereunder or in enforcing the rights of the Secured Parties or to a Successor Servicer; *provided, however,* that notwithstanding anything to the contrary in this Agreement, the Collateral Agent may reply to a request from any Person for a list of Loans, Dealer Agreements, Contracts or other information referred to in any financing statement. The Collateral Agent agrees to take such measures as shall be necessary or reasonably requested by the Borrower to protect and maintain the security and confidentiality of such information. The Collateral Agent shall provide the Borrower with written notice five (5) Business Days prior to any disclosure pursuant to this Section 2.2(c).

Section 2.3. Procedures for Funding of Revolving Loans. (a) The Borrower shall deliver a Funding Notice to the Deal Agent and the Lenders by no later than 12:00 noon (New York City time) at least ~~three~~two (~~3~~2) Business Days before the date on which the Borrower requests the Lenders to advance a Funding of ~~Eurodollar~~Benchmark Loans. The Revolving Loans included in each Funding shall bear interest at the ~~Adjusted LIBOR~~Benchmark. The Borrower shall give all such Funding Notices to the Deal Agent and each Lender by telephone, telecopy, or other telecommunication device acceptable to the Deal Agent and each Lender. Each Funding Notice shall: (i) specify the desired amount of such Funding which amount must (a) be in an amount equal to $2,500,000 or an integral multiple of $100,000 in excess thereof and (b) be allocated among the Lenders ratably based on their respective Applicable Percentages, (ii) specify the date of such Funding, and (iii) include a representation that all conditions precedent for a Funding described in Article III hereof have been met. Each Funding Notice shall be irrevocable except as set forth in Section 2.3(c). No Funding of ~~Eurodollar~~Benchmark Loans shall be advanced, continued, or created by conversion if any Unmatured Termination Event or Termination Event then exists. The Borrower agrees that the Deal Agent and each Lender may rely on any such telephonic, telecopy or other telecommunication notice given by any person the Deal Agent or a Lender in good faith believes is an authorized representative of the Borrower without the necessity of independent investigation, and in the event any such notice by telephone conflicts with any written confirmation such telephonic notice shall govern if the Deal Agent or a Lender has acted in reliance thereon.

(b) On each Funding Date, each Lender shall, upon satisfaction of the applicable conditions set forth in Article III, make available to the Borrower in same day funds, at such bank or other location reasonably designated by the Borrower in its Funding Notice given pursuant to this Section 2.3, an amount equal to the lesser of (A) such Lender's Applicable Percentage of the amount requested by the Borrower for such Revolving Loan or (B) the excess of the lesser of (x) the Commitment of such Lender and (y) such Lender's Applicable Percentage of the Borrowing Base, in the case of each of clause (B)(x) and (y) over the aggregate principal amount of all Revolving Loans funded or maintained by such Lender then outstanding.

(c) Notwithstanding anything to the contrary contained in this Section 2.3 or elsewhere in this Agreement, any Lender may, upon receipt of any Funding Notice pursuant to Section 2.3(a), notify the Borrower in writing (a "*Delayed Funding Notice*") at any time at or prior to 10:00 a.m. (New York City time) one Business Day prior to the applicable Funding Date of its intent to fund its ratable share of the related Revolving Loan (such amount, the "*Delayed Amount*") on a Business Day that is on or before the thirty-fifth (35th) day following the requested Funding Date (the "*Delayed Funding Date*") rather than on the Funding Date specified in such Funding Notice. If any Lender provides a Delayed Funding Notice (such Lender, a "*Delaying Lender*") to the Borrower following the Borrower's delivery of a Funding Notice pursuant to Section 2.3(a), the Borrower may revoke such Funding Notice at any time prior to 5:00 p.m. (New York City time) on the Business Day preceding such Delayed Funding Date. No Delaying Lender shall be considered to be in default of its obligation to fund its Delayed Amount pursuant to this Section 2.3(c) or be treated as a defaulting Lender hereunder, in each case unless and until such Lender has failed to fund its Delayed Amount on or before the related Delayed Funding Date; *provided* that no Lender shall have any requirement to fund any Delayed Amount if the Borrower is subject

to any Insolvency Event (without giving effect to any cure period specified in the definition of Insolvency Event).

(d) In no event shall any Lender be required on any date to make any Funding which would result in the aggregate principal amount of all Revolving Loans funded or maintained by such Lender then outstanding, determined after giving effect to such Funding, exceeding the lesser of (x) the Commitment of such Lender and (y) such Lender's Applicable Percentage of the Borrowing Base.

Section 2.4. Determination of Interest.

(a) *~~Eurodollar~~Benchmark Loans.* Each ~~Eurodollar~~Benchmark Loan made or maintained by a Lender shall bear interest for each day during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof from the date such Revolving Loan is advanced or continued, or created by conversion from a Base Rate Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the ~~Adjusted LIBOR~~Benchmark applicable for such day during such Interest Period, payable by the Borrower on each Payment Date and at maturity (whether by acceleration or otherwise).

(b) *Base Rate Loans.* Each Base Rate Loan made or maintained by a Lender shall bear interest for each day during each Interest Period it is outstanding (computed on the basis of a year of 360 days and the actual days elapsed) on the unpaid principal amount thereof from the date such Revolving Loan is advanced, or created by conversion from a ~~Eurodollar~~Benchmark Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the Base Rate from time to time in effect applicable for such day such Interest Period, payable by the Borrower on each Payment Date and at maturity (whether by acceleration or otherwise).

(c) *Rate Determinations.* The Deal Agent shall determine each interest rate applicable to the Revolving Loans made hereunder, and its determination thereof shall be conclusive and binding except in the case of manifest error.

(d) *Breakage Costs.* The Borrower shall pay Breakage Costs to the Lenders in an amount necessary to compensate the applicable Lender for any loss, cost, or expense incurred by such Lender as a result of a prepayment by the Borrower of any Revolving Loans or Interest on a date other than a Payment Date. Such Breakage Costs shall be payable in accordance with the provisions of Section 2.6.

The Lenders shall advise the Servicer and the Backup Servicer thereof on the second Business Day prior to each Determination Date the amount of Interest, if any, due and payable on the related Payment Date. Prior to the next succeeding Payment Date, the Deal Agent shall determine the amount of Interest, if any, payable in connection with Section 2.13(a)(iv) and not previously paid. The amount owed in respect of the Interest for the next succeeding Interest Period, as initially determined by the Deal Agent shall be increased, if necessary and as appropriate, to reflect any Interest payable in connection with Section 2.13(a)(iv) and not previously paid.

Section 2.5. Reduction of the Commitment. The Borrower may, upon at least two (2) Business Days' notice to the Deal Agent and each Lender, terminate in whole or reduce in part the portion of the Aggregate Commitments that exceeds the Aggregate Loan Amount; *provided*, *however*, that each partial reduction of the Aggregate Commitments shall be in an aggregate amount equal to $1,000,000 or an integral multiple thereof; and *provided*, *further*, however, that any such partial reduction shall effect a ratable reduction of the Commitment of each Lender. Each notice of reduction or termination pursuant to this Section 2.5 shall be irrevocable.

Section 2.6. Settlement Procedures. (a) On each Payment Date, the Borrower (or at all times after the occurrence and continuance of a Termination Event, the Collateral Agent) shall withdraw Available Funds and any Excess Reserve Amount (to be applied in accordance with Section 2.6(c)) and investment earnings on amounts on deposit in the Collection Account from the Collection Account and allocate and distribute such amounts to the applicable Person in the following order of priority:

(i) *FIRST*, to the Hedge Counterparty, an amount equal to any Hedge Costs (exclusive of termination payments) and any such Hedge Costs (exclusive of termination payments) unpaid from any prior Payment Date;

(ii) SECOND, [Reserved];

(iii) *THIRD*, to the Backup Servicer so long as it has not become the Servicer hereunder, an amount equal to any accrued and unpaid Backup Servicing Fee due in respect of such Payment Date, any unpaid Backup Servicing Fee from any prior Payment Date, any reasonable out-of-pocket expenses incurred by the Backup Servicer, and any accrued and unpaid Indemnified Amounts owed by the Borrower to Wells Fargo in an aggregate amount up to $17,000 per month (the "Cap"); *provided*, *however*, that in the event of an acceleration resulting from a Termination Event specified under Section 9.1(e)(i) or Section 9.1(g) hereunder, such Cap will not apply;

(iv) *FOURTH*, (A) to the Servicer, an amount equal to any accrued and unpaid Servicing Fees due in respect of such Payment Date and any Servicing Fees unpaid from any prior Payment Date; *provided*, *however*, if the Servicer has been replaced pursuant to Section 6.12 such amount shall not exceed the Capped Servicing Fee; and (B) to the Backup Servicer, if it has become the Successor Servicer, any Transition Expenses;

(v) *FIFTH*, to the Lenders, ratably, an amount equal to the sum of any accrued and unpaid (A) Interest and Breakage Costs, (B) Program Fee, and (C) Unused Fee due in respect of such Payment Date and any such amounts unpaid from any prior Payment Date;

(vi) *SIXTH*, during the Revolving Period, to the Lenders, ratably (based on the outstanding principal amount of the Revolving Loans of each Lender), an amount equal to the Monthly Principal Payment Amount for such Payment Date;

(vii) *SEVENTH*, to any Successor Servicer, an amount equal to Reliening Expenses;

(viii) *EIGHTH*, during the Amortization Period, to the Lenders, ratably (based on the outstanding principal amount of the Revolving Loans of each Lender), the Additional Principal Payment Amount, until the Aggregate Loan Amount has been reduced to zero;

(ix) *NINTH*, ratably to the Lenders and the Backup Servicer, an amount equal to Increased Costs, any Additional Amounts and Indemnified Amounts (*provided* that, with respect to the Backup Servicer, such Indemnified Amounts shall include only those Indemnified Amounts not paid pursuant to clause THIRD above) due in respect of such Payment Date and unpaid from any prior Payment Date;

(x) *TENTH*, to the Reserve Account, (A) an amount equal to any outstanding Reserve Advances and (B) the amount necessary to cause the amount on deposit in the Reserve Account to equal the Required Reserve Account Amount (after giving effect to any deposits made in subclause (A));

(xi) *ELEVENTH*, to the Backup Servicer, if it has become the Successor Servicer, any Servicing Fee due in respect of such Payment Date, to the extent not paid pursuant to clause FOURTH above and any such Servicing Fee unpaid from any prior Payment Date;

(xii) *TWELFTH*, to any other applicable Person, all remaining amounts up to all Aggregate Unpaids (during the Revolving Period, other than the Aggregate Loan Amount) until paid in full; and

(xiii) *THIRTEENTH*, to the Borrower any remaining amounts.

(b) One Business Day per calendar month, the date of which is to be chosen by the Borrower, the Borrower may, upon two Business Days' prior written notice to the Deal Agent and the Lenders, withdraw from the Collection Account an amount not to exceed the amount on deposit therein on the date of such request. The Borrower shall distribute such amount ratably to the Lenders, as a payment in reduction of the portion of the Aggregate Loan Amount funded or maintained by each such Lender. Notwithstanding anything in this Section 2.6(b) to the contrary, the Borrower shall not be required to effect any such withdrawal or make any such distribution until an officer of the Servicer or a representative of the Servicer designated by an officer of the Servicer has certified to the Borrower, the Collateral Agent, the Deal Agent and the Lenders in writing (which shall include electronic transmission) that it reasonably believes that at the end of the related Collection Period the sum of Available Funds and Excess Reserve Amount, after giving effect to such payment, will be greater than the amount needed to make the payments required pursuant to Section 2.6(a)(i) through (xii).

(c) (i) If on any Payment Date the amount paid pursuant to Section 2.6(a)(v) and (vi) is insufficient to cover all amounts due thereunder on such Payment Date, the Borrower (or the Collateral Agent, as applicable) shall withdraw from the Reserve Account an amount equal to the lesser of such shortfall and the amount of funds on deposit in the Reserve Account (such withdrawal, a "*Reserve Advance*") and deposit such amount to the Collection Account. The Borrower (or the Collateral Agent, as applicable) shall pay such amount ratably to the Lenders.

(ii) If on any Payment Date during the Amortization Period, the amount paid pursuant to Section 2.6(a)(viii) is insufficient to reduce the Aggregate Loan Amount to zero, the Deal Agent (acting at the direction, or with the consent, of the Required Lenders acting in their respective sole discretion), may direct the Collateral Agent to withdraw any or all of the amount on deposit in the Reserve Account, and pay such amount ratably to the Lenders.

Section 2.7. Collections and Allocations.

(a) *Collections.* The Servicer shall transfer, or cause to be transferred, all Collections on deposit in the form of available funds in the Credit Acceptance Payment Account to the Collection Account by the close of business on the second Business Day after such Collections are received therein. The Servicer shall promptly (but in no event later than the second Business Day after the receipt thereof) deposit all Collections received directly by it in the Collection Account. The Servicer shall make such deposits or payments on the date indicated therein by wire transfer, in immediately available funds or by automated clearing house (ACH).

(b) *Initial Deposits.* On each Funding Date, the Servicer will deposit (in immediately available funds) into the Collection Account all Collections received on and after the applicable Cut-Off Date and through and including the day that is two days immediately preceding such Funding Date, in respect of the Loans.

(c) *Investment of Funds.* (i) Until the occurrence of a Termination Event or Unmatured Termination Event, to the extent there are uninvested amounts on deposit in the Collection Account and the Reserve Account, all amounts shall be invested as set forth in Section 6.7(c).

(ii) On the date on which the Aggregate Loan Amount is reduced to zero and all Aggregate Unpaids have been indefeasibly paid in full, all Collateral is released from the Lien of this Agreement, and this Agreement is terminated, any amounts on deposit in the Reserve Account shall be released to the Borrower.

(d) *Allocation of Collections.* The Servicer will allocate Collections monthly in accordance with the actual amount of Collections received. The Servicer or the Backup Servicer, if it has become the Successor Servicer, at the direction of the Originator, shall determine each month the amount of Collections received during such month which constitutes amounts which, pursuant to the terms of any Dealer Agreement, are required to be remitted to the applicable Dealer (such collections, *"Dealer Collections"*) and shall so notify the Borrower and the Collateral Agent. Notwithstanding any other provision hereof, the Borrower (or at all times after the occurrence of a Termination Event, the Collateral Agent), at the direction of the Servicer, shall distribute on each Payment Date: (i) to the Borrower, an amount equal to the aggregate amount of Dealer Collections received during or with respect to the prior Collection Period and (ii) to the Backup Servicer, if it has become the Successor Servicer, an amount equal to any Repossession Expenses related to the prior Collection Period prior to the distribution of Available Funds pursuant to Section 2.6.

Section 2.8. Payments, Computations, Etc. (a) Unless otherwise expressly provided herein, all amounts to be paid or deposited to the Deal Agent, the Lenders, the Backup Servicer, the Collateral Agent or the Servicer by the Borrower or the Servicer hereunder shall be paid or

deposited in accordance with the terms hereof no later than 11:00 a.m. (New York City time) on the day when due in lawful money of the United States in immediately available funds to the applicable account specified on Schedule VIII hereto or such other account as the applicable Person may designate from time to time in writing to the Borrower, the Servicer and the Collateral Agent at least three (3) Business Days prior to the day on which such payment or deposit is due. Any amounts received in the account of the Person entitled to such amount after 11:00 a.m. (New York City time) shall be deemed to be received on the next subsequent Business Day. The Borrower shall, to the extent permitted by law, pay to the applicable Secured Parties interest on all amounts not paid or deposited when due hereunder at a rate of 3.0% per annum above the Base Rate, payable on demand; *provided, however*, that such interest rate shall not at any time exceed the maximum rate permitted by Applicable Law. All computations of interest and all computations of Interest and other fees hereunder and under the Fee Letter shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of Interest, interest or any fee payable hereunder, as the case may be.

(c) If the Revolving Loan requested by the Borrower for any Funding Date is not made or effectuated for any reason other than a Lender's failure to honor its obligations hereunder, as the case may be, on the requested Funding Date, the Borrower shall indemnify the applicable Lender against any reasonable loss, cost or expense incurred by such Lender, including, without limitation, any loss (including loss of anticipated profits, net of anticipated profits in the reemployment of such funds in the manner determined by such Lender), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain the Funding.

Section 2.9. Fees. (a) The Borrower shall ratably pay to the Lenders, from the Collection Account on each Payment Date, monthly in arrears, the Program Fee and Unused Fee agreed to in the Fee Letter.

(b) The Servicer shall be entitled to receive the Servicing Fee, monthly in arrears in accordance with Section 2.6(a).

(c) The Backup Servicer shall be entitled to receive the Backup Servicing Fee in accordance with Section 2.6(a).

(d) The Borrower shall pay (i) to the Lenders, on the Closing Date, the Upfront Fees and
(ii) to the Deal Agent, on the Closing Date, reasonable out-of-pocket expenses (including, without limitation, rating agency fees, filing fees and expenses incurred by the Deal Agent, as agent for the Lenders, in connection with the preparation and execution of this Agreement and the other Transaction Documents and the carrying out of the transactions contemplated hereby and thereby), in each case, in immediately available funds.

(e) The Borrower shall pay to Chapman and Cutler LLP, as counsel to the Lenders, on the Closing Date, its estimated reasonable fees and out-of-pocket expenses (which shall be evidenced by a detailed invoice) in immediately available funds and shall pay all additional reasonable fees and out-of-pocket expenses of Chapman and Cutler LLP within ten (10) Business Days after receiving a detailed invoice for such amounts.

Section 2.10. Increased Costs; Capital Adequacy~~; Illegality~~. (a) If any Change in Law shall (A) subject an Affected Party to any Tax (except for Taxes on the overall net income of such Affected Party), duty or other charge with respect to the Revolving Loans made by it hereunder, or any right to make a Funding hereunder, or on any payment made hereunder, (B) impose, modify or deem applicable any reserve requirement (including, without limitation, any reserve requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve requirement, if any, included in the determination of Interest), special deposit or similar requirement against assets of, deposits with or for the amount of, or credit extended by, any Affected Party or (C) impose any other condition affecting the Revolving Loans made by it hereunder or a Lender's rights hereunder, the result of which is to increase the cost to any Affected Party or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, then within ten (10) days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered.

(b) If any Change in Law shall occur regarding capital or liquidity requirements which has or would have the effect of reducing the rate of return on the capital of any Affected Party or would otherwise result in the imposition of an internal capital or liquidity charge on such Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such reduction or charge (taking into consideration the policies of such Affected Party with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time, within ten (10) days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction suffered or charge imposed. For avoidance of doubt, any interpretation of Accounting Research Bulletin No. 51 by the Financial Accounting Standards Board shall constitute an adoption, change, request or directive subject to this Section 2.10(b).

(c) In determining any amount provided for in this section, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this section shall submit to the Servicer a written description as to such additional or increased cost or reduction and the calculation thereof, which written description shall be conclusive absent demonstrable error.

~~(e) At any time the Deal Agent or any Lender shall notify the Borrower that a Eurodollar Disruption Event has occurred, the Aggregate Loan Amount in respect of which Interest accrues at the Adjusted LIBOR shall immediately be converted into Base Rate Loans.~~

Section 2.11. Taxes.

(a) *Defined Terms*. For purposes of this Section 2.11, the term "applicable law" includes FATCA.

(b) *Payments Free of Taxes*. Any and all payments by or on account of any obligation of the Borrower or the Servicer under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower or the Servicer, as applicable, shall be increased as necessary (such increase, the *"Additional Amount"*) so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) *Payment of Other Taxes by the Borrower.* The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Deal Agent, the Collateral Agent or the relevant Lender timely reimburse it for the payment of, any Other Taxes.

(d) *Indemnification by the Borrower.* The Borrower shall indemnify each recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such recipient or required to be withheld or deducted from a payment to such recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, the Collateral Agent or the Deal Agent shall be conclusive absent manifest error.

(e) *Evidence of Payments.* As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.11, the Borrower shall, if requested by the applicable Lender, deliver to the applicable Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the applicable Lender.

(f) *Indemnification by the Lenders.* Each Lender shall severally indemnify the Deal Agent and the Collateral Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Deal Agent and the Collateral Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure

to comply with the provisions of Section 12.1 (relating to the maintenance of a Participant Register) and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Deal Agent or the Collateral Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Deal Agent or the Collateral Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Deal Agent and the Collateral Agent to set off and apply any and all amounts at any time owing to such Lender under any Transaction Document or otherwise payable by the Deal Agent or the Collateral Agent to such Lender from any other source against any amount due to the Deal Agent or the Collateral Agent under this paragraph (f).

(g) *Status of Lenders.* (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Borrower, the Collateral Agent and the Deal Agent, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower, the Collateral Agent or the Deal Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower, the Collateral Agent or the Deal Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower, the Collateral Agent or the Deal Agent as will enable the Borrower, the Collateral Agent or the Deal Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.11(g) (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in such Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower, the Collateral Agent and the Deal Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Collateral Agent or the Deal Agent), executed originals of U.S. Internal Revenue Service ("IRS") Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Collateral Agent and the Deal Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the

reasonable request of the Borrower, the Collateral Agent or the Deal Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Transaction Document, executed originals of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit K-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "*U.S. Tax Compliance Certificate*") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-2 or Exhibit K-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Collateral Agent and the Deal Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Collateral Agent or the Deal Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower, the Collateral Agent and the Deal Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower, the Collateral Agent and the Deal Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower, the Collateral Agent or the Deal Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower, the Collateral Agent or the Deal Agent as may be necessary for the Borrower, the Collateral Agent and the Deal Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower, the Collateral Agent and the Deal Agent in writing of its legal inability to do so.

(h) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.11 (including by the payment of Additional Amounts pursuant to this Section 2.11), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or Additional Amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) *Survival.* Each party's obligations under this Section 2.11 shall survive the assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all obligations under any Transaction Document.

Section 2.12. Assignment of the Contribution Agreement. The Borrower hereby assigns to the Collateral Agent, for the ratable benefit of the Secured Parties hereunder, all of the Borrower's right, title and interest in and to, but none of its obligations under, the Contribution Agreement and the Hedging Agreement. The Borrower confirms that the Collateral Agent on behalf of the Secured Parties shall have the sole right to enforce the Borrower's rights and remedies under the Contribution Agreement and the Hedging Agreement for the benefit of the Secured Parties.

Section 2.13. Take-Out. (a) On any Business Day (the "*Take-Out Date*"), but subject to the limitation contained in clause (d) below, the Borrower shall have the right to effect a Take-Out and require the Collateral Agent to release its security interest in and Lien on the related Contracts and Loans, subject to the following terms and conditions:

(i) The Borrower shall have given the Deal Agent, the Collateral Agent, the Lenders, the Backup Servicer and the Servicer at least three (3) Business Days' prior written notice of its intent to effect the Take-Out, which notice shall be irrevocable; *provided, however,* failure to effect such Take-Out on the Take-Out Date shall not result in a Termination Event, but the Borrower shall be obligated to pay any Breakage Costs and any other losses incurred by the Lenders in connection therewith.

(ii) Unless the Take-Out is to be effected on a Payment Date (in which case the relevant calculations with respect to such Take-Out shall be reflected on the applicable Monthly Report), the Servicer shall deliver to the Deal Agent and the Lenders an Officer's Certificate, together with evidence to the reasonable satisfaction of the Deal Agent (acting with the consent, or at the direction, of the Required Lenders) (which evidence may consist solely of the Officer's Certificate signed by an officer of the Servicer) that the Borrower shall have sufficient funds on the related Take-Out Date to effect the contemplated Take-Out in accordance with this Agreement. In effecting the Take-Out, the Borrower may use the proceeds of sales of the Loans (which sales must be made in arm's-length transactions).

(iii) After giving effect to the Take-Out and the release to the Borrower of the Loans and related Contracts on the Take-Out Date, (x) the representations and warranties contained in Sections 4.1 and 4.2 hereof shall continue to be correct in all material respects, except to the extent relating to an earlier date and (y) neither an Unmatured Termination Event nor a Termination Event shall have resulted.

(iv) On the Take-Out Date, the Borrower shall cause to be deposited into the Collection Account, for the benefit of the Secured Parties and the Hedge Counterparties, as applicable, in immediately available funds, an amount equal to the sum of: (A) the portion of the Aggregate Loan Amount being paid *plus* (B) an amount equal to the related unpaid Interest to the end of the Interest Period *plus* (C) an aggregate amount equal to the sum of all other amounts due and owing to the Deal Agent, the Collateral Agent, the Lenders, the Backup Servicer, the Successor Servicer, the Hedge Counterparties and the other Secured Parties, as applicable, under this Agreement and the other Transaction Documents, to the extent accrued to such date and to accrue thereafter (including, without limitation, Breakage Costs and Hedge Costs) *plus* (D) all other Aggregate Unpaids. No

such reduction shall be given effect unless the Borrower has complied with the terms of any Hedging Agreement requiring that any derivative transaction related thereto be terminated in whole or in part as a result of any such reduction in the Aggregate Loan Amount and the Borrower has paid all Hedge Costs due to the relevant Hedge Counterparty for any such termination.

(v) Upon the deposit into the Collection Account of the amount set forth in Section 2.13(a)(iv), the Borrower or the Collateral Agent, as applicable, shall apply such amounts first to the pro-rata reduction of the Aggregate Loan Amount, second to the pro- rata payment of accrued Interest on the amount of the Aggregate Loan Amount to be repaid and to the payment of any Breakage Costs, by paying such amounts to the Lenders, third to pay any Hedge Costs related to such reduction of the Aggregate Loan Amount due to the relevant Hedge Counterparty, and fourth to pay all other Aggregate Unpaids related to such reduction of the Aggregate Loan Amount due to the relevant party.

(vi) The Borrower shall certify in writing to the Collateral Agent, the Deal Agent and the Lenders that no adverse selection procedure was employed in the selection of the Loans and Contracts to be released.

(vii) On the Take-Out Date, the Servicer shall submit to the Deal Agent and the Lenders a report setting forth the Forecasted Collections in respect of the Loans remaining as part of the Collateral after giving effect to such Take-Out.

(b) The Borrower hereby agrees to pay the reasonable legal fees and expenses of the Lenders, the Deal Agent and the Collateral Agent in connection with any Take-Out (including, but not limited to, expenses incurred in connection with the release of the Lien of the Collateral Agent, for the benefit of the Secured Parties, and any expenses of the Lenders, the Deal Agent or any other party having such an interest in the Loans in connection with such Take-Out).

(c) In connection with any Take-Out, on the related Take-Out Date, the Collateral Agent, on behalf of the Lenders, the Deal Agent and the other Secured Parties, shall, at the expense of the Borrower: (i) execute such instruments of release with respect to the portion of the Loans to be released to the Borrower, in favor of the Borrower as the Borrower may reasonably request;
(ii) deliver any portion of the Loans to be released to the Borrower in its possession to the Borrower; and (iii) otherwise take such actions, and cause or permit the Borrower to take such actions, as are necessary and appropriate to release the Lien of the Collateral Agent on the Loans to be released to the Borrower and deliver to the Borrower such Loans.

(d) Notwithstanding anything to the contrary contained herein, Borrower may not effect a Take-Out more frequently than one time during any three-month period.

Section 2.14. Benchmark Replacement Setting.

(a) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Transaction Document~~:~~ ~~(a) *Replacing USD LIBOR.* On March 5, 2021 the Financial Conduct Authority (*"FCA"*), the regulatory supervisor of USD~~

~~LIBOR's administrator ("*IBA*"), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-month, 3-month, 6-month and 12- month USD LIBOR tenor settings. On the earlier of (i) the date that all Available Tenors of USD LIBOR have either permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative and (ii) the Early Opt-in Effective Date, if the then-current Benchmark is Adjusted LIBOR, the Benchmark,~~ if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of ~~any setting of~~ such Benchmark ~~on such day and all~~setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document~~. If the~~ and (y) if a Benchmark Replacement is ~~Daily Simple SOFR, all interest payments will be payable on a monthly basis.~~determined in accordance with clause (b) ~~*Replacing Future Benchmarks.* Upon the occurrence of a~~ of the definition of "Benchmark ~~Transition Event, the~~Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace ~~the then-current~~such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Deal Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. ~~At any time that the administrator of the then-current~~ Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Deal Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During the period referenced in the foregoing sentence, the component of Base Rate based ~~upon the Benchmark will not be used in any determination of Base Rate.~~No Hedging Agreement shall constitute a "Transaction Document" for purposes of this Section 2.14.

(~~c~~b) *Benchmark Replacement Conforming Changes.* In connection with the ~~implementation and~~use, administration, adoption or implementation of a Benchmark Replacement, the Deal Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such

~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Transaction Document.

(~~d~~c) *Notices; Standards for Decisions and Determinations.* The Deal Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any ~~Benchmark Replacement~~ Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Deal Agent will promptly notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to this Section 2.14 and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Deal Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party ~~hereto~~to this Agreement or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 2.14.

(~~e~~d) *Unavailability of Tenor of Benchmark.* ~~At~~Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement)~~,~~ (i~~A~~) if the then-current Benchmark is a term rate (including the Term SOFR ~~or Adjusted LIBOR)~~Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Deal Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Deal Agent may ~~remove any tenor of such Benchmark that is~~modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative ~~for~~tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) ~~settings and (ii)~~or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Deal Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate ~~any~~ such previously removed tenor ~~for Benchmark (including Benchmark Replacement) settings~~.

(e) *Benchmark Unavailability Period.* Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Borrower may revoke any pending request for a Benchmark Loan, or conversion to or continuation of Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans and (ii) any outstanding affected Benchmark Loan will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During a Benchmark Unavailability Period or at

any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

Section 2.15. Inability to Determine Rates. Subject to Section 2.14, if, on or prior to the first day of any Interest Period for any Benchmark Loan, the Deal Agent determines (which determination shall be conclusive and binding absent manifest error) that the Benchmark then in effect cannot be determined pursuant to the terms of this Agreement, the Deal Agent will promptly notify the Borrower and each Lender.

Upon notice thereof by the Deal Agent to the Borrower, any obligation of the Lenders to make Benchmark Loans, and any right of the Borrower to continue Benchmark Loans or to convert Base Rate Loans to Benchmark Loans, shall be suspended (to the extent of the affected Benchmark Loans or affected Interest Periods) until the Deal Agent revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Benchmark Loans (to the extent of the affected Benchmark Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Base Rate Loan of or conversion to Base Rate Loans in the amount specified therein and (ii) any outstanding affected Benchmark Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay any additional amounts required pursuant to this Agreement. Subject to Section 2.14, if the Deal Agent determines (which determination shall be conclusive and binding absent manifest error) that the Benchmark cannot be determined pursuant to the terms of this Agreement on any given day, the interest rate on the Base Rate Loans shall be determined by the Deal Agent without reference to clause (c) of the definition of the "Base Rate" until Deal Agent revokes such determination.

Section 2.16. Illegality. If any Lender determines that any Change in Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund Benchmark Loan whose interest is determined by reference to SOFR, the Term SOFR Reference Rate or Term SOFR, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Deal Agent) (an "Illegality Notice"), (a) any obligation of the Lenders to make Benchmark Loans whose interest is determined by reference to SOFR, the Term SOFR Reference Rate or Term SOFR, and any right of the Borrower to continue Benchmark Loans or to convert Base Rate Loans to Benchmark Loans whose interest, in either case, is determined by reference to SOFR, the Term SOFR Reference Rate or Term SOFR, shall be suspended, and (b) the interest rate on which Base Rate Loans shall, if necessary to avoid such illegality, be determined by the Deal Agent without reference to clause (c) of the definition of "Base Rate", in each case until each affected Lender notifies the Deal Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Deal Agent), prepay or, if applicable, convert all Benchmark Loans to Base Rate Loans (the interest rate on which Base Rate Loans shall, if necessary to avoid such illegality, be determined by the Deal Agent without reference to clause (c) of the definition of "Base Rate"), on the last day of the Interest Period therefor, if all affected Lenders may lawfully

continue to maintain such Benchmark Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such Benchmark Loans to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.16.

~~(f) *Definitions.*~~

~~*"Available Tenor"* means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.~~

~~"*Benchmark*" means, initially, Adjusted LIBOR; *provided* that if a replacement of the Benchmark has occurred pursuant to this Section titled "Benchmark Replacement Setting", then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.~~

~~*"Benchmark Replacement"* means, for any Available Tenor:~~

(1) For purposes of clause (a) of this Section, the first alternative ~~set forth below that can be determined by the Deal Agent:~~

~~(a) the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, or~~

~~(b) the sum of: (i) Daily Simple SOFR and (ii) the spread adjustment selected or recommended by the Relevant Governmental Body for the replacement of the tenor of USD LIBOR with a SOFR- based rate having approximately the same length as the interest payment period specified in clause (a) of this Section; and~~

~~(2) For purposes of clause (b) of this Section, the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Deal Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then- prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time;~~

provided that, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Deal Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Deal Agent in a manner substantially consistent with market practice (or, if the Deal Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Deal Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Deal Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

"Benchmark Transition Event" means, with respect to any then-current Benchmark other than Adjusted LIBOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Deal Agent in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; *provided*, that if the Deal Agent decides that any such convention is not administratively feasible for the Deal Agent, then the Deal Agent may establish another convention in its reasonable discretion.

"*Early Opt-in Effective Date*" means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Deal Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection ~~to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

~~"*Early Opt-in Election*" means the occurrence of:~~

~~(1) a notification by the Deal Agent to (or the request by the Borrower to the Deal Agent to notify) each of the other parties hereto that at least three currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and~~

~~(2) the joint election by the Deal Agent and the Borrower to trigger a fallback from Adjusted LIBOR and the provision by the Deal Agent of written notice of such election to the Lenders.~~

~~"*Floor*" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to Adjusted LIBOR.~~

~~"*Relevant Governmental Body*" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.~~

~~"*SOFR*" means a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).~~

~~"*Term SOFR*" means, for the applicable corresponding tenor, the forward- looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

~~"*USD LIBOR*" means the London interbank offered rate for U.S. dollars.~~

ARTICLE III

CONDITIONS TO THE CLOSING AND EACH FUNDING

Section 3.1. Conditions to the Closing. The Closing Date shall not occur and the Lenders shall not be obligated to make Revolving Loans (if any) on the Closing Date, nor shall the Lenders, the Deal Agent, the Backup Servicer or the Collateral Agent be obligated to take, fulfill or perform any other action hereunder until all of the following conditions, after giving effect to any proposed Revolving Loan to be made on the Closing Date, in each case, have been satisfied, in the sole discretion of, or waived in writing by, the Deal Agent and each Lender:

(a) (i) Each Transaction Document shall have been duly executed by, and delivered to, the parties hereto and thereto and the Deal Agent and the Lenders shall have received such other documents, instruments, agreements and legal opinions as the Deal Agent or any Lenders shall request in connection with the transactions contemplated by this Agreement, including, without limitation, all those specified in the Schedule of Documents attached hereto as Schedule I, each in form and substance satisfactory to the Deal Agent and the Lenders, and (ii) an executed Note in favor of each Lender shall have been delivered to the applicable Lender; *provided, however*, that if the Initial Funding is not occurring on the Closing Date, Schedule V to this Agreement, Exhibit A to the Contribution Agreement, legal opinions relating to the transfer of Collateral, the Hedging Agreement, and the deposit into the Reserve Account of the Required Reserve Account Amount shall not be required until the date of the Initial Funding.

(b) The Deal Agent and the Lenders shall have received (i) satisfactory evidence that the Borrower, the Originator and the Servicer have obtained all required consents and approvals of all Persons, including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Transaction Documents to which each is a party and the consummation of the transactions contemplated hereby or thereby, or (ii) an Officer's Certificate from each of the Borrower, the Originator and the Servicer in form and substance satisfactory to the Deal Agent and the Lenders affirming that no such consents or approvals are required; it being understood that the acceptance of such evidence or Officer's Certificate shall in no way limit the recourse of the Deal Agent or any other Secured Party against the Borrower, the Originator or the Servicer for a breach of its representation or warranty that all such consents and approvals have, in fact, been obtained.

(c) The Borrower, the Originator and the Servicer shall each be in compliance in all material respects with all Applicable Laws and shall have delivered an Officer's Certificate to the Deal Agent and the Lenders as to this and other closing matters.

(d) The Borrower shall have paid all fees required to be paid by it on the Closing Date, including all fees required hereunder and under the Fee Letter and shall have reimbursed the Lenders, the Backup Servicer, the Deal Agent and the Collateral Agent for all fees, costs and expenses of closing the transactions contemplated hereunder and under the other Transaction Documents, including the attorney fees and any other legal and

document preparation costs incurred by the Lenders, the Backup Servicer, the Deal Agent and/or the Collateral Agent.

(e) No Amortization Event, Termination Event or Unmatured Termination Event shall have occurred.

(f) No Servicer Termination Event or Potential Servicer Termination Event shall have occurred.

(g) No materially adverse selection procedures were used by the Borrower with respect to the Loans, Contracts or Dealer Agreements; *provided*, for the avoidance of doubt that during the Revolving Period, the Borrower in its sole discretion may elect to pledge Dealer Loans secured by either Open Pools or Closed Pools.

(h) The Borrower shall have deposited to the Reserve Account an amount equal to the Required Reserve Account Amount (subject to the provision in clause (a) above).

Section 3.2. Conditions Precedent To All Fundings. Each request for a Funding hereunder (each, a "*Transaction*") shall be subject to the further conditions precedent:

(a) With respect to any Funding (including any Funding on the Closing Date, if any), the Borrower shall have delivered to the Deal Agent and each Lender, on or prior to the date of the Funding in form and substance satisfactory to the Deal Agent and each Lender, (i) the Funding Notice and (ii) Exhibit A to the Contribution Agreement, including the Schedule of Loans and Contracts attached thereto dated within two (2) Business Days prior to the date of the Funding and containing such additional information as may be reasonably requested by the Deal Agent or any Lender.

(b) On the date of such Transaction the following statements shall be true and the Borrower shall be deemed to have certified that, after giving effect to the proposed Funding and pledge of Additional Loans:

(i) The representations and warranties contained in Sections 4.1, 4.2 and 4.3 are true and correct on and as of such day as though made on and as of such day and shall be deemed to have been made on such day;

(ii) On and as of such day, evidence satisfactory to the Deal Agent and each Lender that after giving effect to the proposed Funding, the outstanding Aggregate Loan Amount does not exceed the lesser of (1) the Borrowing Base and
(2) the Aggregate Commitments;

(iii) On and as of such day, the Borrower, the Originator and the Servicer each has performed all of the agreements contained in this Agreement and the other Transaction Documents to which it is a party to be performed by such person at or prior to such day; and

(iv) No law or regulation shall prohibit, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of the Funding by the Lenders in accordance with the provisions hereof.

(c) The Borrower shall have delivered to the Collateral Agent the information described in Section 2.2(a)(iii).

(d) All financing statements necessary to perfect the Collateral Agent's first priority security interest on behalf of the Secured Parties in the Collateral shall have been filed in the appropriate filing offices.

(e) Forecasted Collections for the Aggregate Outstanding Eligible Loan Net Balance (after giving effect to the proposed Funding) shall be greater than or equal to the Aggregate Loan Amount, after giving effect to the proposed Funding.

(f) (i) All other documents, opinions, certificates and documents listed on Schedule I hereto shall have been delivered to the Deal Agent and the Lenders, in form and substance satisfactory to the Deal Agent, the Lenders and each counsel to each such party and (ii) all conditions required to be satisfied in the Contribution Agreement shall have been satisfied.

(g) No Amortization Event, Termination Event or Unmatured Termination Event shall have occurred.

(h) No Servicer Termination Event or Potential Servicer Termination Event shall have occurred.

(i) No materially adverse selection procedures were used by the Borrower with respect to the Loans, Contracts or Dealer Agreements; provided, for the avoidance of doubt, that during the Revolving Period, the Borrower in its sole discretion may elect to pledge Dealer Loans secured by either Open Pools or Closed Pools.

(j) The amount on deposit in the Reserve Account shall not be less than the Required Reserve Account Amount.

(k) The Hedging Agreement shall be in effect.

(l) The Deal Agent and the Lenders shall have received such other approvals, opinions or documents as the Deal Agent, the Lenders or counsel to any such party may reasonably require.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Collateral Agent, the Deal Agent, the Lenders, the Backup Servicer and the other Secured Parties on the Closing Date and each Funding Date as follows:

(a) *Organization and Good Standing.* The Borrower has been duly formed, and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with all requisite power and authority to own or lease its properties and conduct its business as such business is presently conducted, and the Borrower had at all relevant times, and now has all necessary power, authority and legal right to acquire, own and pledge the Collateral and perform its obligations under this Agreement.

(b) *Due Qualification.* The Borrower is duly qualified to do business and is in good standing as a limited liability company and has obtained all material necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification, licenses or approvals.

(c) *Power and Authority; Due Authorization.* The Borrower: (i) has all necessary power, authority and legal right to: (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of the Transaction Documents to which it is a party, and (C) transfer and assign each Loan, Related Security and all other Collateral on the terms and conditions herein provided and
(ii) has duly authorized by all necessary action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transfer and assignment of the Loans, Related Security and all other Collateral on the terms and conditions herein provided. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by it.

(d) *Binding Obligation.* This Agreement and each other Transaction Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower, each enforceable against the Borrower in accordance with its terms.

(e) *No Violation.* The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Borrower's certificate of formation, limited liability company agreement or any Contractual Obligation of the Borrower, (ii) result in the creation or imposition of any Lien upon any of the Borrower's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law.

(f) *No Proceedings.* There is no litigation, proceeding or investigation pending or, to the best knowledge of the Borrower, threatened against the Borrower, before any

Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower is a party or (iii) seeking any determination or ruling that could reasonably be expected to have Material Adverse Effect.

(g) *All Consents Required.* All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Borrower of this Agreement and any other Transaction Document to which the Borrower is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

(h) *Bulk Sales.* The execution, delivery and performance of this Agreement do not require compliance with any "bulk sales" act or similar law by Borrower.

(i) *Solvency.* The transactions under this Agreement and any other Transaction Document to which the Borrower is a party do not and will not render the Borrower not Solvent and the Borrower shall deliver to the Deal Agent and the Lenders on the Closing Date a certification in the form of Exhibit D. The Originator has confirmed in writing to the Borrower that the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other Insolvency Laws.

(j) *Selection Procedures.* No procedures believed by the Borrower to be materially adverse to the interests of the Collateral Agent or the Lenders were utilized by the Borrower in identifying and/or selecting Loans or Dealer Agreements. In addition, each Loan shall have been underwritten in accordance with and satisfy, in each case in all material respects, the standards of any Credit Guidelines that have been established by the Borrower or the Originator and are then in effect.

(k) *Taxes.* The Borrower has filed or caused to be filed all tax returns that are required to be filed by it. The Borrower has paid or made adequate provisions for the payment of all material Taxes and assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower), and no tax lien has been filed and, to the Borrower's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) *Exchange Act Compliance; Regulations T, U and X.* None of the transactions contemplated herein (including, without limitation, the use of the proceeds from the pledge of the Collateral) will violate or result in a violation of Section 7 of the
U.S. Securities Exchange Act of 1934, as amended, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the pledge of the Collateral will be used

to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purchase credit" within the meaning of Regulation U.

(m) *Quality of Title.* Each Loan, together with the Related Security related thereto, shall, at all times, be owned by the Borrower free and clear of any Lien except as provided in Section 4.2(a)(iii), and upon each Funding, the Collateral Agent as agent for the Secured Parties shall acquire a valid and perfected first priority security interest in such Loans, the Related Security related thereto and all Collections then existing or thereafter arising, free and clear of any Lien, except as provided in Section 4.2(a)(iii). No effective financing statement or other instrument similar in effect covering any Loan or Dealer Agreement shall at any time be on file in any recording office except such as may be filed
(i) in favor of the Borrower in accordance with the Contribution Agreement or (ii) in favor of the Collateral Agent in accordance with this Agreement.

(n) *Security Interest.* The Borrower has granted a security interest (as defined in the UCC) to the Collateral Agent, as agent for the Secured Parties, in the Collateral, which is enforceable in accordance with applicable law upon execution and delivery of this Agreement. Upon the filing of UCC-1 financing statements naming the Collateral Agent as secured party and the Borrower as debtor, the Collateral Agent, as agent for the Secured Parties, shall have a first priority perfected security interest in the Collateral. All filings (including, without limitation, such UCC filings) as are necessary in any jurisdiction to perfect the interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral have been made.

(o) *Accuracy of Information.* All information heretofore furnished by the Borrower (including without limitation, the Monthly Report and Credit Acceptance's financial statements) to the Deal Agent, the Collateral Agent or the Lenders for purposes of or in connection with this Agreement or any other Transaction Document, or any transaction contemplated hereby or thereby, will be true, correct, complete and accurate in every material respect, on the date such information is stated or certified.

(p) *Location of Offices.* The principal place of business and chief executive office of the Borrower and the office where the Borrower keeps all the Records are located at the address of the Borrower referred to in Section 13.2 hereof (or at such other locations as to which the notice and other requirements specified in Section 5.2(f) shall have been satisfied); *provided,* that, Credit Acceptance may move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(q) *OFAC.* None of the Borrower, any Subsidiary or any Affiliate of the Borrower (i) is a Sanctioned Person, (ii) has more than 10% of its assets in Sanctioned Countries or (iii) derives more than 10% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. The proceeds of any Funding will not be used and have not been used to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country.

(r) *Tradenames; Place of Business; Correct Legal Name.* (i) Except as described in Schedule III, the Borrower has no trade names, fictitious names, assumed names or "doing business as" names or other names under which it has done or is doing business; (ii) the principal place of business and chief executive office of the Borrower are located at the address of the Borrower set forth on the signature pages hereto; and
(iii) "*CAC Warehouse Funding LLC VIII"* is the correct legal name of the Borrower indicated on the public records of the Borrower's jurisdiction of organization.

(s) *Contribution Agreement.* The Contribution Agreement is the only agreement pursuant to which the Borrower purchases Loans from the Originator.

(t) *Value Given.* The Borrower shall have given reasonably equivalent value to the Originator in consideration for the transfer to the Borrower of the Loans and Related Security under the Contribution Agreement, no such transfer shall have been made for or on account of an antecedent debt owed by the Originator to the Borrower, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(u) *Accounting.* The Borrower accounts for the transfers to it from the Originator of Loans and Related Security under the Contribution Agreement as sales or contributions to capital of such Loans and Related Security in its books, records and financial statements, in each case consistent with GAAP and with the requirements set forth herein.

(v) *Special Purpose Entity.* The Borrower is in compliance with Section 5.2(n) hereof.

(w) *Confirmation from the Originator.* The Borrower has received in writing from the Originator confirmation that the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other bankruptcy or insolvency laws. Each of the Borrower and the Originator is aware that in light of the circumstances described in the preceding sentence and other relevant facts, the filing of a voluntary petition under the Bankruptcy Code for the purpose of making any Loan or any other assets of the Borrower available to satisfy claims of the creditors of the Originator would not result in making such assets available to satisfy such creditors under the Bankruptcy Code.

(x) *Investment Company Act.* The Borrower is not an "investment company" within the meaning of the U.S. Investment Company Act of 1940, as amended.

(y) *ERISA.* The present value of all benefits vested under all "employee pension benefit plans," as such term is defined in Section 3 of ERISA, maintained by the Borrower, or in which employees of the Borrower are entitled to participate, as from time to time in effect (herein called the *"Pension Plans"*), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the last annual violation date). No prohibited transactions, accumulated funding deficiencies, withdrawals or reportable events have occurred with respect to any

Pension Plans that, in the aggregate, could subject the Borrower to any material tax, penalty or other liability. No notice of intent to terminate a Pension Plan has been billed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(z) *Patriot Act.* To the extent applicable, each of the Borrower, the Originator and their Affiliates is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "*Patriot Act*"). No part of the proceeds of any Funding made hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(aa) *Representations and Warranties in Contribution Agreement.* The representations and warranties made by the Originator to the Borrower in the Contribution Agreement are hereby remade by the Borrower on each date to which they speak in the Contribution Agreement as if such representations and warranties were set forth herein. For purposes of this Section 4.1(aa), such representations and warranties are incorporated herein by reference as if made by the Borrower to the Deal Agent, the Collateral Agent, the Lenders and to each of the other Secured Parties under the terms hereof *mutatis mutandis*.

(bb) *Amount of Loans and Contracts; Computer File.* Before January 1, 2020 (and on January 1, 2020 and thereafter if the Company has not adopted the CECL Methodology), when new Pools or Purchased Loans are pledged to the Collateral Agent, the related Funding Notice shall provide (A) the aggregate Outstanding Balance of the Contracts to be pledged to the Collateral Agent on the related Funding Date; (B) the Aggregate Outstanding Eligible Loan Balance; and (C) the Aggregate Outstanding Eligible Loan Net Balance; each as of the applicable Cut-Off Date and as reported in the Servicer's loan servicing system or as a product of the Loan Loss Reserve analysis. Beginning on January 1, 2020, so long as the Company has adopted the CECL Methodology, when new Pools or Purchased Loans are pledged to the Collateral Agent, the related Funding Notice shall provide (A) the aggregate Outstanding Balance of the Contracts to be pledged to the Collateral Agent on the related Funding Date; and (B) the Aggregate Outstanding Eligible Loan Balance, each as of the applicable Cut-Off Date and as reported in the Servicer's loan servicing system. ~~At all times, the computer file, spreadsheet or microfiche list delivered pursuant to Section 2.2(a)(iii) hereof is complete and accurately reflects the information regarding the Loans, applicable Dealer Agreements and Contracts in all material respects.~~

(cc) *Use of Proceeds.* The proceeds of each Funding will be used by the Borrower to purchase the Loans and related Collateral from the Originator pursuant to the Contribution Agreement or, subject to Section 5.2(e), to make distributions to Credit Acceptance in respect of its equity interest in the Borrower.

(dd) *Subsidiaries.* The Borrower does not have any Subsidiaries or divisions. (ee) *Equity in the Borrower.* The Borrower has neither sold nor pledged any limited liability company interest in the Borrower to any entity other than Credit Acceptance.

(ff) *Not a Covered Fund.* The Borrower (i) is not a "covered fund" under the Volcker Rule (Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations implemented thereunder) and (ii) is not, and after giving effect to the transactions contemplated hereby, will not be required to register as, an "investment company" within the meaning of the U.S. Investment Company Act of 1940, as amended, or any successor statute.

The representations and warranties set forth in this Section 4.1 shall survive the Borrower's pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Borrower, the Servicer, Credit Acceptance or the Collateral Agent of a breach of any of the representations and warranties set forth herein, the party discovering such breach shall give prompt written notice to the other parties of such breach.

Section 4.2. Representations and Warranties of the Borrower Relating to the Loans and the Related Contracts.

(a) *Eligibility of Loans.* The Borrower hereby represents and warrants to the Deal Agent, the Collateral Agent, the Lenders, the Backup Servicer and the other Secured Parties as of the Closing Date and each Funding Date with respect to the Dealer Agreements, Loans, Contracts and Related Security pledged to the Collateral Agent on such date that:

(i) each Loan classified as an *"Eligible Dealer Loan"* (or included in any aggregation of balances of *"Eligible Dealer Loans"*) or as an *"Eligible Purchased Loan"* (or included in any aggregation of balances of *"Eligible Purchased Loans"*) by the Borrower or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan or Eligible Purchased Loan, as applicable, on the date so delivered; each Contract classified as an "Eligible Dealer Loan Contract" or "Eligible Purchased Loan Contract" (or included in any aggregation of balances of "Eligible Dealer Loan Contracts" or "Eligible Purchased Loan Contract") by the Borrower or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan Contract or Eligible Purchased Loan Contract, as applicable, on the date so delivered;

(ii) all information with respect to the Dealer Agreements, Purchase Agreements and the Loans and the Contracts and the other Collateral provided to the

Collateral Agent, the Deal Agent or the Lenders by the Borrower or the Servicer was true and correct in all material respects as of the date such information was provided to the Collateral Agent, the Deal Agent or the Lenders, as applicable;

(iii) each Loan and all other Collateral has been pledged to the Collateral Agent free and clear of any Lien of any Person, (other than, with respect to the Dealer Loan Contracts, the second priority Lien of the related Dealer therein as set forth in the related Dealer Agreement) and in compliance, in all material respects, with all Applicable Laws;

(iv) with respect to each Dealer Agreement, Purchase Agreement, Loan, Contract and all other Collateral, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Borrower, in connection with the pledge of such Dealer Agreement, Purchase Agreement, Loan, Contract or other Collateral to the Collateral Agent have been duly obtained, effected or given and are in full force and effect;

(v) Schedule V to this Agreement (and any addendums thereto) is and will be an accurate and complete listing of all Loans, Contracts and Dealer Agreements in all material respects on the date each such Loan, Contract or Dealer Agreement was pledged to the Collateral Agent hereunder, and the information contained therein is and will be true and correct in all material respects as of such date;

(vi) each Contract and Purchased Loan constitutes tangible or electronic chattel paper; and

(vii) no selection procedure believed by the Borrower to be materially adverse to the interests of the Secured Parties has been or will be used in selecting the Dealer Agreements, Loans or Contracts; *provided* that for the avoidance of doubt, during the Revolving Period, Credit Acceptance in its sole discretion may elect to sell to the Borrower Dealer Loans secured by either Open Pools or Closed Pools.

(b) *Notice of Breach.* The representations and warranties set forth in this Section 4.2 shall survive the pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Borrower, Credit Acceptance, the Servicer or the Collateral Agent of a breach of any of the representations and warranties set forth in this Section 4.2, the party discovering such breach shall give prompt written notice to the other parties of such breach.

Section 4.3. Representations and Warranties of the Servicer. The Servicer represents and warrants to the Deal Agent, the Collateral Agent, the Lenders and the other Secured Parties as follows on the Closing Date and each Funding Date:

(a) *Organization and Good Standing.* The Servicer has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with all requisite corporate power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and

perform its obligations pursuant to this Agreement and the other Transaction Documents to which it is a party.

(b) *Due Qualification.* The Servicer is duly qualified to do business as a corporation and is in good standing as a corporation, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of its property and or the conduct of its business requires such qualification, licenses or approvals.

(c) *Power and Authority; Due Authorization.* The Servicer (i) has all necessary power, authority and legal right to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of this Agreement and the other Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by the Servicer.

(d) *Binding Obligation.* This Agreement and each other Transaction Document to which the Servicer is a party constitutes a legal, valid and binding obligation of the Servicer, each enforceable against the Servicer in accordance with its terms.

(e) *No Violation.* The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Servicer's certificate of incorporation, bylaws or any Contractual Obligation of the Servicer, (ii) result in the creation or imposition of any Lien upon any of the Servicer's properties pursuant to the terms of any such Contractual Obligation, or
(iii) violate any Applicable Law.

(f) *No Proceedings.* There is no litigation, proceeding or investigation pending or, to the best knowledge of the Servicer, threatened against the Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Servicer is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Servicer is a party or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(g) *All Consents Required.* All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Servicer of this Agreement and any other Transaction Document to which the Servicer is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

(h) *Reports Accurate.* All Monthly Reports and other written and electronic information, exhibits, financial statements, documents, books, records or reports furnished

by the Servicer to the Deal Agent, the Backup Servicer, the Collateral Agent or the Lenders in connection with this Agreement are accurate, true, complete and correct in all material respects as of the date delivered.

(i) *Servicer's Performance.* The Servicer has the knowledge, the experience and the systems, financial and operational capacity available to timely perform each of its obligations hereunder and under each Transaction Document to which it is a party.

(j) *Compliance With Credit Guidelines and Collection Guidelines.* The Servicer has, with respect to the Loans and Contracts, complied in all material respects with the Credit Guidelines and the Collection Guidelines or as otherwise required by Applicable Law.

Section 4.4. Representations and Warranties of the Backup Servicer. The Backup Servicer represents and warrants as follows:

(a) *Organization and Good Standing.* The Backup Servicer has been duly organized, and is validly existing as a national banking association and in good standing under the laws of the United States, with all requisite power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement and each Transaction Document to which it is a party.

(b) *Binding Obligation.* This Agreement and each other Transaction Document to which it is a party constitutes a legal, valid and binding obligation of the Backup Servicer, each enforceable against the Backup Servicer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) *Backup Servicing Agreement.* The Backup Servicer hereby remakes the representations and warranties made by it under the Backup Servicing Agreement.

Section 4.5. Breach of Representations and Warranties.

(a) *Payment in respect of an Ineligible Loan and Ineligible Contracts.* If a Loan or a Contract is an Ineligible Loan or Ineligible Contract, no later than the earlier of (i) knowledge by the Borrower of such Loan or Contract being an Ineligible Loan or Ineligible Contract and
(ii) receipt by the Borrower from the Deal Agent, the Collateral Agent, any Lender or the Servicer of written notice thereof the Borrower shall, by no later than the first Payment Date occurring after the Collection Period during which such discovery or notice thereof occurred, make a payment to the Collection Account in respect of each such Loan or Contract in an amount equal to the related Release Price. On and after the date of such payment, any such Loan or Contract shall for all purposes of this Agreement be deemed to be an Ineligible Loan or Ineligible Contract. The Borrower shall make a deposit to the Collection Account (for allocation pursuant to Section 2.6)

in immediately available funds of an amount (the "*Release Price*") equal to the sum of (i): the product of the Net Loan Balance related to such Loan, in the case of an Ineligible Loan, and the Outstanding Balance related to such Contract, in the case of an Ineligible Contract, as of the last day of the related Collection Period and the Net Advance Rate in effect on the date of such payment; (ii) accrued and unpaid Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts related to such Loan through the date of such deposit; and (iii) all Hedge Costs due to the relevant Hedge Counterparties for any termination in whole or in part of one or more transactions related to the relevant Hedging Agreement, as required by the terms of any Hedging Agreement. Notwithstanding the foregoing, with respect to any Ineligible Contracts, the Borrower may repurchase the Loans related thereto in lieu of such Ineligible Contracts and deposit into the Collection Account the Release Price of such Loans (as if such Loans were Ineligible Loans). Each Loan or Contract which is subject to a payment in accordance with this Section 4.5(a) shall, upon payment in full of the related Release Price, be released from the lien created pursuant to this Agreement and shall no longer constitute Collateral. The Collateral Agent as agent for the Secured Parties shall, at the sole expense of the Servicer, execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by the Servicer on behalf of the Borrower to vest in the Borrower, or its designee or assignee, all right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loan or Contract subject to a payment in accordance with this Section 4.5(a).

(b) *Retransfer of All of the Loans.* In the event of a breach of any representation or warranty set forth in Section 4.2 hereof which breach could reasonably be expected to have a Material Adverse Effect, by notice then given in writing to the Borrower, the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) may direct the Borrower to accept the release by the Collateral Agent of all of the Loans, in which case the Borrower shall be obligated to accept the release of such Loans on a Payment Date specified by the Deal Agent (such date, the "*Release Date*"); *provided, however,* that no such release shall be given effect unless the Borrower has complied with the terms of any Hedging Agreement requiring that any derivative transaction related thereto be terminated in whole or in part and the Borrower has paid all Hedge Costs due with respect to such termination. The Borrower shall deposit in the Collection Account on the Release Date an amount equal to: (A) the Aggregate Unpaids minus (B) the amount, if any, available in the Collection Account and Reserve Account on such Payment Date (the "*Retransfer Amount*") for allocation and distribution in accordance with Section 2.6. On the Release Date, *provided* that the full Retransfer Amount has been deposited into the Collection Account, the Loans and Related Security related thereto shall be transferred to the Borrower; and the Collateral Agent as agent for the Secured Parties shall, at the sole expense of the Servicer, execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by the Servicer on behalf of the Borrower to vest in the Borrower, or its designee or assignee, all right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans.

(c) *Remedy for Breach.* The parties hereto agree that the sole remedy for the breach by the Borrower of the representations and warranties set forth in Section 4.2 hereof with respect to the eligibility of a Loan or Contract shall be set forth in this Section 4.5 and Section 6.2(c)(ii).

(d) *Application.* Amounts paid in accordance with Section 4.5(a) and (b) shall be distributed on the next succeeding Payment Date in accordance with Section 2.6.

(e) Notwithstanding anything herein to the contrary, during the Revolving Period, payments required under Section 4.5(a) and (b) shall not be required if the Aggregate Loan Amount is equal to or less than the lesser of (x) the Borrowing Base and (y) the Aggregate Commitments.

ARTICLE V GENERAL COVENANTS

Section 5.1. Affirmative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) *Compliance with Laws.* The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Loans and Dealer Agreements.

(b) *Preservation of Limited Liability Company Existence; Conduct of Business.* The Borrower will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign limited liability company in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect. The Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly organized, validly existing and in good standing as a domestic limited liability company in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(c) *Performance and Compliance with Loans, Dealer Agreements and Contracts.* The Borrower will, at its expense, timely and fully perform and comply (or cause the Originator to perform and comply pursuant to the Contribution Agreement) with all provisions, covenants and other promises required to be observed by it under the Loans, Dealer Agreements and Contracts in and all other agreements related thereto in all material respects.

(d) *Keeping of Records and Books of Account.* The Borrower will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Loans in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) *Originator Assets.* With respect to each Loan acquired by the Borrower, the Borrower will: (i) acquire such Loan pursuant to and in accordance with the terms of

the Contribution Agreement; (ii) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Loan, including, without limitation, (A) filing and maintaining, effective financing statements (Form UCC-1) against the Originator in all necessary or appropriate filing offices, and filing continuation statements, amendments or assignments with respect thereto in such filing offices, and (B) executing or causing to be executed such other instruments or notices as may be necessary or appropriate; and

(iii) take all additional action that the Deal Agent, the Collateral Agent or any Lender may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(f) *Delivery of Collections.* Subject to Section 2.7(d) hereof, the Borrower will deposit to the Collection Account promptly (but in no event later than two (2) Business Days after receipt) all Collections received by the Borrower in respect of the Loans or the Contracts.

(g) *Separate Existence.* The Borrower shall be in compliance with the requirements set forth in Section 5.2(n).

(h) *Credit Guidelines and Collection Guidelines.* The Borrower will comply in all material respects with the Credit Guidelines and the Collection Guidelines with respect to each Loan and Contract unless otherwise required by Applicable Law.

(i) *Taxes.* The Borrower will file and pay any and all Taxes (other than any amount of Tax the validity of which is being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower).

(j) *Use of Proceeds.* The Borrower will use the proceeds of each Funding only to acquire Loans pursuant to the Contribution Agreement or to make distributions to Credit Acceptance.

(k) *Reporting.* The Borrower will maintain for itself a system of accounting established and administered in accordance with GAAP and furnish or cause to be furnished to the Deal Agent and each Lender the following information:

(i) *Annual Reporting.* Within 120 days after the close of the Borrower's and Credit Acceptance's fiscal years, (A) audited consolidated financial statements for Credit Acceptance and all of its Subsidiaries, accompanied by an unqualified audit report certified by independent certified public accountants, acceptable to the Deal Agent (acting with the consent, or at the direction, of the Required Lenders), and prepared in accordance with GAAP and any management letter prepared by said accountants and (B) unaudited financial statements for the Borrower, including balance sheets as of the end of such period and related statements of operations, prepared as presented within the audited consolidated financial statements of Credit Acceptance and all of its Subsidiaries;

(ii) *Quarterly Reporting.* Within sixty (60) days after the close of the first three quarterly periods of each of the Borrower's and Credit Acceptance's fiscal years, (A) unaudited consolidated financial statements for Credit Acceptance and all of its Subsidiaries, including the consolidated balance sheets as of the end of each such period and consolidated related statements of operations and cash flows for the period from the beginning of such fiscal year to the end of such quarter, prepared in accordance with GAAP and certified by its chief financial officer or treasurer as true, accurate and complete in all material respects and
(B) unaudited financial statements for the Borrower, including balance sheets as of the end of each such period and related statement of operations for the period from the beginning of such fiscal year to the end of such quarter, prepared as presented within the unaudited consolidated financial statements of Credit Acceptance and all of its Subsidiaries and certified by its chief financial officer or treasurer as true, accurate and complete in all material respects;

(iii) *Compliance Certificate.* Together with the financial statements required hereunder, a compliance certificate signed by the Borrower's or Credit Acceptance's, as applicable, chief financial officer or treasurer stating that (A) the attached consolidated financial statements of Credit Acceptance and all of its Subsidiaries have been prepared in accordance with GAAP and accurately reflect the financial condition of Credit Acceptance, (B) the attached financial statements of the Borrower have been prepared as presented within the consolidated financial statements of Credit Acceptance and all of its Subsidiaries and accurately reflect the financial condition of the Borrower, and (C) to the best of such Person's knowledge, no Termination Event or Unmatured Termination Event exists, or if any Termination Event or Unmatured Termination Event exists, stating the nature and status thereof;

(iv) *Shareholders Statements and Reports.* Promptly upon the furnishing thereof to the members of the Borrower or the shareholders of Credit Acceptance, copies of all financial statements, reports and proxy statements so furnished, to the extent such information has not been provided pursuant to another clause of this Section 5.1(k);

(v) *S.E.C. Filings.* Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Credit Acceptance or any subsidiary files with the U.S. Securities and Exchange Commission;

(vi) *Notice of Termination Events or Unmatured Termination Events.* As soon as possible and in any event within two (2) days after the occurrence of each Termination Event or each Unmatured Termination Event, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Termination Event or Unmatured Termination Event and the action which the Borrower proposes to take with respect thereto;

(vii) *Change in Collection Guidelines.* Prior to the date of the effectiveness of any material change in or amendment to the Collection Guidelines (which shall be in accordance with the terms of this Agreement), a notice describing such change or amendment;

(viii) *Collection Guidelines.* On the Closing Date, a complete copy of the Collection Guidelines then in effect;

(ix) *ERISA.* Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any Reportable Event (as defined in Article IV of ERISA) which the Borrower, Credit Acceptance or any ERISA Affiliate of the Borrower or Credit Acceptance files under ERISA with the IRS, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which the Borrower, Credit Acceptance or any ERISA Affiliates of the Borrower or Credit Acceptance receives from the IRS, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor;

(x) *Proceedings.* As soon as possible and in any event within two (2) Business Days after any executive officer of the Borrower receives notice or obtains knowledge thereof, any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy litigation, action, suit or proceeding (in each case, of a material nature), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any of its Affiliates;

(xi) *Notice of Material Events.* Promptly upon becoming aware thereof, notice of any other event or circumstances that, in the reasonable judgment of the Borrower, is likely to have a Material Adverse Effect; and

(xii) *Other Information.* Such other information, documents, records or reports (including non-financial information) as the Deal Agent, any Lender or the Collateral Agent may from time to time reasonably request with respect to Credit Acceptance, the Borrower, the Servicer or any Subsidiary of any of the foregoing.

(l) *Compliance with Applicable Law.* The Borrower shall duly satisfy in all material respects its obligations under or in connection with each Loan and Contract, will maintain in effect all material qualifications required under all Applicable Law, and will comply in all material respects with all other Applicable Law in connection with each Loan and Contract the failure to comply with which would have a material adverse effect on the interests of the Secured Parties in the Collateral.

(m) *Furnishing of Information and Inspection of Records.* The Borrower will furnish to the Deal Agent, the Lenders, the Backup Servicer and the Collateral Agent, from time to time, such information with respect to the Loans and Contracts as may be reasonably requested, including, without limitation, a computer file, spreadsheet,

microfiche list or other list identifying each Loan and Contract by pool number, account number and dealer number and by the Outstanding Balance and identifying the Obligor on such Loan or Contract. The Borrower will, at any time and from time to time during regular business hours, upon reasonable notice, permit the Deal Agent, the Lenders, the Backup Servicer and the Collateral Agent, or their agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of the Borrower for the purpose of examining such Records, and to discuss matters relating to the Loans or Contracts or the Borrower's performance hereunder and under the other Transaction Documents with any of the officers, directors, employees or independent public accountants of the Borrower having knowledge of such matters; *provided, however,* that the Deal Agent, the Lenders, the Backup Servicer and the Collateral Agent each acknowledges that in exercising the rights and privileges conferred in this Section 5.1(m) it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Borrower has a proprietary interest. The Deal Agent, the Lenders, the Backup Servicer and the Collateral Agent each agrees that all such information, practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall retain in strict confidence and shall use its reasonable efforts to ensure that its agents and representatives retain in strict confidence, and will not disclose without the prior written consent of the Borrower, any such information, practices, books, correspondence and records furnished to them except that it may disclose such information: (i) to its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives (*provided* that such Persons are informed of the confidential nature of such information); (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Deal Agent, the Lenders, the Backup Servicer, the Collateral Agent or their officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives; (iii) to the extent such information was available to the Deal Agent, the Lenders, the Backup Servicer or the Collateral Agent on a non-confidential basis prior to its disclosure hereunder; (iv) to the extent the Deal Agent, the Lenders, the Backup Servicer or the Collateral Agent should be

(A) required under the Transaction Documents or in connection with any legal or regulatory proceeding or (B) requested by any bank regulatory authority to disclose such information; (v) to any prospective assignee; *provided*, that the relevant party shall notify such assignee of the confidentiality provisions of this Section 5.1(m).

(n) *Keeping of Records and Books of Account.* The Borrower will maintain and implement or cause to be maintained and implemented administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due under the Loans and Contracts (including, without limitation, records adequate to permit adjustments to amounts due under each existing Loan and Contract). The Borrower will give the Deal Agent and the Lenders notice of any material change in the administrative and operating procedures of the Borrower referred to in the previous sentence.

(o) *Notice of Liens and Breaches.* The Borrower will advise the Deal Agent, the Lenders and the Collateral Agent promptly, in reasonable detail of: (i) any Lien asserted by a Person against any of the Loans or Contracts or other Collateral; (ii) any breach by the Borrower, the Originator or the Servicer of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and
(iii) of the occurrence of any other event which would have a Material Adverse Effect.

(p) *Protection of Interest in Collateral.* The Borrower shall file or cause to be filed such continuation statements and any other documents reasonably requested by the Collateral Agent, the Deal Agent or any Lender or which may be required by law to fully preserve and protect the interest of the Collateral Agent and the Secured Parties in and to the Loans, the Contracts and the other Collateral.

(q) *Contribution Agreement.* The Borrower will at all times enforce the covenants and agreements of Credit Acceptance in the Contribution Agreement (including, without limitation, the rights and remedies against the Dealers).

(r) *Notice of Delegation of Servicer's Duties.* The Borrower promptly shall notify the Deal Agent, the Collateral Agent and the Lenders of any delegation by the Servicer of any of the Servicer's duties under this Agreement which is not in the ordinary course of business of the Servicer.

(s) *Organizational Documents.* The Borrower shall only amend, alter, change or repeal its certificate of formation or limited liability company agreement with the prior written consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders).

Section 5.2. Negative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) *Other Business.* The Borrower will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents; (ii) incur any indebtedness, obligation, liability or contingent obligation of any kind other than pursuant to the Transaction Documents; or (iii) form any Subsidiary or make any Investments in any other Person.

(b) *Loans Not to Be Evidenced by Instruments.* The Borrower will take no action to cause any Loan that is not, as of the Closing Date, evidenced by an Instrument, to be so evidenced except in connection with the enforcement or collection of such Loan.

(c) *Security Interests.* The Borrower will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on any Loan, Contract, Related Security or any other Collateral, whether now existing or hereafter transferred hereunder, or any interest therein, and the Borrower will not sell, pledge, assign or suffer to exist any Lien on its interest, if any, hereunder. The Borrower will promptly notify the Deal Agent, the Collateral Agent

and the Lenders of the existence of any Lien on any Loan, Contract, Related Security or any other Collateral and the Borrower shall defend the right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans, Contracts, Related Security and other Collateral, against all claims of third parties.

(d) *Mergers, Acquisitions, Sales, etc.* The Borrower will not be a party to any division, merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, or, sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign with or without recourse any Loan, Contract, Related Security or other Collateral or any interest therein (other than pursuant to and in accordance with the Transaction Documents).

(e) *Distributions.* The Borrower shall not declare or pay, directly or indirectly, any dividend or make any other distribution (whether in cash or other property) with respect to the profits, assets or capital of the Borrower or any Person's interest therein, or purchase, redeem or otherwise acquire for value any of its limited liability company interests now or hereafter outstanding, except that so long as no Termination Event or Unmatured Termination Event has occurred and is continuing or would result therefrom, the Borrower may declare and pay cash or in-kind dividends or other distributions on its limited liability company interests.

(f) *Change of Name or Location of Records Files.* The Borrower shall not (x) change its name or state of organization, move the location of its principal place of business and chief executive office, or the offices where it keeps the Records from the location referred to in Section 13.2 or (y) move, or consent to the Custodian or the Servicer moving, the Records/Contract Files from the location thereof on the Closing Date, unless the Borrower has given at least thirty (30) days' written notice to the Deal Agent, the Collateral Agent and the Lenders and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral; *provided,* that, Credit Acceptance may move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(g) *Accounting of the Contribution Agreement.* The Borrower will not account for or treat (whether in financial statements or otherwise) the transaction contemplated by the Contribution Agreement in any manner other than as a contribution, or absolute assignment, of the Loans and related assets by the Originator to the Borrower.

(h) *ERISA Matters.* The Borrower will not: (i) engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the United States Department of Labor; (ii) permit to exist any accumulated funding deficiency, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (iii) fail to make any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating

to such Multiemployer Plan or any law pertaining thereto; (iv) terminate any Benefit Plan so as to result in any liability; or (v) permit to exist any occurrence of any reportable event described in Title IV of ERISA.

(i) *Contribution Agreement.* The Borrower will not amend, modify, waive or terminate any provision of the Contribution Agreement, unless the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) shall have consented to such change in writing and has received duly executed copies of all documentation related thereto. The Borrower will not take any action under the Contribution Agreement which would have a Material Adverse Effect.

(j) *Changes in Payment Instructions to Obligors.* The Borrower will not make any change, or permit the Servicer to make any change, in its instructions to Obligors regarding where payments in respect of Contracts are to be made to the Borrower or the Servicer, unless the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) shall have consented to such change in writing and has received duly executed copies of all documentation related thereto.

(k) *Extension or Amendment.* The Borrower will not, except as otherwise permitted hereunder or by law, extend, amend or otherwise modify, or permit the Servicer to extend, amend or otherwise modify, the terms of any Dealer Agreement, Loan or Contract; *provided, however,* the Dealer Agreements may be amended in connection with the closing of or opening of a pool.

(l) *Collection Guidelines.* The Borrower will not permit the amendment, modification, restatement or replacement, in whole or in part, of the Collection Guidelines, which change would materially impair the collectability of any Loan or Contract or otherwise adversely affect the interests or the remedies of the Collateral Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) or as required by Applicable Law.

(m) *No Assignments.* The Borrower will not assign or delegate, or grant any interest in, or permit any Lien to exist upon, any of its rights, obligations or duties under this Agreement without the prior written consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders).

(n) *Special Purpose Entity.* The Borrower has not and shall not:

(i) engage in any business or activity other than the purchase and receipt of Loans and related assets from the Originator under the Contribution Agreement, the pledge of Loans and related assets under the Transaction Documents and such other activities as are incidental thereto;

(ii) acquire or own any material assets other than (A) the Loans and related assets from the Originator under the Contribution Agreement and
(B) incidental property as may be necessary for the operation of the Borrower;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case first obtaining the Deal Agent's consent (acting at the direction, or with the consent, of the Required Lenders);

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, or without the prior written consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders), amend, modify, terminate, fail to comply with the provisions of its limited liability company agreement, or fail to observe limited liability company formalities;

(v) own any subsidiary or make any investment in any Person without the consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders);

(vi) commingle its assets or funds with the assets or funds of any of its Affiliates, or of any other Person, except for (A) Dealer Collections, (B) erroneous deposits or (C) prior to the identification and separation of such funds or assets by the Servicer in accordance with the Servicer's normal and customary business practices;

(vii) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (A) indebtedness to the Secured Parties hereunder or in conjunction with a repayment of Aggregate Unpaids owed to the Secured Parties, (B) indebtedness to the Originator under the Contribution Agreement in respect of the purchase of Loans (which indebtedness, if any, shall be subordinate to the indebtedness arising hereunder), and (C) trade payables in the ordinary course of its business, *provided* that such debt is not evidenced by a note and is paid when due;

(viii) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due;

(ix) fail to maintain its records, books of account and bank accounts separate and apart from those of its principal and Affiliates, and any other Person;

(x) enter into any contract or agreement with any of its principals or Affiliates or any other Person, except upon terms and conditions that are commercially reasonable and intrinsically fair and substantially similar to those that

would be available on an arm's-length basis with third parties other than any principal or Affiliates;

(xi) seek its dissolution or winding up in whole or in part;

(xii) fail to correct any known misunderstandings regarding the separate identity of the Borrower or Affiliate thereof or any other Person;

(xiii) guarantee, become obligated for, or hold itself out to be responsible for the debt of another Person;

(xiv) make any loan or advances to any third party, including any Affiliate, or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities);

(xv) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name in order not (A) to mislead others as to the identity with which such other party is transacting business, or (B) to suggest that it is responsible for the debts of any third party (including any of its Affiliates);

(xvi) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(xvii) file or consent to the filing or any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(xviii) share any common logo with or hold itself out as or be considered as a department or division of (A) any of its Affiliates or (B) any other Person;

(xix) permit any transfer (whether in any one or more transactions) of more than a 49% direct or indirect ownership interest in the Borrower, unless the Borrower delivers to the Deal Agent and the Lenders an acceptable non-consolidation opinion;

(xx) fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person, or have its assets listed on the financial statement of any other Person (except its parent in accordance with GAAP);

(xxi) fail to pay its own liabilities and expenses only out of its own funds;

(xxii) fail to pay the salaries of its own employees in light of its contemplated business operations;

(xxiii) acquire the obligations or securities of its Affiliates or members;

(xxiv) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(xxv) to the extent it has invoices or checks, fail to use separate invoices or checks bearing its own name;

(xxvi) pledge its assets for the benefit of any other Person, other than with respect to payment of the indebtedness to the Lenders hereunder;

(xxvii) fail at any time to have at least two (2) independent directors (each, an *"Independent Director"*) on its board of directors, each of whom (A) is not and has not been for at least five (5) years a director, officer, employee, trade creditor or shareholder (or spouse, parent, sibling or child of the foregoing) of (I) the Servicer, (II) the Borrower, or (III) any Affiliate of the Servicer or the Borrower; *provided, however,* such Independent Director may be an independent director or manager of another special purpose entity affiliated with the Servicer, and (B) has,
(I) prior experience as an Independent Director for a corporation or limited liability company whose charter documents required the unanimous consent of all Independent Directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (II) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities;

(xxviii) fail to provide that the unanimous consent of all directors (including the consent of the Independent Directors) is required for the Borrower to
(A) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (B) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (C) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (D) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (E) make any assignment for the benefit of the Borrower's creditors,
(F) admit in writing its inability to pay its debts generally as they become due, or
(G) take any action in furtherance of any of the foregoing; and

(xxix) take or refrain from taking, as applicable, each of the activities specified in the non-consolidation opinion of Skadden, Arps, Slate, Meagher &

Flom LLP, delivered on the Closing Date, upon which the conclusions expressed therein are based.

Section 5.3. Covenant of the Borrower Relating to the Hedging Agreement. At all times during, on and after the Initial Funding until the Collection Date, a Hedging Agreement shall be in place. With respect to any Hedge Counterparty (other than Citizens or any Affiliate of Citizens), in the event that Moody's or S&P reduces such Hedge Counterparty's long-term unsecured debt rating below the Long-term Rating Requirement, or reduces such Hedge Counterparty's short-term unsecured debt rating below the Short-term Rating Requirement, the Borrower shall effect the replacement of such Hedge Counterparty with a counterparty meeting the definition of "*Hedge Counterparty*" not later than 30 calendar days following such rating reduction unless otherwise consented to in writing by the Deal Agent (acting with the consent, or at the direction, of the Required Lenders).

Section 5.4. Affirmative Covenants of the Servicer. From the date hereof until the Collection Date:

(a) *Compliance with Law.* The Servicer will comply in all material respects with all Applicable Laws, including those with respect to the Contracts, the Loans and the Dealer Agreements or any part thereof.

(b) *Preservation of Existence.* The Servicer will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) *Obligations and Compliance with Loans and Contracts.* The Servicer will duly fulfill and comply with all material obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each Loan and each Contract and will do nothing to impair the rights of the Collateral Agent as agent for the Secured Parties or of the Secured Parties in, to and under the Collateral.

(d) *Keeping of Records and Books of Account.* The Servicer will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) *Preservation of Security Interest.* The Servicer will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the security interest of the Collateral Agent as agent for the Secured Parties in, to and under the Collateral. In its capacity as Custodian, it will maintain possession of, or control over, the Contract Files and Records, as Custodian for the Secured Parties, as set forth in Section 6.2(c).

(f) *Collection Guidelines.* (i) The Servicer will comply in all material respects with the Collection Guidelines or as otherwise required by Applicable Law in regard to each Loan and Contract.

(ii) The Servicer will not agree to or otherwise permit to occur any material change in the Collection Guidelines, which change would impair the collectability of any Loan or Contract or otherwise adversely affect the interests or remedies of the Deal Agent, the Collateral Agent, the Lenders or the other Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) or unless required by Applicable Law.

(g) *Amortization Events and Termination Events.* The Servicer will furnish to the Deal Agent and the Lenders, as soon as possible and in any event within two (2) Business Days after the occurrence of each Amortization Event, each Termination Event and each Unmatured Termination Event, a written statement of the chief financial officer or treasurer of the Servicer setting forth the details of such event and the action that the Servicer proposes to take with respect thereto.

(h) *Other.* The Servicer will furnish to the Deal Agent, the Collateral Agent and the Lenders, as applicable, promptly, from time to time, such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of the Borrower or the Servicer as the Deal Agent, the Collateral Agent or any Lender may from time to time reasonably request in order to protect the interests of the Collateral Agent or the Secured Parties under or as contemplated by this Agreement.

(i) *Losses, Etc.* In any suit, proceeding or action brought by the Collateral Agent or any other Secured Party for any sum owing thereto, the Servicer shall save, indemnify and keep the Deal Agent, the Collateral Agent, the Lenders and the other Secured Parties harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the Obligor under a Loan or Contract, arising out of a breach by the Servicer of any obligation under the related Loan or Contract or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Obligor or its successor from the Servicer, and all such obligations of the Servicer shall be and remain enforceable against and only against the Servicer and shall not be enforceable against the Deal Agent, the Collateral Agent, any Lender or any other Secured Party.

(j) *Notice of Liens.* The Servicer shall advise the Collateral Agent, the Deal Agent and the Lenders promptly, in reasonable detail of: (i) any Lien asserted or claim made against any portion of the Collateral; (ii) the occurrence of any breach by the Servicer of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and (iii) the occurrence of any other event which would have a Material Adverse Effect.

(k) *Realization on Loans or Contracts.* In the event that the Servicer realizes upon any Loan or Contract, the methods utilized by the Servicer to realize upon such Loan or Contract or otherwise enforce any provisions of such Loan or Contract will not subject the Servicer, the Borrower, the Deal Agent, any Lender, the Collateral Agent or any other Secured Party to liability under any federal, state or local law, and that such enforcement by the Servicer will be conducted in all material respects in accordance with the provisions of the Credit Guidelines, the Collection Guidelines, Applicable Law and, in the case of Credit Acceptance, this Agreement, and in the case of the Backup Servicer if it has become the Servicer, the Backup Servicing Agreement.

(l) *Backup Servicing Agreement.* The Servicer shall provide the Backup Servicer with all information, data and reports as required by the terms of the Backup Servicing Agreement.

(m) *Change in Accounting Policies or Debt Rating.* The Servicer shall notify the Deal Agent, the Collateral Agent and the Lenders of any material change in or amendment to the Servicer's accounting policies within ten (10) days after the date such change or amendment has been made. Within five (5) days after the date of any change in the Borrower's or Credit Acceptance's public or private debt ratings, if any, the Servicer shall furnish to the Deal Agent, the Collateral Agent and the Lenders a written certification of the Borrower's or Credit Acceptance's public and private debt ratings after giving effect to any such change.

(n) *Monthly Reports.* Not later than the Determination Date preceding each Payment Date, the Servicer will furnish to the Deal Agent, the Collateral Agent, the Lenders and the Backup Servicer a Monthly Report relating to the immediately preceding Collection Period.

Section 5.5. Negative Covenants of the Servicer. From the date hereof until the Collection Date.

(a) *Mergers, Acquisition, Sales, etc.* The Servicer will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless the Servicer is the surviving entity and unless:

(i) the Servicer has delivered to the Deal Agent, the Lenders and the Backup Servicer an Officer's Certificate and an Opinion of Counsel each stating that any consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 5.5 and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to the Servicer and such other matters as the Deal Agent may reasonably request (acting with the consent, or at the direction, of the Required Lenders);

(ii) the Servicer shall have delivered notice of such consolidation, merger, conveyance or transfer to the Deal Agent and the Lenders; and

(iii) after giving effect thereto, no Termination Event, Unmatured Termination Event or Servicer Termination Event or event that with notice or lapse of time, or both, would constitute a Servicer Termination Event shall have occurred.

(b) *Change of Name or Location of Records.* The Servicer shall not (x) change its name or its state of organization, move the location of its principal place of business and chief executive office, and the offices where it keeps records concerning the Loans from the location referred to in Section 13.2 or (y) move, or consent to the Custodian moving, the Records from the location thereof on the Closing Date, unless the Servicer has given at least thirty (30) days' written notice to the Deal Agent, the Collateral Agent and the Lenders and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent as agent for the Secured Parties in the Collateral; *provided*, that, Credit Acceptance may move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(c) *Change in Payment Instructions to Obligors.* The Servicer will not make any change in its instructions to Obligors regarding where payments in respect of Contracts are to be made, unless the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) has consented to such change and has received duly executed documentation related thereto.

(d) *No Instruments.* The Servicer shall take no action to cause any Loan to be evidenced by any Instrument (except for Instruments obtained with respect to defaulted Loans).

(e) *No Liens.* The Servicer shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on the Collateral or any interest therein; the Servicer will notify the Collateral Agent, the Deal Agent and the Lenders of the existence of any Lien on any portion of the Collateral immediately upon discovery thereof, and the Servicer shall defend the right, title and interest of the Collateral Agent on behalf of the Secured Parties in, to and under the Collateral against all claims of third parties claiming through or under the Servicer.

(f) *Information.* The Servicer shall, within two (2) Business Days of its receipt thereof, respond to reasonable written directions or written requests for information that the Backup Servicer, the Borrower, the Deal Agent, a Lender or the Collateral Agent might have with respect to the administration of the Loans.

(g) *Consent.* The Servicer will promptly advise the Borrower, the Backup Servicer, the Deal Agent, the Lenders and the Collateral Agent of any inquiry received

from an Obligor which requires the consent of the Borrower, the Deal Agent, the Lenders or the Collateral Agent.

(h) *Credit Guidelines and Collection Guidelines.* The Servicer will not amend, modify, restate or replace in any material way the Credit Guidelines or the Collection Guidelines, which change would impair the collectability of any Loan or Contract or otherwise adversely affect the interests or the remedies of the Deal Agent, the Collateral Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders), or unless required by Applicable Law.

(i) *Change in Adjusted Accounting Policy.* If after January 1, 2020, the CECL Methodology has been adopted, the Servicer shall not revise or amend its adjusted accounting policies as set forth in Exhibit M attached hereto, without the prior written consent of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders).

Section 5.6. Covenants of Credit Acceptance. If the Borrower is classified as a partnership for U.S. federal income tax purposes, then as of the date that Sections 6221 through 6241 of the Code (as enacted by the Bipartisan Budget Act of 2015, P.L. 114-74), including any other Code provisions for the same subject matter, and any related regulations (adopted or proposed) and administrative guidance are first applicable to the Borrower, Credit Acceptance, as the partnership representative, will take steps to minimize any obligations of the Borrower to pay taxes, interest and penalties in connection with any audit of the Borrower, including by making, or causing the Borrower to make, to the extent eligible, the election under Section 6221(b) of the Code for determinations of adjustments at the partnership level and taking any other action necessary or appropriate for such election.

Section 5.7. Negative Covenants of the Backup Servicer. From the date hereof until the Collection Date, the Backup Servicer will not make any changes to the Backup Servicing Fee without the prior written approval of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders).

ARTICLE VI

ADMINISTRATION AND SERVICING OF CONTRACTS

Section 6.1. Servicing. (a) The Borrower, the Deal Agent, the Lenders and the Collateral Agent hereby appoint Credit Acceptance as servicer hereunder and Credit Acceptance hereby accepts such appointment and agrees to manage, collect and administer each of the Loans and Contracts as Servicer. In the event of a Servicer Termination Event, the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) shall have the right to terminate Credit Acceptance as servicer hereunder. Upon termination of Credit Acceptance as servicer of the Loans pursuant to Section 6.11 hereof, the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) shall have the right to appoint a Successor Servicer and enter into a servicing agreement with such Successor Servicer at such time and exercise all of its rights under Section 6.3

hereof. Such servicing agreement shall specify the duties and obligations of such Successor Servicer, and all references herein to the Servicer shall be deemed to refer to such Successor Servicer.

(b) The Borrower shall cause the Servicer to deposit all Collections to the Collection Account no later than two (2) Business Days after receipt. The Servicer agrees to deposit all Collections to the Collection Account no later than two (2) Business Days after receipt.

(c) On or before 120 days after the end of each fiscal year of the Servicer, beginning with the fiscal year ending December 31, 2019, the Servicer shall cause a firm of independent public accountants (who may also render other services to the Servicer or the Borrower) to furnish a report to the Collateral Agent, the Deal Agent, the Lenders and the other Secured Parties to the effect that they have (i) compared the information contained in the Monthly Reports delivered during such fiscal year, based on a sample size provided by the Collateral Agent, with the information contained in the Loans, the Contracts and the Servicer's records and computer systems for such period, and that, on the basis of such agreed upon procedures, such firm is of the opinion that the information contained in the Monthly Reports reconciles with the information contained in the Loans and the Contracts and the Servicer's records and computer system and that the servicing of the Loans and the Contracts has been conducted in compliance with this Agreement and (ii) verified the Aggregate Outstanding Eligible Loan Balance as of the end of each Collection Period during such fiscal year, except, in each case for (a) such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated) and (b) such other exceptions as shall be set forth in such statement.

Section 6.2. Duties of the Servicer and Custodian. (a) The Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Loans and Contracts from time to time, all in material accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in material accordance with the Collection Guidelines and Credit Guidelines, it being understood that there shall be no recourse to the Servicer with regard to the Loans and Contracts except as otherwise provided herein and in the other Transaction Documents. In performing its duties as Servicer, the Servicer shall use the same degree of care and attention it employs with respect to similar contracts and loans which it services for itself or others. Each of the Borrower, the Deal Agent, the Collateral Agent, the Lenders and the other Secured Parties hereby appoints as its agent the Servicer, from time to time designated pursuant to Section 6.1 hereof, to enforce its respective rights and interests in and under the Collateral. If the Servicer shall commence a legal proceeding to enforce a Loan or a Contract (for purposes of collection or otherwise), or if in any enforcement or other legal proceeding it shall be held that the Servicer may not enforce a Loan or a Contract, on the grounds that it shall not be a real party in interest or a holder entitled to enforce the Loan or Contract or on similar grounds, the Collateral Agent shall thereupon be deemed to have automatically assigned to the Servicer, solely for the purpose of enforcement, such Loan or Contract. Without limiting the foregoing, the Collateral Agent (and the Lenders, if applicable) shall furnish the Servicer with an affidavit prepared by the Servicer that the Servicer may use in any such legal proceedings confirming the Servicer's power and authority to sue and otherwise enforce the Loans and Contracts in its own name, consistent with this Section 6.2, and any powers of attorney or other documents prepared by the Servicer reasonably necessary or appropriate to enable the Servicer to carry out its servicing

and administrative duties hereunder. The Servicer shall hold in trust for the Secured Parties all Records and any amounts it receives in respect of the Collateral. In the event that a Successor Servicer is appointed, the outgoing Servicer shall deliver to the Successor Servicer and the Successor Servicer shall hold in trust for the Borrower and the Secured Parties all records which evidence or relate to all or any part of the Collateral.

(b) The Servicer, if other than Credit Acceptance, shall as soon as practicable upon demand, deliver to the Borrower all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Loan or a Contract.

(c) (i) The Borrower, the Deal Agent, the Lenders and the Collateral Agent hereby revocably appoint Credit Acceptance as custodian, and Credit Acceptance hereby accepts such appointment, to hold and maintain physical possession of the Contract Files and all Records (or with respect to any Contract constituting electronic chattel paper, to maintain "control" (within the meaning of Section 9-105 of the UCC) of the Authoritative Electronic Copy thereof) (in such capacity together with its successors in such capacity, the "*Custodian*"), in each case for the benefit of the Secured Parties. The Contract Files and Records are to be delivered to the Custodian or its designated bailee by or on behalf of the Borrower, the Deal Agent and the Collateral Agent within two (2) Business Days preceding the applicable Funding Date or within 2 Business Days after each Addition Date, as the case may be, with respect to each Loan acquired on such Funding Date or Addition Date.

(ii) The Custodian shall within 180 days after the Closing Date or any Funding Date, as applicable, review 100% of the Contract Files to verify the presence of the original retail installment contract and security agreement and/or installment loans with respect to each Contract, *provided, however,* that the Certificate of Title or other evidence of lien with respect to a Contract need not be verified. If the number of Contracts for which any of the foregoing documents have not been delivered to the Custodian within 180 days of the Closing Date or relevant Funding Date, as the case may be, or corrected (each such Contract, a "*Nonconforming Contract*"), exceeds 2% of the aggregate Contract Files required to be reviewed pursuant to this Section 6.2(c)(ii), the Borrower shall make a deposit to the Reserve Account only with respect to the excess number of Nonconforming Contracts, in an amount equal to the related Nonconforming Contract Payment Amount. Once per month, the amount on deposit in the Reserve Account in respect of Nonconforming Contracts shall be adjusted to account for increases or decreases in the excess number of Nonconforming Contracts and for changes in the Outstanding Balance of such Nonconforming Contracts. The Borrower shall, in the case of an increase, promptly deposit to the Reserve Account the amount of any such increase. In the case of a decrease, the amount of any such decrease shall be deemed to be part of the Excess Reserve Amount. During the Revolving Period, payments required under this Section 6.2(c)(ii) shall not be required if the Aggregate Loan Amount is equal to or less than the lesser of (x) the Borrowing Base and (y) the Aggregate Commitments by the amount of the payment that would otherwise be required to be made by this clause.

(iii) The Custodian agrees to maintain the Contract Files and Records which are delivered to it at the offices of the Custodian as shall from time to time be identified to the Deal Agent and the Lenders by written notice. Subject to the foregoing, Credit Acceptance may temporarily (or

permanently, in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer to an agent of the Servicer individual Contract Files or Records, or any portion thereof without notice as necessary to allow the Servicer to conduct collection and other servicing activities in accordance with its customary practices and procedures.

(iv) The Custodian shall have the following powers and perform the following duties:

(A) hold the Contract Files and Records for the benefit of the Secured Parties and maintain a current inventory thereof; and

(B) carry out such policies and procedures in accordance with its customary actions with respect to the handling and custody of the Contract Files and Records so that the integrity and physical possession of the Contract Files and Records (or with respect to any Contract constituting electronic chattel paper, the integrity and "control" (for UCC purposes) of the Authoritative Electronic Copy thereof) will be maintained.

In performing its duties as custodian, the Custodian agrees to act with reasonable care, using that degree of skill and care that it exercises with respect to similar Contracts or Loans owned or held by it for its own account or for any other Person.

(v) Credit Acceptance shall have the obligation (i) to physically segregate the Contract Files (to the extent held in physical form) from the other custodial files it is holding for its own account or on behalf of any other Person, (ii) to physically mark the Contract folders (to the extent held in physical form) to demonstrate the transfer of Contract Files and the Collateral Agent's security interest hereunder, (iii) mark its computer records indicating the transfer of any Contract Files relating to Contracts constituting electronic chattel paper and the Collateral Agent's security interest hereunder, and (iv) with respect to each Contract constituting electronic chattel paper, cause the single "authoritative copy" (within the meaning of Section 9-105 of the UCC) to be communicated to and maintained at all times by Credit Acceptance such that the "authoritative copy" constitutes an Authoritative Electronic Copy at all times.

(d) (i) If (A) an Unsatisfactory Audit occurs or (B) a Servicer Termination Event or a Potential Servicer Termination Event occurs, the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) shall have the right to terminate Credit Acceptance as the Custodian hereunder and the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) shall have the right to appoint a successor Custodian hereunder who shall assume all the rights and obligations of the "*Custodian*" hereunder. On the effective date of the termination of Credit Acceptance as Servicer, Credit Acceptance shall be released of all of its obligations as Custodian arising on or after such date. The Contract Files and Records shall be delivered by Credit Acceptance to the successor Custodian, on or before the date which is two (2) Business Days prior to such date.

(ii) Upon the occurrence of a Servicer Termination Event or a Potential Servicer Termination Event, the Servicer and the Borrower shall, at the request of the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) take all steps necessary to cause the Certificate of Title or other evidence of ownership of each Financed Vehicle to be revised to name

the Collateral Agent on behalf of the Secured Parties as lienholder. Any costs associated with such revision of the Certificate of Title ("*Reliening Expenses*") shall be paid by the Servicer and, to the extent such costs are not paid by the Servicer, such unpaid costs shall be recovered as described in Section 2.6 hereof. In no event shall the Collateral Agent be required to expend funds in connection with this Section 6.2(d).

(iii) The Custodian shall provide to the Deal Agent and the Lenders access to the Contract Files and Records and all other documentation regarding the Contracts, Dealer Agreements and the Loans and the related Financed Vehicles in such cases where the Collateral Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations to review such documentation, such access being afforded without charge.

(e) Two times per calendar year, at the expense of the Servicer, the Deal Agent and the Lenders may (i) review the Servicer's collection and administration of the Loans, Dealer Agreements and Contracts in order to assess compliance by the Servicer with the Servicer's written policies and procedures, as well as with this Agreement and (ii) conduct an audit of the Loans, Dealer Agreements and Contracts and Contract Files in conjunction with such a review. On and after the occurrence of a Termination Event or Servicer Termination Event, the Deal Agent and the Lenders may conduct such reviews and audits without limitation, at the Servicer's expense.

Section 6.3. Rights After Designation of Successor Servicer. At any time following the designation of a Successor Servicer pursuant to Section 6.12(a):

(i) The Collateral Agent may intercept payments made by or on behalf of Obligors and direct that payment of all amounts payable under any Loan or Contract be made directly to the Collateral Agent or its designee; *provided*, that the Collateral Agent shall pay to any Dealer, to the extent to which such Dealer is entitled, all related Dealer Collections.

(ii) The Borrower shall, at the Collateral Agent's request and at the Borrower's expense, give notice of the Collateral Agent's interest in the Loans and Contracts to each Obligor and direct that payments be made directly to the Collateral Agent or its designee.

(iii) The Borrower shall, at the Collateral Agent's request and at the Borrower's expense, (A) assemble all of the records relating to the Collateral, including all Records with respect to the Loans and Contracts, and shall make the same available to the Collateral Agent at a place selected by the Collateral Agent or its designee, and (B) segregate all cash, checks and other instruments received by it from time to time constituting collections of Collateral in a manner acceptable to the Collateral Agent and shall, promptly upon receipt but in any event within two (2) Business Days, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Collateral Agent or its designee.

(iv) The Borrower hereby authorizes the Collateral Agent to take any and all steps in the Borrower's name and on behalf of the Borrower necessary or desirable, in the determination of the Collateral Agent acting at the direction of the Deal Agent (acting at

the direction, or with the consent, of the Required Lenders), to collect all amounts due under any and all of the Collateral with respect thereto, including, without limitation, endorsing the Borrower's name on checks and other instruments representing Collections and enforcing the Loans and Contracts.

Section 6.4. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Loans and Contracts to the same extent as if a security interest in such Loans and Contracts had not been granted hereunder and the exercise by the Collateral Agent of its rights hereunder shall not relieve the Borrower from such obligations and (ii) pay when due any taxes, including without limitation, any sales taxes payable in connection with the Loans or Contracts and their creation and satisfaction. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Section 6.5. Reports.

(a) *Monthly Report.* On each Determination Date, the Servicer shall deliver to the Deal Agent, the Collateral Agent and the Lenders a report in substantially the form of Exhibit B attached hereto (the "*Monthly Report*") for the related Collection Period. The Lenders shall provide to the Borrower, the Servicer and the Backup Servicer by the third Business Day prior to each Payment Date, information relating to the amount of each obligation which comprises Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts for such Collection Period. The Monthly Report shall specify whether an Amortization Event, Termination Event or Unmatured Termination Event has occurred with respect to the Collection Period preceding such Determination Date. Upon receipt of the Monthly Report, the Deal Agent, the Collateral Agent and the Lenders may rely (and shall be fully protected in so relying) on the information contained therein in connection with the distributions and allocations as provided for herein. Each Monthly Report shall be certified as true and complete by a Responsible Officer of the Servicer.

(b) *Credit Agreement.* The Servicer shall deliver to the Deal Agent and the Lenders all reports or certificates required to be delivered under Section 7.3 of the Credit Agreement at the times set forth therein.

(c) *Financial Statements.* The Servicer will submit to the Deal Agent, the Collateral Agent, the Lenders and the Backup Servicer, within 60 days of the end of each of its fiscal quarters, commencing September 30, 2019 unaudited financial statements as of the end of each such fiscal quarter. The Servicer will submit to the Deal Agent, the Collateral Agent, the Lenders and the Backup Servicer, within 120 days of the end of each of its fiscal years, commencing with the fiscal year ending December 31, 2019 audited financial statements as of the end of each such fiscal year. The Servicer will submit to the Deal Agent, the Collateral Agent, the Lenders and the Backup Servicer, within 60 days of the end of each of its fiscal quarters, an analysis of the static pool performance of Credit Acceptance for each fiscal quarter.

(d) *Annual Statement as to Compliance.* The Servicer will provide to the Deal Agent, the Collateral Agent and the Lenders, within 120 days following the end of each fiscal year of the

Servicer, commencing with the fiscal year ending on December 31, 2019, an annual report signed by a Responsible Officer of the Servicer certifying that (a) a review of the activities of the Servicer, and the Servicer's performance pursuant to this Agreement, for the period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Servicer has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year (or in the case of a Successor Servicer which has been Servicer for less than one year, for so long as such Successor Servicer has been Servicer) and no Servicer Termination Event or Potential Servicer Termination Event has occurred and is continuing (or if a Servicer Termination Event has so occurred and is continuing, specifying each such event, the nature and status thereof and the steps necessary to remedy such event, and, if a Servicer Termination Event or Potential Servicer Termination Event occurred during such year and no notice thereof has been given to the Deal Agent, the Collateral Agent and the Lenders, specifying such Servicer Termination Event or Potential Servicer Termination Event and the steps taken to remedy such event).

(e) *Loss Rate Report.* On each Quarterly Determination Date, the Servicer shall deliver to the Deal Agent, the Collateral Agent and the Lenders a report in form and substance reasonably satisfactory to the Deal Agent (acting with the consent, or at the direction, of the Required Lenders) which sets forth the loss rate as of the most recent month-end in respect of the Servicer's entire dealer loans portfolio which shall be aggregated by Dealer.

(f) *Forecasted Collections*. On each Quarterly Determination Date, the Servicer will submit to the Deal Agent and the Lenders a report setting forth the Forecasted Collections as of the most recent month-end in respect of all Loans which are part of the Collateral.

Section 6.6. Additional Representations and Warranties of Credit Acceptance as Servicer. Credit Acceptance, in its capacity as Servicer, represents and warrants to the Collateral Agent, the Deal Agent and the Lenders as of the Closing Date and each Funding Date, that the only material servicing computer systems and related software utilized by the Servicer to service the Loans and Contracts are: (i) provided by Ontario Systems Corporation under an agreement (and related nonexclusive license) and related letter agreements dated May 18, 2001, as amended from time to time, and (ii) the "loan servicing system" software developed by Credit Acceptance, which is owned by Credit Acceptance. Should the Servicer or any of its Affiliates develop or implement computer software for servicing that is owned by or exclusively licensed to the Servicer or an Affiliate and utilize such software in the servicing of the Loans and Contracts, the Collateral Agent shall be entitled to compel a license or sublicense for the benefit of the Collateral Agent or its designee of any such rights to the extent the Collateral Agent deems reasonably necessary and appropriate to assure that it or a duly appointed Successor Servicer would be able to continue to service the Loans and Contracts should that be required in accordance with the terms hereof.

Section 6.7. Establishment of the Accounts.

(a) *Establishment of the Collection Account and Reserve Account.* The Borrower shall cause to be established, on or before the Closing Date, with an office or branch of a depository institution or

trust company (i) a segregated corporate trust account entitled *"CAC Warehouse Funding LLC VIII Collection Account"* (the *"Collection Account"*) and (ii) a segregated corporate

trust account entitled *"CAC Warehouse Funding LLC VIII Reserve Account"* (the *"Reserve Account"*), in each case, over which the Collateral Agent as agent for the Secured Parties shall have control pursuant to a deposit account control agreement in form and substance satisfactory to the Collateral Agent; *provided, however,* that at all times such depository institution or trust company shall be a depository institution organized under the laws of the United States or any one of the States thereof or the District of Columbia (or any domestic branch of a foreign bank), (i)(A) that has either (1) a long-term unsecured debt rating of AA- or better by S&P and Aa3 or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of A-1 or better by S&P or P-1 or better by Moody's, (B) the parent corporation of which has either (1) a long-term unsecured debt rating of AA- or better by S&P and Aa3 or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of A-1 or better by S&P and P-1 or better by Moody's or (C) is otherwise acceptable to the Deal Agent (acting with the consent, or at the direction, of the Required Lenders) and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation (any such depository institution or trust company, a *"Qualified Institution"*).

(b) *Adjustments.* If (i) the Servicer makes a deposit into the Collection Account in respect of a Collection of a Loan and such Collection was received by the Servicer in the form of a check or other form of payment that is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any payment in respect of which a dishonored check or other form of payment is received shall be deemed not to have been paid.

(c) *Permitted Investments.* Funds on deposit in the Collection Account and the Reserve Account shall be invested in Permitted Investments by or at the written direction of the Borrower, *provided* that if a Termination Event or Unmatured Termination Event shall have occurred, such amounts shall be invested in Permitted Investments described in clause (g) of the definition thereof. Any such written directions shall specify the particular investment to be made and shall certify that such investment is a Permitted Investment and is permitted to be made under this Agreement. If the Borrower fails to provide such written direction to the Collateral Agent, such funds shall remain uninvested. Funds on deposit in the Collection Account and the Reserve Account shall be invested in Permitted Investments that will mature so that such funds will be available no later than the Business Day prior to the next Payment Date, except that in the case of funds representing Collections with respect to a succeeding Collection Period, such Permitted Investments may mature so that such funds will be available no later than the Business Day prior to the Payment Date for such Collection Period. No Permitted Investment may be liquidated or disposed of prior to its maturity. All proceeds of any Permitted Investment shall be deposited in the Collection Account or the Reserve Account, as applicable. Investments may be made in either account on any date (*provided* such investments mature in accordance herewith), only after giving effect to deposits to and withdrawals from such account on such date. Realized losses, if any, on amounts invested in Permitted Investments shall be charged against investment earnings on amounts on deposit in the Collection Account or the Reserve Account, as applicable.

(d) *Jurisdiction for Purposes of the UCC and the Hague Securities Convention*. If the Collection Account and/or the Reserve Account is a "deposit account" (as defined in Section 9- 102 of the UCC) and the Collateral Agent is the "bank" (as defined in Section 9-102 of the UCC) at which such account is maintained, the parties hereto acknowledge and agree the State of New York is the bank's jurisdiction for purposes of Article 9 of the UCC. If the Collection Account and/or the Reserve Account is a "securities account" (as defined in Section 8-501 of the UCC) and the Collateral Agent is the "securities intermediary" (as defined in Section 8-102 of the UCC) at which such account is maintained, the parties hereto acknowledge and agree the State of New York is the securities intermediary's jurisdiction for purposes of Articles 8 and 9 of the UCC. If the Collection Account and/or Reserve Account is a "securities account" (as defined in the Hague Securities Convention (as defined below)) and the Collateral Agent is the "intermediary" (as defined in the Hague Securities Convention) with respect to such account, the Collateral Agent and the Borrower, as intermediary and "account holder" (as defined in the Hague Securities Convention), respectively, hereby amend the "account agreement" (as defined in the Hague Securities Convention) to provide that the law of the State of New York is applicable to all issues specified in Article 2(1) of the Hague Securities Convention. As used in this Section 6.7(d), "Hague Securities Convention" means The Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary (Concluded 5 July 2006).

(e) *Written Instruction to the Collateral Agent for Disbursements Not Otherwise Provided For.* The Collateral Agent shall be entitled to rely on any written instruction received by it with respect to disbursements of funds in the Collection Account or the Reserve Account originated by the Borrower and not otherwise provided for or described herein if such instruction is consented to in writing by the Deal Agent (acting with the consent, or at the direction, of the Required Lenders). Such instruction and consent shall be delivered to the Collateral Agent not later than 12:00 noon (New York City time) on the Business Day of such withdrawal. Any instruction received by the Collateral Agent after the time specified in the immediately preceding sentence shall be deemed to have been received on the next Business Day.

Section 6.8. Payment of Certain Expenses by Servicer. The Servicer will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of independent accountants, Taxes imposed on the Servicer, expenses incurred in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. The Servicer will be required to pay all reasonable fees and expenses owing to any bank or trust company in connection with the maintenance of the Collection Account, the Reserve Account and the Credit Acceptance Payment Account. The Servicer shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Servicing Fee.

Section 6.9. Annual Independent Public Accountant's Servicing Reports. The Servicer will cause a firm of nationally recognized independent public accountants (who may also render other services to the Servicer) to furnish to the Deal Agent and the Lenders, within 120 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on December 31, 2019: (i) a report relating to such fiscal year to the effect that (A) such firm has reviewed

certain documents and records relating to the servicing of the Loans and Contracts included in the Collateral, and (B) based on such examination, such firm is of the opinion that the

Monthly Reports for such year were prepared in compliance with this Agreement, except for such exceptions as it believes to be immaterial and such other exceptions as will be set forth in such firm's report and (ii) a report covering such fiscal year to the effect that such accountants have applied certain agreed-upon procedures, as set forth in Section 6.1(c) (which procedures shall have been approved by the Deal Agent and the Lenders) to certain documents and records relating to the Loans under any Transaction Document, compared the information contained in the Monthly Reports delivered during the period covered by such report with such documents and records and that no matters came to the attention of such accountants that caused them to believe that such servicing was not conducted in compliance with Article VI of this Agreement, except for such exceptions as such accountants shall believe to be immaterial and such other exception as shall be set forth in such statement.

Section 6.10. The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it hereunder except upon the Servicer's determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and

(ii) there is no reasonable action that the Servicer could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Deal Agent, the Collateral Agent, the Lenders and the Backup Servicer. No such resignation shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 6.12.

Section 6.11. Servicer Termination Events. If any one of the following events (a "*Servicer Termination Event*") shall occur and be continuing:

(a) any failure by the Servicer to make any payment, transfer or deposit as required by this Agreement or any other Transaction Document, other than any such failure resulting from an administrative or technical error of the Servicer in the amount so paid, transferred or deposited; *provided* that within one (1) Business Day after the Servicer becomes aware that, as a result of an administrative or technical error of the Servicer, any amount previously paid, transferred or deposited by the Servicer was less than the amount required to be paid, transferred or deposited by the Servicer, the Servicer pays, transfers or deposits the amount of such shortfall;

(b) any failure by the Servicer to give instructions or notice to the Deal Agent and the Lenders as required by this Agreement or any other Transaction Document, or to deliver any required Monthly Report or other required reports hereunder on or before the date occurring two (2) Business Days after the date such instruction, notice or report is required to be made or given, as the case may be, under the terms of this Agreement or the relevant Transaction Document;

(c) any failure on the part of the Servicer duly to observe or perform in any material respect any other covenants or agreements of the Servicer set forth in this Agreement or the other Transaction Documents (other than as set forth in clauses (a) or (b) above) to which the Servicer is a party, which continues unremedied for a period of 10 days;

(d) any material representation, warranty or certification made by the Servicer in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made, which continues unremedied for more than thirty (30) days (or a longer period, not in excess of sixty (60) days, as may be reasonably necessary to remedy such default, if the default is capable of remedy within sixty (60) days or less and the Servicer delivers an Officer's Certificate to the Deal Agent and the Lenders to the effect that it has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy the default);

(e) an Insolvency Event shall occur with respect to the Servicer;

(f) any delegation of the Servicer's duties that is not permitted by Section 7.1;

(g) any financial information related to the Collateral reasonably requested by the Deal Agent, the Collateral Agent or any Lender as provided herein is not reasonably provided as requested;

(h) the rendering against the Servicer of one or more final judgments, decrees or orders for the payment of money in excess of $5,000,000 in the aggregate, and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than 60 consecutive days without a stay of execution;

(i) the Servicer shall fail to pay any principal of or premium or interest on any indebtedness in an aggregate outstanding principal amount of $5,000,000 or more (*"Material Debt"*), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Debt; or any other default under any agreement or instrument relating to any Material Debt or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Material Debt; or any such Material Debt shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof;

(j) any change in the control of the Servicer that takes the form of either a merger or consolidation in which the Servicer is not the surviving entity;

(k) a Material Adverse Effect shall have occurred;

(l) a Termination Event shall have occurred and such Termination Event has not been waived by the Deal Agent (acting at the direction, or with the consent, of the Required Lenders); or

(m) the occurrence of the thirtieth (30th) day after the end of the fiscal quarter in which a breach of any (i) covenant set forth in Sections 7.5, 7.6 and 7.7 of the Credit

Agreement as in effect on July 25, 2019 (as any such covenants may be amended from time to time) or (ii) other similar covenant(s) contained in the Credit Agreement (as amended from time to time), shall occur unless prior to such date, such breach is cured or waived by the Deal Agent (acting at the direction, or with the consent, of the Required Lenders acting in their respective sole discretion); *provided*, *however*, that if the Credit Agreement is terminated, then the last operative set of Sections 7.5, 7.6 and 7.7 of the Credit Agreement (or such similar covenants) shall govern for purposes of this Section;

then notwithstanding anything herein to the contrary, so long as any such Servicer Termination Event shall not have been remedied, within any applicable cure period prior to the date of the Servicer Termination Notice (defined below), the Deal Agent may, with the consent of the Required Lenders, or shall, at the direction of the Required Lenders, by written notice to the Servicer (with a copy to the Backup Servicer) (a "*Servicer Termination Notice*"), terminate all of the rights and obligations of the Servicer as Servicer under this Agreement.

Section 6.12. Appointment of Successor Servicer. (a) On and after the receipt by the Servicer of a Servicer Termination Notice pursuant to Section 6.11 or Section 9.2, the Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Servicer Termination Notice or otherwise specified by the Deal Agent (acting at the direction, or with the consent, of the Required Lenders) in writing or, if no such date is specified in such Servicer Termination Notice or otherwise specified by the Deal Agent, until a date mutually agreed upon by the Servicer and the Deal Agent (acting at the direction, or with the consent, of the Required Lenders). The Deal Agent may at the time described in the immediately preceding sentence at the direction of the Required Lenders appoint the Backup Servicer by written notice as the Servicer hereunder, and the Backup Servicer shall on a date mutually agreeable between the Backup Servicer and the Deal Agent assume all obligations of the Servicer hereunder (except as specifically set forth herein or in the Backup Servicing Agreement), and all authority and power of the Servicer under this Agreement shall pass to and be vested in the Backup Servicer. In the event that the Deal Agent does not so appoint the Backup Servicer, there is no Backup Servicer or the Backup Servicer is unable to assume such obligations on the date contemplated in the immediately preceding sentence, the Deal Agent shall (acting at the direction, or with the consent, of the Required Lenders) as promptly as possible appoint a successor servicer (the "*Successor Servicer*") who shall be acceptable to the Deal Agent and the Required Lenders and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Deal Agent. In the event that a Successor Servicer has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Deal Agent shall petition a court of competent jurisdiction to appoint any established financial institution whose regular business includes the servicing of Loans as the Successor Servicer hereunder.

(b) Upon its assumption as Successor Servicer, the Backup Servicer (except as specifically set forth herein or in the Backup Servicing Agreement and subject to Section 6.12(a)) or any other Successor Servicer, as applicable, shall be the successor in all respects to the Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement and the other Transaction Documents to the Servicer shall be deemed to refer to the Backup Servicer or the Successor Servicer, as

applicable. In no event shall the Backup Servicer be liable for any actions or omissions of any predecessor Servicer.

(c) All authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon termination of this Agreement and shall pass to and be vested in the Borrower and, without limitation, the Borrower is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer agrees to cooperate with the Borrower in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing on the Loans and the Contracts.

(d) Within 30 days of receiving notice that the Backup Servicer is required to serve as the Servicer hereunder pursuant to the foregoing provisions of this Section 6.12 the Backup Servicer will begin the transition to its role as Servicer.

Section 6.13. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Loans to the same extent as if a security interest in such Loans had not been granted hereunder and (ii) pay when due, from funds available to the Borrower under Section 2.6 hereof, any taxes. Neither the Deal Agent, the Collateral Agent, any Lender nor any other Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Section 6.14. Segregated Payment Account. Upon the occurrence of a Servicer Termination Event, a Potential Servicer Termination Event or an Unsatisfactory Audit, the Deal Agent shall have the right (acting at the direction, or with the consent, of the Required Lenders) to require the Borrower and the Servicer (i) to establish a segregated payment trust account in the name of the Collateral Agent for Collections related to the Collateral and (ii) to direct all Obligors to make payments into such account.

Section 6.15. Dealer Collections Repurchase; Replacement of Dealer Loan with Related Purchased Loans. The parties hereto acknowledge the following:

(a) During its ordinary course of business in managing its serviced portfolio of Dealer Loans (and not based on the poor credit quality of the Dealer Loan Contracts), Credit Acceptance may from time to time agree to enter into an agreement (a *"Dealer Collections Purchase Agreement"*) with a Dealer, pursuant to which the Dealer agrees to sell and assign to Credit Acceptance all of its rights, interests and entitlement in and to one or more Pools of Dealer Loan Contracts securing the related Dealer Loans, including such Dealer's ownership interest in such Dealer Loan Contracts and rights to receive the related Dealer Collections (a *"Dealer Collections Purchase"*).

(b) Credit Acceptance has assigned all of its rights under any Dealer Collections Purchase Agreements to the Borrower pursuant to the Contribution Agreement. Upon the payment by Credit Acceptance to the applicable Dealer under a Dealer Collections Purchase Agreement of the

purchase price thereunder (the *"Dealer Collections Purchase Price"*), the related Dealer Loans (including the rights to the related Dealer Loan Collections thereunder) shall be deemed to be satisfied and pursuant to the Contribution Agreement the Dealer Loan Contracts securing such Dealer Loans shall be assigned by Credit Acceptance to Borrower as Purchased Loan Contracts and the loans thereunder shall be deemed Purchased Loans. For the avoidance of doubt, all Collections on such Purchased Loan Contracts shall be included in Available Funds.

(c) On the date of each Dealer Collections Purchase, Credit Acceptance shall deliver to the Collateral Agent a list identifying (A) all Dealer Loans satisfied as a result of such Dealer Collections Purchase, (B) each Dealer Loan Contract previously securing such Dealer Loans and
(C) the Purchased Loans and Purchased Loan Contracts evidencing such Purchased Loans resulting from such Dealer Collections Purchase, in each case, identified by account number, dealer number and pool number, as applicable. Such list shall be deemed to supplement Exhibit A to the Contribution Agreement and Schedule V hereto as of the date of such Dealer Collections Purchase.

ARTICLE VII BACKUP SERVICER

Section 7.1. Designation of the Backup Servicer. The backup servicing role with respect to the Collateral shall be conducted by the Person designated as Backup Servicer under the Backup Servicing Agreement, which shall be Wells Fargo.

Section 7.2. Duties of the Backup Servicer. On or before the Closing Date, and until its removal pursuant to the Backup Servicing Agreement, the Backup Servicer shall perform, the duties and obligations set forth in the Backup Servicing Agreement.

Section 7.3. Backup Servicing Compensation. As compensation for its backup servicing activities hereunder and under the Backup Servicing Agreement, the Backup Servicer shall be entitled to receive the Backup Servicing Fee pursuant to the provisions of Section 2.6(a). The Backup Servicer's entitlement to receive the Backup Servicing Fee shall cease on the earliest to occur of: (i) it becoming the Successor Servicer; (ii) its removal as Backup Servicer pursuant to the terms of the Backup Servicing Agreement; or (iii) the termination of this Agreement or the Backup Servicing Agreement.

Section 7.4. Rights and Protections of the Backup Servicer. The Backup Servicer, in the performance of its duties hereunder, and in the exercise or lack of exercise of any and all of its rights and privileges hereunder, shall be entitled to all rights and protections afforded to it in its capacity as Backup Servicer under the Backup Servicing Agreement, including but not limited to all rights and protections (including all rights to indemnification), and all limitations of liability.

ARTICLE VIII SECURITY INTEREST

Section 8.1. Security Agreement. (a) The parties hereto intend that this Agreement constitute a security agreement and the transactions effected hereby constitute secured loans by the Lenders to the Borrower under Applicable Law.

(b) The Borrower hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral and Proceeds thereof without the signature of the Borrower where permitted by law and describing the collateral covered thereby as "all of the debtor's personal property or assets" or words to that effect. A photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

Section 8.2. Release of Lien. At the same time as any Loan by its terms and all amounts in respect thereof have been paid by the related Obligor and deposited in the Collection Account, the Collateral Agent as agent for the Secured Parties will, to the extent requested by the Servicer, release its interest in such Loan and Related Security. The Collateral Agent as agent for the Secured Parties will after the deposit by the Servicer of the proceeds of all such amounts into the Collection Account, at the sole expense of the Servicer, execute and deliver to the Servicer any assignments, termination statements and any other releases and instruments as the Servicer may reasonably request in order to effect such release and transfer; *provided*, that the Collateral Agent as agent for the Secured Parties will make no representation or warranty, express or implied, with respect to any such Loan and Related Security in connection with such sale or transfer and assignment.

Section 8.3. Further Assurances. The provisions of Section 13.12 shall apply to the security interest granted under Section 2.2(a) as well as to each Funding hereunder.

Section 8.4. Remedies. Upon the occurrence of a Termination Event, the Deal Agent, the Collateral Agent, the Lenders and the other Secured Parties shall have, with respect to the Collateral granted pursuant to Section 2.2(a), and in addition to all other rights and remedies available to the Deal Agent, the Collateral Agent, the Lenders and the other Secured Parties under this Agreement or other Applicable Law, all rights and remedies of a secured party upon default under the UCC.

Section 8.5. Waiver of Certain Laws. Each of the Borrower and the Servicer agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where all or any portion of the Collateral may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of all or any portion of the Collateral, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each of the Borrower and the Servicer, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and

any and all right to have any of the properties or assets constituting the Collateral marshaled upon any such sale, and agrees that the Deal Agent, the Collateral Agent or any court having jurisdiction to foreclosure the security interests granted in this Agreement may sell the Collateral as an entirety or in such parcels as the Deal Agent, the Collateral Agent or such court may determine.

Section 8.6. Power of Attorney. The Borrower hereby irrevocably appoints the Deal Agent, the Collateral Agent and the Servicer and any Successor Servicer as its true and lawful attorney (with full power of substitution) in its name, place and stead and at its expense, in connection with the enforcement of the rights and remedies provided for in this Agreement, including without limitation the following powers: (a) to give any necessary receipts or acquittances for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral in connection with any such sale or other disposition made pursuant hereto, (c) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document or Hedging Agreement. Nevertheless, if so requested by the Deal Agent, the Servicer, any Successor Servicer, the Collateral Agent or a purchaser of the Collateral, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Deal Agent, the Collateral Agent or such purchaser all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

ARTICLE IX TERMINATION EVENTS

Section 9.1. Termination Events. The following events shall be termination events ("*Termination Events*") hereunder:

~~(a)~~ (a) on any Determination Date, the average Payment Rate for the preceding three (3) Collection Periods with respect to which Payment Rate was calculated is less than 2.0%; or

~~(b)~~ the Aggregate Loan Amount exceeds, for a period of two (2) Business Days or more, the sum of (i) all amounts on deposit in the Collection Account that would be available to be distributed to the Lenders on such date pursuant to clause (vi) or (viii), as applicable, of Section 2.6(a) hereof if such date was a Payment Date, and (ii) the lesser of
(x) the Borrowing Base and (y) the Aggregate Commitments; or

~~(c)~~ Reserved; or

~~(d)~~ a Servicer Termination Event occurs and is continuing; or

~~(e)~~ (i) failure on the part of the Borrower or the Originator to make any payment or deposit required by the terms of any Transaction Document on the day such payment or deposit is required to be made; or

(ii) failure on the part of the Borrower or the Originator to observe or perform any of its covenants or agreements set forth in this Agreement or any other Transaction Document and such failure continues unremedied for more than five (5) Business Days after written notice to the Borrower or the Originator; or

~~(f)~~ any representation or warranty made or deemed to be made by the Borrower or the Originator under or in connection with this Agreement, any of the other Transaction Documents or any information required to be given by the Borrower or the Originator to the Deal Agent, the Collateral Agent and the Lenders to identify Loans or Contracts pursuant to any Transaction Document, shall prove to have been false or incorrect in any material respect when made, deemed made or delivered, and such failure continues unremedied for more than thirty (30) days after the earlier of (x) the date on which the Borrower or Credit Acceptance discovers such breach and (y) the date on which the Borrower or Credit Acceptance receives written notice of such breach; or

~~(g)~~ the occurrence of an Insolvency Event relating to the Originator, the Borrower or the Servicer; or

~~(h)~~ the Borrower shall become an *"investment company"* within the meaning of the U.S. Investment Company Act of 1940, as amended or the arrangements contemplated by the Transaction Document shall require registration as an *"investment company"* within the meaning of the U.S. Investment Company Act of 1940, as amended; or

~~(i)~~ a regulatory, tax or accounting body has ordered that the activities of the Borrower or any Affiliate of the Borrower, contemplated hereby be terminated or, as a result of any other event or circumstance, the activities of the Borrower contemplated hereby may reasonably be expected to cause the Borrower or any of its respective Affiliates to suffer materially adverse regulatory, accounting or tax consequences; or

~~(j)~~ there shall exist any event or occurrence that has a reasonable possibility of causing a Material Adverse Effect; or

~~(k)~~ the Borrower, the Servicer or Credit Acceptance shall enter into any merger, consolidation or conveyance transaction, unless in the case of Credit Acceptance or the Servicer, the Servicer or Credit Acceptance, as applicable, is the surviving entity; or

~~(l)~~ the IRS shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower or the Originator and such lien shall not have been released within five (5) Business Days, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower or the Originator and such lien shall not have been released within five (5)
Business Days; or

~~(m)~~ the Collateral Agent, as agent for the Secured Parties, shall fail for any reason to have a first priority perfected security interest in a material portion of the

Collateral free and clear of all Liens other than Permitted Liens; *provided, however*, that the failure of the Collateral Agent at any time to have a first priority perfected security interest in Contracts with an aggregate Outstanding Balance at such time not exceeding 3.00% of the aggregate Outstanding Balance of all Eligible Contracts at such time shall not constitute a Termination Event pursuant to this clause (m) so long as such failure does not have a Material Adverse Effect; or

~~(n)~~ any Change-in-Control shall occur; or

~~(o)~~ (i) any Transaction Document, or any lien or security interest granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Originator, or the Servicer, (ii) the Borrower, the Originator or the Servicer shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability or (iii) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be a perfected first priority security interest; or

~~(p)~~ Credit Acceptance shall fail to pay any principal of or premium or interest on any Material Debt, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Debt; or any other default under any agreement or instrument relating to any Material Debt or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Material Debt; or any such Material Debt shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof; or

~~(q)~~ Collections are less than 75.0% of Forecasted Collections for any three (3) consecutive Collection Periods.

Section 9.2. Remedies. (a) Upon the occurrence of a Termination Event (other than a Termination Event described in Section 9.1(g), the Deal Agent may, with the consent of the Required Lenders, or at the direction of the Required Lenders, shall, by notice to the Borrower declare the Termination Date to have occurred.

(b) Upon the occurrence of a Termination Event described in Section 9.1(g), the Termination Date shall automatically occur.

(c) Upon any Termination Date that occurs following a Termination Event pursuant to this Section 9.2: (i) the applicable Interest Rate on the Aggregate Loan Amount shall be equal to the Default Rate; (ii) the Deal Agent may, with the consent of the Required Lenders, or at the direction of the Required Lenders, shall, by delivery of a Servicer Termination Notice, terminate the Servicer; and (iii) the Deal Agent may, with the consent of the Required Lenders, or at the

direction of the Required Lenders, shall, declare the entire outstanding principal amount of the Notes to be immediately due and payable. The Deal Agent, the Collateral Agent and the other Secured Parties shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided of a secured party under the UCC of each applicable jurisdiction and other applicable laws, which rights shall be cumulative.

(d) If the Notes have been declared due and payable pursuant to Section 9.2(c), the Collateral Agent shall, at the direction, or with the consent, of the Required Lenders, institute proceedings to collect amounts due, exercise remedies (selected by the Required Lenders) as a secured party (including foreclosure or sale of the Collateral) or maintain the Collateral and continue to apply the proceeds from the Collateral as if there had been no declaration of acceleration.

(e) Upon the occurrence of an Amortization Event or Termination Event, the Borrower may not request and no Lender shall be required to effect any Funding.

ARTICLE X INDEMNIFICATION

Section 10.1. Indemnities by the Borrower. (a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Deal Agent, the Backup Servicer, the Collateral Agent, the Successor Servicer, the Lenders, the other Secured Parties, and each of their respective Affiliates and officers, directors, employees and agents thereof (collectively, the *"Indemnified Parties"*), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements (all of the foregoing being collectively referred to as the *"Indemnified Amounts"*) awarded against or incurred by such Indemnified Party or other non-monetary damages of any such Indemnified Party any of them arising out of or as a result of this Agreement or the financing or maintenance of the Aggregate Loan Amount or in respect of any Loan or any Contract, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of an Indemnified Party or (b) Indemnified Amounts that have the effect of recourse for non-payment of the Loans due to credit problems of the Obligors (except as otherwise specifically provided in this Agreement). If the Borrower has made any indemnity payment pursuant to this Section 10.1 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to the Borrower an amount equal to the amount it has collected from others in respect of such Indemnified Amounts. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any Contract or Loan treated as or represented by Credit Acceptance to be an Eligible Loan or an Eligible Contract that is not at the applicable time an Eligible Loan or an Eligible Contract;

(ii) reliance on any representation or warranty made or deemed made by the Borrower or any of its officers under or in connection with this Agreement, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(iii) the failure by the Borrower to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Loan, Dealer Agreement, Purchase Agreement, any Contract, or the nonconformity of any Loan, Dealer Agreement, Purchase Agreement or Contract with any such Applicable Law;

(iv) the failure to vest and maintain vested in the Collateral Agent for the Secured Parties a first priority perfected security interest in the Collateral, together with all Collections, free and clear of any Lien whether existing at the time of any Funding or at any time thereafter;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to the Collateral, whether at the time of the Funding or at any subsequent time;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Loan or Contract (including, without limitation, a defense based on such Loan or Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(vii) any failure of the Borrower to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by the Borrower to perform its respective duties under the Loans;

(viii) the failure by the Borrower to pay when due any Taxes for which the Borrower is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Collateral;

(ix) any repayment by the Deal Agent or any other Secured Party of any amount previously distributed in reduction of the Aggregate Loan Amount or payment of Interest or any other amount due hereunder or under any Hedging Agreement, in each case which amount the Deal Agent or such other Secured Party believes in good faith is required to be repaid;

(x) the commingling of Collections of the Collateral at any time with other funds;

(xi) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of any Funding or the funding of or maintenance of the Aggregate Loan Amount or in respect of any Loan or Contract;

(xii) any failure by the Borrower to give reasonably equivalent value to the Originator in consideration for the transfer by the Originator to the Borrower of the Loans, Related Security or any portion thereof or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code;

(xiii) the use of the proceeds of any Funding in a manner other than as provided in this Agreement and the Contribution Agreement; or

(xiv) the failure of the Borrower or any of its agents or representatives to remit to the Servicer, the Deal Agent, the Collateral Agent and the Lenders or any other Secured Party, any Collections of the Collateral remitted to the Borrower or any such agent or representative.

(b) Any amounts subject to the indemnification provisions of this Section 10.1 shall be paid by the Borrower to the relevant Indemnified Party on the next Payment Date.

(c) The obligations of the Borrower under this Section 10.1 shall survive the resignation or removal of the Deal Agent, the Collateral Agent, the Successor Servicer, any Lender or the Backup Servicer and the assignment or termination of this Agreement.

Section 10.2. Indemnities by the Servicer. (a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Servicer hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all Indemnified Amounts awarded against or incurred by any such Indemnified Party by reason of any acts, omissions or alleged acts or omissions of the Servicer, including, but not limited to: (i) any representation or warranty made by the Servicer under or in connection with any Transaction Document, any Monthly Report or any other information or report delivered by or on behalf of the Servicer pursuant hereto, which shall have been false, incorrect or misleading in any material respect when made or deemed made; (ii) the failure by the Servicer to comply with any Applicable Law; (iii) the failure of the Servicer to comply with its duties or obligations in accordance with this Agreement or any other Transaction Document to which it is a party; (iv) any litigation, proceedings or investigation against the Servicer; (v) the commingling of Collections at any time with other funds; or (vi) the failure of the Servicer or any of its agents or representatives to remit to the Collection Account, the Deal Agent, the Lenders or the Collateral Agent any Collections or Proceeds of the Collateral. The provisions of this indemnity shall run directly to and be enforceable by an Indemnified Party subject to the limitations hereof.

(b) Any amounts subject to the indemnification provisions of this Section 10.2 shall be paid by the Servicer to the relevant Indemnified Party within five (5) Business Days following such Person’s demand therefor.

(c) The Servicer shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible Contracts.

(d) The obligations of the Servicer under this Section 10.2 shall survive the resignation or removal of the Deal Agent, the Collateral Agent, the Successor Servicer, any Lender or the Backup Servicer and the assignment or termination of this Agreement.

(e) Any indemnification pursuant to this Section 10.2 shall not be payable from the Collateral.

Section 10.3. After-Tax Basis. Indemnification under Sections 10.1 and 10.2 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

ARTICLE XI

THE DEAL AGENT AND THE COLLATERAL AGENT

Section 11.1. Authorization and Action. (a) Each Secured Party hereby designates and appoints Citizens Bank, N.A. as Deal Agent hereunder, and authorizes the Deal Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Deal Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. The Deal Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Deal Agent shall be read into this Agreement or otherwise exist for the Deal Agent. In performing its functions and duties hereunder, the Deal Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Deal Agent shall not be required to take any action that exposes the Deal Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Deal Agent hereunder shall terminate on the Collection Date.

(b) Each Secured Party hereby designates and appoints Citizens Bank, N.A. as Collateral Agent hereunder, and authorizes the Collateral Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. The Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Collateral Agent shall be read into this Agreement or otherwise exist for the Collateral Agent. In performing its functions and duties hereunder, the Collateral Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Collateral Agent shall not be required to take any action that exposes the Collateral Agent to personal liability or that is contrary to this Agreement or Applicable Law. The Collateral Agent shall not be liable with respect to any action

it takes or omits to take in accordance with a direction received by it in accordance with the terms of this Agreement and the other Transaction Documents. The appointment and authority of the Collateral Agent hereunder shall terminate on the Collection Date.

Section 11.2. Delegation of Duties. (a) The Deal Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Deal Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(b) The Collateral Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 11.3. Exculpatory Provisions. (a) Neither the Deal Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct or, in the case of the Deal Agent, the breach of its obligations expressly set forth in this Agreement), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Deal Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Deal Agent shall not be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event, Servicer Termination Event or Potential Servicer Termination Event unless the Deal Agent has received notice from the Borrower or a Secured Party.

(b) Neither the Collateral Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct or, in the case of the Collateral Agent, the breach of its obligations expressly set forth in this Agreement), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Collateral Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance

of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Collateral Agent shall not be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event,

Servicer Termination Event or Potential Servicer Termination Event unless the Collateral Agent has received notice from the Borrower or a Secured Party.

Section 11.4. Reliance. (a) The Deal Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Deal Agent. The Deal Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of all of the Required Lenders as specified in this Agreement (or if not specified, as it deems appropriate) or it shall first be indemnified to its satisfaction by the Secured Parties, *provided* that unless and until the Deal Agent shall have received such advice, the Deal Agent may take or refrain from taking any action, as the Deal Agent shall deem advisable and in the best interests of the Secured Parties. The Deal Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of all of the Secured Parties, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

(b) The Collateral Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Deal Agent or the Required Lenders as specified in this Agreement (or if not specified, as it deems appropriate) or it shall first be indemnified to its satisfaction by the Secured Parties, *provided* that unless and until the Collateral Agent shall have received such advice, the Collateral Agent may take or refrain from taking any action, as the Collateral Agent shall deem advisable and in the best interests of the Secured Parties. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Deal Agent or the Required Lenders, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

Section 11.5. Non-Reliance on Deal Agent and Collateral Agent. Each Secured Party expressly acknowledges that neither the Deal Agent, the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Deal Agent, the Collateral Agent hereafter taken, including, without limitation, any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Deal Agent or the Collateral Agent. Each Secured Party represents and warrants to the Deal Agent and the Collateral Agent that it has made and will make, independently and without reliance upon the Deal Agent, Collateral Agent or any other

Secured Party and based on such documents and information as it has deemed appropriate, its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower and made its own decision to enter into this Agreement or any Hedging Agreement, as the case may be.

Section 11.6. Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Deal Agent, the Collateral Agent and each of their respective officers, directors, employees, representatives and agents ratably according to their pro rata shares, to the extent not paid or reimbursed by the Borrower (i) for any amounts for which the Deal Agent, acting in its capacity as Deal Agent, or the Collateral Agent, acting in its capacity as Collateral Agent, is entitled to reimbursement by the Borrower hereunder and (ii) for any other expenses incurred by the Deal Agent, in its capacity as Deal Agent, or the Collateral Agent, acting in its capacity as Collateral Agent and acting on behalf of the Secured Parties, in connection with the administration and enforcement of this Agreement.

Section 11.7. Deal Agent and Collateral Agent in their Individual Capacities. The Deal Agent, the Collateral Agent and their respective Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any Affiliate of the Borrower as though the Deal Agent or the Collateral Agent were not the Deal Agent or the Collateral Agent hereunder. With respect to each Funding pursuant to this Agreement, the Deal Agent, the Collateral Agent and each of their respective Affiliates shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Deal Agent or the Collateral Agent, as the case may be, and the term "Lender" shall include the Deal Agent or the Collateral Agent, as the case may be, in its individual capacity.

Section 11.8. Successor Deal Agent or Collateral Agent. (a) The Deal Agent may, upon 5 days' notice to the Borrower and the other Secured Parties, and the Deal Agent will, upon the direction of the Required Lenders and 5 days' notice to the Borrower, resign as Deal Agent. If the Deal Agent shall resign, then the Required Lenders, during such 5-day period shall appoint a successor agent. If for any reason no successor Deal Agent is appointed by the Required Lenders during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties shall perform all of the duties of the Deal Agent hereunder and the Borrower shall make all payments in respect of the Aggregate Unpaids or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Deal Agent's resignation hereunder as Deal Agent, the provisions of Article X and Article XI shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Deal Agent under this Agreement.

(b) The Collateral Agent may, upon 5 days' notice to the Borrower and the other Secured Parties, and the Collateral Agent will, upon the direction of the Required Lenders and 5 days' notice to the Borrower, resign as Collateral Agent. If the Collateral Agent shall resign, then the Required Lenders, during such 5-day period shall appoint a successor agent. If for any reason no successor Collateral Agent is appointed by the Required Lenders during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties shall perform all of the duties of the Collateral Agent hereunder and the Borrower shall make all payments in respect of

the Aggregate Unpaids or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of

Article X and Article XI shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement.

(c) In connection with any resignation or removal of any Collateral Agent pursuant to clause (b) above, the predecessor Collateral Agent shall deliver to its successor all books, records, accounts, documents, statements, Collateral and monies held by it under this Agreement. The predecessor Collateral Agent shall, at the expense of the Borrower, execute and deliver such instruments and do such other things as may be reasonably requested by the Deal Agent or the successor Collateral Agent to fully and certainly vest and confirm in such successor all of the predecessor Collateral Agent's rights, powers, duties and obligations hereunder and transfer to the successor Collateral Agent all rights and interest of the predecessor Collateral Agent in the Collateral. The predecessor Collateral Agent shall, at the expense of the Borrower, cooperate with its successor to ensure that the successor has all books, records, accounts, documents, statements and monies held by it under this Agreement and any other relevant information relating to the Collateral.

Section 11.9. Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Deal Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or Credit Acceptance, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Revolving Loans or the Commitments; or

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement; or

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Revolving Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement satisfies the requirements of subsections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Deal Agent, in its sole discretion, and such Lender in order to avoid prohibited transactions.

(b) In addition, unless subclause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in subclause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Deal Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or Credit Acceptance, that:

(i) none of the Deal Agent or any of its Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Deal Agent under this Agreement, any Transaction Document or any documents related hereto or thereto);

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50,000,000, other than an individual directing his or her own individual retirement account or plan account or a relative of such individual, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E);

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the obligations under each Note and this Agreement);

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement is a fiduciary under Section 3(21) of ERISA or the Code, or both, with respect to the Revolving Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder; and

(v) no fee or other compensation is being paid directly to the Deal Agent or any of its Affiliates for investment advice (as opposed to other services) in connection with the Revolving Loans, the Commitments or this Agreement.

(c) The Deal Agent hereby informs the Lenders that, with respect to itself and its Affiliates, each such Person is not undertaking to provide impartial investment advice, or to give

advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Revolving Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Revolving Loans or the Commitments for an amount less than the amount being paid for an interest in the Revolving Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, by the other Transaction Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, Deal Agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

Section 11.10. Erroneous Payments. (a) Each Lender hereby agrees that (i) if the Deal Agent notifies such Lender that the Deal Agent has determined in its sole discretion that any funds received by such Lender from the Deal Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise), individually and collectively, an "*Erroneous Payment*") and demands the return of such Erroneous Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Deal Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Deal Agent in same day funds at a rate determined by the Deal Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and
(ii) such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Deal Agent for the return of any Erroneous Payments received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the Deal Agent to any Lender under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender hereby further agrees that if it receives an Erroneous Payment from the Deal Agent (or any of its Affiliates) (i) that is in an amount different than (other than a *de minimis* difference), or on a different date from, that specified in a notice of payment sent by the Deal Agent (or any of its Affiliates) with respect to such Erroneous Payment (an "*Erroneous Payment Notice*"), or (ii) that was not preceded or accompanied by an Erroneous Payment Notice, it shall be on notice that, in each such case, an error has been made with respect to such Erroneous Payment. Each Lender further agrees that, in each such case, or if it otherwise becomes aware an Erroneous Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Deal Agent of such occurrence and, upon demand from the Deal Agent, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the Deal Agent the amount of any such Erroneous Payment (or portion thereof) that was received by such Lender to the date such amount is repaid to the Deal Agent in

same day funds at a rate determined by the Deal Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) The Borrower hereby agrees that (i) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Deal Agent shall be subrogated to all the rights of such Lender with respect to such amount and (ii) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed by the Borrower except to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Deal Agent from the Borrower.

(d) Each party's obligations under this Section 11.10 shall survive the resignation or replacement of the Deal Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Transaction Document.

ARTICLE XII ASSIGNMENTS; PARTICIPATIONS

Section 12.1. Assignments and Participations. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender, and (ii) a Lender may not assign or otherwise transfer any of its rights or obligations hereunder to anyone other than an Eligible Assignee; *provided*, that a Lender shall provide notice of such assignment to the Borrower, the Servicer, the Backup Servicer and the Deal Agent. Except in the case of an assignment to another then existing Lender, an Affiliate of a Lender, an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment and/or Revolving Loans, the amount of the Commitment or Revolving Loans subject to any assignment shall not be less than $10,000,000, unless the Deal Agent, and, so long as no Termination Event has occurred and is continuing or such assignment is to any Federal Reserve Bank, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed). Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Revolving Loans or the Commitment assigned. The parties to each such assignment shall execute and deliver to the Deal Agent an Assignment and Assumption (together with a processing and recordation fee of $3,500; *provided*, that the Deal Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment) and shall provide a copy thereof to the Collateral Agent, the Servicer, the Backup Servicer and the Borrower. The assignee, if it is not a Lender, shall deliver to the Deal Agent an Administrative Questionnaire. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, or any participants to the extent provided in Section 12.1(b) hereof) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender shall have the right to grant participations in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Revolving Loans owing to it) to one or more other banking institutions (each such person a *"Participant"*), and such Participants shall be entitled to the benefits of this Agreement, including, without limitation, Sections 2.10 and 2.11 hereof, to the same extent as if they were a direct party hereto; *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower and the other parties hereto shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and *provided further* that no such Participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had such Lender not granted a participation to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. Upon the grant of a participation of any Lender's rights and/or obligations under this Agreement, such Lender will promptly notify the Borrower of the Participant and the proportionate amount granted under such participation. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Transaction Documents (the *"Participant Register"*); *provided that* no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Transaction Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(c) The Deal Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in 600 Washington Boulevard, Stamford, Connecticut 06901 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time (the *"Register"*). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Deal Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Nothing herein shall prohibit any Lender from pledging or assigning as collateral any of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to any Federal Reserve Bank in accordance with Applicable Law and any such pledge or collateral assignment may be made without compliance with Section 12.1(a) or Section 12.1(b); *provided that* no such pledge shall release such Lender from any of its obligations hereunder or substitute such pledgee or assignee for such Lender as a party hereto.

ARTICLE XIII MISCELLANEOUS

Section 13.1. Amendments and Waivers. The Required Lenders may, in writing, from time to time, (a) enter into agreements with the Borrower and the Servicer amending, modifying or supplementing this Agreement, and (b) in their sole discretion, grant waivers of the provisions of this Agreement or consents to a departure from the due performance of the obligations of the Borrower and the Servicer under this Agreement; *provided, however,* that no amendment, waiver or consent shall, unless in writing and signed by all Lenders:

(i) change the definitions of "*Aggregate Commitments*", "*Amortization Event*", "*Borrowing Base*", "*Required Reserve Account Amount*", "*Required Lenders*", "*Servicer Termination Event"* or "*Termination Event*", or any (direct or indirect) components of any of the foregoing;

(ii) change the Aggregate Loan Amount, or Interest or Program Fees thereon, or delay any scheduled date for the payment thereof;

(iii) change fees payable by the Borrower to the Deal Agent or any Lenders, or delay the dates on which such fees are payable;

(iv) release the Collateral Agent's Lien on, or transfer, all or any material portion of the Collateral except to the extent expressly permitted by the terms hereof;

(v) extend the Commitment Termination Date except in accordance with Section 2.1(b); or

(vi) change any of the provisions of this Section 13.1;

and *provided, further,* that no amendment, waiver or consent shall (i) increase the Commitment of any Lender or reduce the amount of the Revolving Loans, Interest or fees payable to any Lender, in each case unless in writing and signed by such Lender or (ii) change the duties or obligations of the Deal Agent or the Collateral Agent, in each case unless in writing and signed by the Deal Agent or the Collateral Agent at the direction of the Deal Agent, as applicable; *provided, however,* that no such amendment, waiver or modification shall affect the rights or obligations of any Hedge Counterparty or the Backup Servicer without the written agreement of such Person; and *provided, further,* that the Borrower shall provide the Backup Servicer with prior written notice of any amendment which is not required to be agreed to by the Backup Servicer. Any waiver of any provision hereof, and any consent to a departure by either the Borrower or Servicer from any of the terms of this Agreement, shall be effective only in the specific instance and for the specific purpose for which given.

Section 13.2. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telex communication and communication by facsimile copy or e-mail (if the recipient has provided an e-mail address)) and mailed, telexed, transmitted or delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof, or at such other address as shall be designated by such party in

a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by telex, when telexed against receipt of answer back, (c) notice by facsimile copy, when verbal communication of receipt is obtained or
(d) notice by e-mail, when electronic confirmation of receipt is obtained, except that notices and communications pursuant to Article XIII shall not be effective until received with respect to any notice sent by mail or telex.

Section 13.3. Ratable Payments. If any Secured Party, whether by setoff or otherwise, has payment made to it with respect to any portion of the Aggregate Unpaids owing to such Secured Party (other than payments received pursuant to Sections 2.10, 2.11, 10.1 or 10.2) in a greater proportion than that received by any other Secured Party, such Secured Party agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of the Aggregate Unpaids held by the other Secured Parties so that after such purchase each Secured Party will hold its ratable proportion of the Aggregate Unpaids; *provided*, *however*, that if all or any portion of such excess amount is thereafter recovered from such Secured Party, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 13.4. No Waiver; Remedies. No failure on the part of the Deal Agent, the Collateral Agent, the Backup Servicer, any Lender or any other Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 13.5. Binding Effect; Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Deal Agent, the Backup Servicer, the Collateral Agent, the Lenders, the other Secured Parties and their respective successors and permitted assigns and, in addition, the provisions of Sections 2.6(a)(i) and 2.6(a)(xii) shall inure to the benefit of each Hedge Counterparty, whether or not that Hedge Counterparty is a Secured Party.

Section 13.6. Term of this Agreement. This Agreement, including, without limitation, the Borrower's representations, warranties and covenants set forth in Articles IV and V, and the Servicer's representations, warranties and covenants set forth in Articles IV and V hereof, create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Collection Date; *provided*, *however*, that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower or Servicer pursuant to Articles IV and V and the indemnification and payment provisions of Article X and Article XI and the provisions of Section 13.10 and Section 13.11 shall be continuing and shall survive any termination of this Agreement.

Section 13.7. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY

AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH SECURED PARTY HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION
INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 13.8. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR
INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT
OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 13.9. Costs, Expenses and Taxes. (a) In addition to the rights of indemnification granted to the Deal Agent, the Backup Servicer, the Collateral Agent, the Lenders, the other Secured Parties and its or their respective Affiliates and officers, directors, employees and agents thereof under Article X hereof, the Borrower agrees to pay on demand all costs and expenses of the Deal Agent, the Backup Servicer, the Collateral Agent, the Lenders and the other Secured Parties incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), amendment or modification of, or any waiver or consent issued in connection with, this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Deal Agent, the Backup Servicer, the Collateral Agent, the Lenders and the other Secured Parties with respect thereto and with respect to advising the Deal Agent, the Backup Servicer, the Collateral Agent, the Lenders and the other Secured Parties as to their respective rights and remedies under this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Deal Agent, the Backup Servicer, the Collateral Agent, the Lenders or the other Secured Parties in connection with the enforcement of this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (including any Hedging Agreement).

(b) The Borrower shall pay on demand any and all stamp, sales, excise and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the other Transaction Documents, or the other documents to be delivered hereunder.

Section 13.10. No Proceedings. Each of the parties hereto and each Hedge Counterparty (by accepting the benefits of this Agreement) hereby agrees that it will not institute against, or join any other Person in instituting against the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day since the Collection Date.

Section 13.11. Recourse Against Certain Parties. No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of any Secured Party as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of such Secured Party or any incorporator, affiliate, stockholder, member, officer, employee or director of such Secured Party or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of such Secured Party contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of such Secured Party, and that no personal liability whatsoever shall attach to or be incurred by any administrator of such Secured Party or any incorporator, stockholder, member, affiliate, officer, employee or director of such Secured Party or of any such administrator, as such, or any other of them, under or by reason of any of the obligations, covenants or agreements of such Secured Party contained in this Agreement or in any other such instruments, documents or agreements, or that are implied therefrom, and that any and all personal liability of every such administrator of such Secured Party and each incorporator, stockholder, member, affiliate, officer, employee or director of such Secured Party or of any such administrator, or any of them, for breaches by such Secured Party of any such obligations, covenants or agreements, which liability may arise either at common law or in equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section 13.11 shall survive the termination of this Agreement.

Section 13.12. Protection of Right, Title and Interest in Assets; Further Action Evidencing each Funding. (a) Each of the Borrower and the Servicer shall cause this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Collateral Agent as agent for the Secured Parties and of the Secured Parties to the Collateral to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Collateral Agent as agent for the Secured Parties hereunder to all property comprising the Collateral. Each of the Borrower and the Servicer shall deliver to the Collateral Agent file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Borrower shall cooperate fully with the Servicer in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 13.12(a).

(b) Each of the Borrower and the Servicer agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that the Collateral Agent and the Lenders may reasonably request in order to perfect, protect or more fully evidence the Funding hereunder, or to enable the Collateral Agent or the other Secured Parties to exercise and enforce their rights and remedies hereunder or under any other Transaction Document.

(c) If the Borrower or the Servicer fails to perform any of its obligations hereunder, the Collateral Agent or any Secured Party may (but shall not be required to) perform, or cause

performance of, such obligation; and the Collateral Agent's or such Secured Party's costs and expenses incurred in connection therewith shall be payable by the Borrower (if the Servicer that fails to so perform is the Borrower or an Affiliate thereof) as provided in Article X, as applicable. The Borrower irrevocably authorizes the Collateral Agent and appoints the Collateral Agent as its attorney-in-fact to act on behalf of the Borrower (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Collateral Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Collateral and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Collateral Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Secured Parties in the Collateral. This appointment is coupled with an interest and is irrevocable.

(d) Without limiting the generality of the foregoing, the Borrower will, not earlier than six (6) months and not later than three (3) months prior to the fifth anniversary of the date of filing of the financing statement referred to in Section 3.1 or any other financing statement filed pursuant to this Agreement or in connection with the Fundings hereunder, unless the Collection Date shall have occurred, execute and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement.

(e) In addition to the foregoing, the Borrower will deliver or cause to be delivered to the Collateral Agent within 90 days after the beginning of each calendar year beginning with 2020, an opinion of the counsel for the Borrower, dated as of a date during such 90-day period, stating that, in the opinion of such counsel, the existing financing statement naming the Borrower as debtor and the Collateral Agent as secured party and any related continuation statement or amendment (the *"Financing Statement"*) will remain effective and no additional financing statements, continuation statements or amendments with respect to the Financing Statement (other than a continuation statement to be filed within the period that is six months prior to the expiration of the Financing Statement, as applicable) will be required to be filed from the date of such opinion through the date that is the one year anniversary of the date of such opinion to maintain the perfection of the security interest of the Collateral Agent as such lien otherwise exists on the date of such opinion. Such opinion of counsel shall (i) describe the filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to preserve and protect the interest of the Collateral Agent in the Collateral, until the 90th day in the following calendar year and (ii) specify any action necessary (as of the date of such opinion) to be taken in the following calendar year to preserve perfection of such interest.

Section 13.13. Confidentiality; Tax Treatment Disclosure. (a) Each of the Deal Agent, the Secured Parties, the Servicer, the Collateral Agent, each Lender, the Backup Servicer and the Borrower shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement and all information with respect to the other parties, including all information regarding the business of the Borrower and the Servicer hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, attorneys, investors, potential investors and the agents of such Persons (*"Excepted Persons"*), *provided, however,* that each

Excepted Person shall, as a condition to any such disclosure, agree for the benefit of the Secured Parties, the Servicer, the Deal Agent, the Collateral Agent, the Backup Servicer and the Borrower

that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of this Agreement, but not the financial terms hereof, (iii) disclose such information as is required by the Transaction Documents or Applicable Law and (iv) disclose this Agreement and such information in any suit, action, proceeding or investigation (whether at law or in equity or pursuant to arbitration) involving any of the Transaction Documents or any Hedging Agreement for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents or any Hedging Agreement. It is understood that the financial terms that may not be disclosed except in compliance with this Section 13.13(a) include, without limitation, all fees and other pricing terms, and all Termination Events, Servicer Termination Events, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, each of the Borrower and the Servicer hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Deal Agent, the Collateral Agent, the Backup Servicer or the Secured Parties by each other, or
(ii) by the Deal Agent or any Lender to any prospective or actual assignee or participant or to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, *provided* each such Person is informed of the confidential nature of such information. In addition, the Secured Parties, the Backup Servicer and the Deal Agent, may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known,
(ii) disclosure of any and all information (A) if required to do so by any applicable statute, law, rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any aspects of the Collateral Agent's, the Deal Agent's, any Lender's or the Backup Servicer's business or that of their respective affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Collateral Agent, the Deal Agent, any Lender or the Backup Servicer or an affiliate or an officer, director, employer or shareholder thereof is a party, (D) in any preliminary or final offering circular, registration statement or contract or other document pertaining to the transactions contemplated herein approved in advance by the Borrower or the Servicer or (E) to any affiliate, independent or internal auditor, agent, employee or attorney of the Collateral Agent, the Deal Agent, any Lender or the Backup Servicer having a need to know the same, *provided* that the Collateral Agent, the Deal Agent, such Lender or the Backup Servicer advises such recipient of the confidential nature of the information being disclosed, or (iii) any other disclosure authorized by the Transaction Documents or the Borrower or the Servicer.

(d) Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or

other tax analyses) that are provided to it relating to such tax treatment and tax structure; *provided, however,* that such disclosure may not be made to the extent required to be kept confidential to comply with any applicable federal or state securities laws; and *provided, further,* that (to the extent not inconsistent with the foregoing) such disclosure shall be made without disclosing the names or other identifying information of any party.

Section 13.14. Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement and any agreements or letters (including fee letters) executed in connection herewith contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than any fee letter delivered by the Originator to the Deal Agent or the Lenders.

Section 13.15. Patriot Act Compliance. Each of the Deal Agent, the Collateral Agent, each Lender and the Backup Servicer hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower, organizational documentation, director and member information, and other information that will allow each of the Deal Agent, the Collateral Agent, the Backup Servicer and the Lenders to identify the Borrower in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for each of the Deal Agent, the Collateral Agent, the Backup Servicer and the Lenders.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE BORROWER:

CAC WAREHOUSE FUNDING LLC VIII

By:____ Name:__ Title: __

CAC Warehouse Funding LLC VIII Silver Triangle Building
25505 West Twelve Mile Road Southfield, Michigan 48034-8339
Attention: Jeff Soutar
Facsimile No.: (877) 320-1576
Confirmation No.: (248) 353-2700 (ext. 5646)

THE SERVICER AND THE CUSTODIAN: CREDIT ACCEPTANCE CORPORATION

By:____ Name:__ Title: __

CAC Warehouse Funding LLC VIII Silver Triangle Building
25505 West Twelve Mile Road Southfield, Michigan 48034-8339
Attention: Jeff Soutar
Facsimile No.: (877) 320-1576
Confirmation No.: (248) 353-2700 (ext. 5646) [SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE COLLATERAL AGENT:

CITIZENS BANK, N.A.

By:____ Name:__ Title: __

Citizens Bank, N.A. 600 Washington Blvd
Stamford, CT 06901 Attention: Gordon Wong
Telephone No.: (203) 900-6681
gordon.wong@citizensbank.com

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE LENDERS:

CITIZENS BANK, N.A.

By:____ Name:__ Title: __

Citizens Bank, N.A
600 Washington Boulevard
Stamford, Connecticut 06901 Attention: Erik Priede
Telephone No.: (203) 900-6824
erik.priede@citizensbank.com

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE DEAL AGENT:

CITIZENS BANK, N.A.

By:____ Name:__ Title: __

Citizens Bank, N.A
600 Washington Boulevard
Stamford, Connecticut 06901 Attention: Gordon Wong
Telephone No.: (203) 900-6681
gordon.wong@citizensbank.com

THE BACKUP SERVICER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:____ Name:__ Title: __

Wells Fargo Bank, National Association MAC ~~N9300-061~~N9300-070
600 S. 4th Street
Minneapolis, Minnesota 55415 Attention: Corporate Trust Services – Asset-Backed Administration Facsimile No.: (612) 667-3464
Telephone No.: (612) 667-8058
Email: scott.j.olmsted@wellsfargo.com

EXHIBIT A

FORM OF FUNDING NOTICE

Reference is made to the Loan and Security Agreement, dated as of July 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the "*Agreement*"), by and among CAC Warehouse Funding LLC VIII, as borrower (in such capacity, the "*Borrower*"), Credit Acceptance Corporation, as servicer (in such capacity, the "*Servicer*"), Citizens Bank, N.A., as Deal Agent, Citizens Bank, N.A., as Collateral Agent, the Lenders party thereto, and Wells Fargo Bank, National Association, as the Backup Servicer. Terms defined in the Agreement, or incorporated therein by reference, are used herein as therein defined.

(A) *Funding Request.* The Borrower hereby requests a Funding pursuant to Section 2.1 and Section 2.3 of the Agreement.

(B) *Funding Information.* The Funding shall (a) take place on **[___]** and (b) be in an amount equal to $**[___]**. Such Funding shall consist of ~~Eurodollar~~Benchmark Loans.

(C) *Representations.* The Borrower hereby represents and warrants that (i) all conditions precedent to the Funding described in Article III of the Agreement have been satisfied and (ii) no Termination Event or Unmatured Termination Event shall have occurred. This Funding Notice has been made in accordance with the provisions of Section 2.1(a) of the Agreement.

(D) *Account Information*. Proceeds of the Funding should be transferred in same day funds to the following account:

Bank Name: [_____] ABA No.: **[___]**
Account No.: **[_____]** Account Name: **[_____]**
Reference: **[___]**

(E) *Irrevocable.* This Funding Notice shall be irrevocable except as set forth in Section 2.3(c) of the Agreement.

(F) *Governing Law.* This Funding Notice shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Funding Notice to be duly executed and delivered by its duly authorized officer as of the date first above written.

CAC WAREHOUSE FUNDING LLC VIII

By:____ Name:__ Title: __

EXHIBIT B

FORM OF MONTHLY REPORT

EXHIBIT C

RESERVED

EXHIBIT D

FORM OF OFFICER'S CERTIFICATE AS TO SOLVENCY

EXHIBIT E

FORM OF TAKE-OUT RELEASE

Reference is hereby made to the Loan and Security Agreement, dated as of July 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the *"Agreement"*), by and among CAC Warehouse Funding LLC VIII, as borrower (in such capacity, the *"Borrower"*), Credit Acceptance Corporation, as servicer (in such capacity, the *"Servicer"*), Citizens Bank, N.A., as deal agent (the *"Deal Agent"*), Citizens Bank, N.A., as Collateral Agent, the Lenders party thereto, and Wells Fargo Bank, National Association, as the Backup Servicer.

Capitalized terms not defined herein shall have the meaning given such terms in the Agreement.

Pursuant to Section 2.13(a) of the Agreement, the Borrower requests the Collateral Agent to release all of its right, title and interest, including any security interest and Lien, in and to the Loans and Related Security identified on Schedule 1 hereto (the *"Released Loans and the Related Security"*). The Take-Out Date is as of **[___]**.

Pursuant to Section 2.13(a)(ii) of the Agreement, the Servicer and the Borrower hereby certify that the Borrower will have sufficient funds on the Take-Out Date to effect the Take-Out in accordance with the Agreement.

Pursuant to Section 2.13(a)(iii) of the Agreement, the Servicer and the Borrower hereby certify that after giving effect to the Take-Out and the release to the Borrower of the Loans and Related Security on the Take-Out Date, (x) the representations and warranties contained in Article IV of the Agreement shall continue to be correct in all material respects, except to the extent relating to an earlier date, and (y) neither an Unmatured Termination Event nor a Termination Event has occurred.

Upon deposit in the Collection Account of $**[___]** in immediately available funds, the Collateral Agent hereby releases all of its right, title and interest, including any security interest and Lien, in and to:

(i) the Released Loans and the Related Security, all monies due or to become due with respect thereto, whether accounts, chattel paper, general intangibles or other property, and all monies or remittances on deposit in the Credit Acceptance Payment Account which constitute proceeds of such Released Loans and the Related Security;

(ii) the security interests in the Contracts granted by Obligors pursuant to the related Released Loans and the Related Security;

(iii) all of the Borrower's rights under (x) the Contribution Agreement and (y) each Dealer Agreement, in each case with respect to such Released Loans and the Related Security; and

(iv) the proceeds of any and all of the foregoing. [REMAINDER OF PAGE BLANK. SIGNATURE PAGE FOLLOWS.]

Executed as of___.

CREDIT ACCEPTANCE CORPORATION, AS THE SERVICER

By:____ Name:__ Title: __

CAC WAREHOUSE FUNDING LLC VIII, as the Borrower

By:____ Name:__ Title: __

CITIZENS BANK, N.A., as a Lender

By:____ Name:__ Title: __

By:____ Name:__ Title: __

CITIZENS BANK, N.A., as the Collateral Agent

By:____ Name:__ Title: __

CITIZENS BANK, N.A., as the Deal Agent

By:____ Name:__ Title: __

EXHIBIT F

FORM OF CONTRIBUTION AGREEMENT

EXHIBIT G
VARIABLE FUNDING NOTE NEW YORK, NEW YORK
JULY 26, 2019

FOR VALUE RECEIVED, the undersigned, CAC WAREHOUSE FUNDING LLC VIII, a Delaware limited liability company (the "*Borrower*"), promises to pay to **[LENDER]** (the "*Lender*") or its registered assigns, on the dates specified in the Loan and Security Agreement (as hereinafter defined), at the principal office of the Lender in **[City, State]**, in lawful money of the United States and in immediately available funds, the principal amount of up to **[AMOUNT]** DOLLARS ($**[___]**), or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to the Loan and Security Agreement, and to pay interest at such office, in like money, from the date hereof on the principal amount of each Revolving Loan from time to time outstanding at the rates and on the dates specified in the Loan and Security Agreement.

The Lender is authorized to record, on the schedules annexed hereto and made a part hereof or on other appropriate records of the Lender, the date and the amount of the Revolving Loans made by the Lender, each continuation thereof, the ~~funding period~~Interest Period for such Revolving Loans and the date and amount of each payment or prepayment of principal thereof. Any such recordation shall constitute *prima facie* evidence of the accuracy of the information so recorded; *provided* that the failure of the Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower hereunder, or under the Loan and Security Agreement in respect of the aggregate unpaid principal amount of all Revolving Loans made by the Lender.

This Variable Funding Note is the Note referred to in the Loan and Security Agreement, dated as of July [26], 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the "*Loan and Security Agreement*"), by and among CAC Warehouse Funding LLC VIII, as borrower (in such capacity, the "*Borrower*"), Credit Acceptance Corporation, as servicer (in such capacity, the "*Servicer*"), the Lender, the other Lenders party thereto, Citizens Bank, N.A., as deal agent (the "*Deal Agent*"), Citizens Bank, N.A., as collateral agent (in such capacity, the "*Collateral Agent*"), and Wells Fargo Bank, National Association, as the Backup Servicer, and is entitled to the benefits thereof. Capitalized terms used herein and not defined herein have the meanings given them in the Loan and Security Agreement.

This Variable Funding Note is subject to optional and mandatory prepayment as provided in the Loan and Security Agreement.

Upon the occurrence of a Termination Event, the Secured Parties shall have all of the remedies specified in the Loan and Security Agreement. The Borrower hereby waives presentment, demand, protest, and all notices of any kind.

THIS VARIABLE FUNDING NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

CAC WAREHOUSE FUNDING LLC VIII, as
Borrower

By:____ Name:__ Title: __

SCHEDULE 1 TO
VARIABLE FUNDING NOTE

PRINCIPAL OF THE REVOLVING LOANS	INTEREST ON THE REVOLVING LOANS	PREPAYMENT OF THE REVOLVING LOANS	NOTATION BY DATE

EXHIBIT H

FORM OF DEALER AGREEMENT

EXHIBIT I

FORMS OF CONTRACTS

EXHIBIT J

FORM OF PURCHASE AGREEMENT

EXHIBIT K-1

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement, dated as of July 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the *"Agreement"*), by and among CAC Warehouse Funding LLC VIII, as borrower (in such capacity, the *"Borrower"*), Credit Acceptance Corporation, as servicer (in such capacity, the *"Servicer"*), Citizens Bank, N.A., as deal agent (the *"Deal Agent"*), Citizens Bank, N.A., as Collateral Agent, the Lenders party thereto, and Wells Fargo Bank, National Association, as the Backup Servicer.

Pursuant to the provisions of Section 2.11 of the Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Deal Agent, the Collateral Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Deal Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Deal Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Agreement and used herein shall have the meanings given to them in the Agreement.

[NAME OF LENDER]

By:____ Name:__ Title: __
Date:__, 20[_]

EXHIBIT K-2

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement, dated as of July 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the *"Agreement"*), by and among CAC Warehouse Funding LLC VIII, as borrower (in such capacity, the *"Borrower"*), Credit Acceptance Corporation, as servicer (in such capacity, the *"Servicer"*), Citizens Bank, N.A., as deal agent (the *"Deal Agent"*), Citizens Bank, N.A., as Collateral Agent, the Lenders party thereto, and Wells Fargo Bank, National Association, as the Backup Servicer.

Pursuant to the provisions of Section 2.11 of the Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Agreement and used herein shall have the meanings given to them in the Agreement.

[NAME OF PARTICIPANT]

By:____ Name:__ Title: __
Date:___, 20[_]

EXHIBIT K-3

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement, dated as of July 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the *"Agreement"*), by and among CAC Warehouse Funding LLC VIII, as borrower (in such capacity, the *"Borrower"*), Credit Acceptance Corporation, as servicer (in such capacity, the *"Servicer"*), Citizens Bank, N.A., as deal agent (the *"Deal Agent"*), Citizens Bank, N.A., as Collateral Agent, the Lenders party thereto, and Wells Fargo Bank, National Association, as the Backup Servicer.

Pursuant to the provisions of Section 2.11 of the Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Agreement and used herein shall have the meanings given to them in the Agreement.

[NAME OF PARTICIPANT]

By:____ Name:__ Title: __
Date:___, 20[_]

EXHIBIT K-4

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement, dated as of July 26, 2019 (as amended, supplemented or otherwise modified and in effect from time to time, the *"Agreement"*), by and among CAC Warehouse Funding LLC VIII, as borrower (in such capacity, the *"Borrower"*), Credit Acceptance Corporation, as servicer (in such capacity, the *"Servicer"*), Citizens Bank, N.A., as deal agent (the *"Deal Agent"*), Citizens Bank, N.A., as Collateral Agent, the Lenders party thereto, and Wells Fargo Bank, National Association, as the Backup Servicer.

Pursuant to the provisions of Section 2.11 of the Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)), (iii) with respect to the extension of credit pursuant to this Agreement or any other Transaction Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Deal Agent, the Collateral Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Deal Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Deal Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Agreement and used herein shall have the meanings given to them in the Agreement.

[NAME OF LENDER]

By:____ Name:__ Title: __
Date:___, 20[_]

EXHIBIT L

FORM OF
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the *"Assignment and Assumption"*) is dated as of the Effective Date set forth below and is entered into by and between **[the][each]**[1] Assignor identified in item 1 below (**[the][each, an]** *"Assignor"*) and **[the][each]**[2] Assignee identified in item 2 below (**[the][each, an]** *"Assignee"*). **[It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]**[3] **hereunder are several and not joint.]**[4] Capitalized terms used but not defined herein shall have the meanings given to them in the Loan and Security Agreement identified below (as amended, the *"Agreement"*), receipt of a copy of which is hereby acknowledged by **[the][each]** Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, **[the][each]** Assignor hereby irrevocably sells and assigns to **[the Assignee][the respective Assignees]**, and **[the][each]** Assignee hereby irrevocably purchases and assumes from **[the Assignor][the respective Assignors]**, subject to and in accordance with the Standard Terms and Conditions and the Agreement, as of the Effective Date inserted by the Deal Agent as contemplated below (i) all of **[the Assignor's][the respective Assignors']** rights and obligations in **[its capacity as a Lender][their respective capacities as Lenders]** under the Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of **[the Assignor][the respective Assignors]** under the facility governed by the Agreement (including without limitation any guarantees included in such facility), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of **[the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)]** against any Person, whether known or unknown, arising under or in connection with the Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by **[the][any]** Assignor

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

to **[the][any]** Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as **[the][an]** *"Assigned Interest"*). Each such sale and assignment is without recourse to **[the][any]** Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by **[the][any]** Assignor.

1. Assignor**[s]**: ___

2. Assignee**[s]**: ___

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]

3. Borrower(s): CAC Warehouse Funding LLC VIII

4. Deal Agent: Citizens Bank, N.A., as the deal agent under the Agreement

5. Agreement: Loan and Security Agreement dated as of July 26, 2019 among the Borrower, Credit Acceptance Corporation, as Servicer, the Deal Agent, Citizens Bank, N.A., as Collateral Agent, the Lenders party thereto, and Wells Fargo Bank, National Association, as the Backup Servicer

6. Assigned Interest**[s]**:

ASSIGNOR**[s]**[5]	ASSIGNEE**[s]**[6]	AGGREGATE AMOUNT OF COMMITMENT/REVOLVING LOANS FOR ALL LENDERS[7]	AMOUNT OF COMMITMENT/REVOLVING LOANS ASSIGNED[8]	PERCENTAGE ASSIGNED OF COMMITMENT/ REVOLVING LOANS[9]
		$	$	%
		$	$	%
		$	$	%

5 List each Assignor, as appropriate.

6 List each Assignee, as appropriate.

7 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

8 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

9 Set forth, to at least 9 decimals, as a percentage of the Commitment/Revolving Loans of all Lenders thereunder.

[**7. Trade Date: ___]**[10]

Effective Date:___, 20__**[To be inserted by Deal Agent and which shall be the effective date of recordation of transfer in the register therefor.]**

The terms set forth in this Assignment and Assumption are hereby agreed to:

10 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

ASSIGNOR**[S]**[11]

[NAME OF ASSIGNOR]

By:____ Name:__ Title: __

[NAME OF ASSIGNOR]

By:____ Name:__ Title: __

ASSIGNEE**[S]**[12]

[NAME OF ASSIGNEE]

By:____ Name:__ Title:__ **[Address]**

[NAME OF ASSIGNEE]

By:____ Name:__ Title:__ **[Address]**

[Consented to and][13] Accepted:

11 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

12 Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

13 To be added only if the consent of the Deal Agent is required by the terms of the Agreement.

14 To be added only if the consent of the Borrower and/or other parties is required by the terms of the Agreement.

Citizens Bank, N.A., as Deal Agent

By:____ Name:__ Title: __

[Consented to:][14]

[NAME OF RELEVANT PARTY]

By:____ Name:__ Title: __

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

SECTION 1. REPRESENTATIONS AND WARRANTIES.

*Section 1.1. Assignor**[s]***. **[The][Each]** Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of **[the][the relevant]** Assigned Interest, (ii) **[the][such]** Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Agreement or any other Transaction Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Transaction Documents or any collateral thereunder, (iii) the financial condition of the Originator, the Borrower, the Servicer or any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Transaction Document, or (iv) the performance or observance by the Originator, the Borrower, the Servicer or any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Transaction Document.

*Section 1.2. Assignee**[s]***. **[The][Each]** Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Agreement, (ii) it meets all the requirements to be an assignee under the definition of "Eligible Assignee" and Section 12.1(a) of the Agreement (subject to such consents, if any, as may be required under the definition of "Eligible Assignee" and Section 12.1(a) of the Agreement),
(iii) from and after the Effective Date, it shall be bound by the provisions of the Agreement as a Lender thereunder and, to the extent of **[the][the relevant]** Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.1(k) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the][such]** Assigned Interest, (vi) it has, independently and without reliance upon the Deal Agent, the Assignor or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the][such]** Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Agreement, duly completed and executed by **[the][such]** Assignee; (b) agrees that (i) it will, independently and without reliance on the Deal Agent, **[the][any]** Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Transaction

Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Transaction Documents are required to be performed by it as a Lender; and (c) specifies as its address for notices the office set forth beneath its name on the signature pages hereof.

SECTION 2. PAYMENTS.

From and after the Effective Date, all payments in respect of **[the][each]** Assigned Interest (including payments of principal, interest, fees and other amounts) shall be made to **[the][the relevant]** Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor**[s]** and the Assignee**[s]** shall make all appropriate adjustments in payments for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date shall be made to **[the][the relevant]** Assignee.

SECTION 3. GENERAL PROVISIONS.

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT M

MEMORANDUM OF CREDIT ACCEPTANCE'S ADJUSTED ACCOUNTING POLICIES

SCHEDULE I

CONDITION PRECEDENT DOCUMENTS

CONDITION PRECEDENT DOCUMENTS	RESPONSIBLE PARTY
TRANSACTION DOCUMENTS	
Loan and Security Agreement	Skadden
Contribution Agreement	Skadden
Backup Servicing Agreement	
Fee Letter	
Amended and Restated Intercreditor Agreement	Skadden
Notes	Skadden
DOCUMENTS RELATING TO THE BORROWER	
Secretary's Certificate of the Borrower certifying and attaching the following items: - Resolutions of the Board of Directors - Certificate of Formation - Limited Liability Company Agreement - Incumbency	Borrower
Officer's Certificate of the Borrower certifying the matters set forth in Section 3.1 of the Loan and Security Agreement, and the Solvency Certificate described in Section 4.1(i) of the Loan and Security Agreement	Borrower
Good Standing Certificate issued by the Secretary of State of the State of Delaware with respect to Borrower	Borrower
Form UCC-1 financing statements naming the Borrower as debtor and the Collateral Agent, for the benefit of the Secured Parties, as secured party	Borrower
Form W-9 for Borrower	Borrower

CONDITION PRECEDENT DOCUMENTS	RESPONSIBLE PARTY
DOCUMENTS RELATING TO SERVICER	
Secretary's Certificate of the Servicer certifying and attaching the following items: - Resolutions of the Board of Directors - Certificate of Incorporation - Bylaws - Incumbency	Servicer
Officer's Certificate of the Servicer certifying that no Unmatured Termination Event, Termination Event, Servicer Termination Event or Potential Servicer Termination Event shall have occurred and the matters set forth in Section 3.1 of the Loan and Security Agreement	Servicer
Good Standing Certificate issued by the Secretary of State of the State of Michigan with respect to Servicer	Servicer
Form UCC-1 financing statements naming the Originator as the debtor/seller, the Borrower as the secured party/purchaser, and the Collateral Agent as Assignee	Servicer
Form W-9 for Servicer	Servicer
OPINIONS OF COUNSEL	
Opinion of Skadden as to true sale matters	Skadden
Opinion of Skadden covering non-consolidation matters	Skadden
Opinion of Skadden as to certain corporate matters	Skadden
Opinion of Skadden as to certain perfection and priority matters	Skadden
Opinion of Dykema as to Michigan UCC and corporate matters	Dykema
Opinion of counsel to the Backup Servicer as to certain corporate and enforceability matters	Wells Fargo in-house counsel
ADDITIONAL CLOSING DOCUMENTS/ACTIONS	Borrower
Funding Notice (N/A on Closing Date)	Skadden
UCC search results (i) for the Borrower in Delaware and (ii) for Credit Acceptance in Michigan	Servicer
Evidence that the Collection Account and the Reserve Account have been established	Borrower
Evidence that the Upfront Fee and any other fees or amounts due and payable on the Closing Date in accordance with the Fee Letter have been paid in full	
Evidence that the Reserve Account has been funded	Borrower
Evidence that a Hedging Agreement is in effect	

EXHIBIT 4.103

CONDITION PRECEDENT DOCUMENTS	RESPONSIBLE PARTY
Control Agreement with respect to the Collection Account and Reserve Account	Borrower

SCHEDULE II

CREDIT GUIDELINES AND COLLECTION GUIDELINES

[On File with Servicer]

SCHEDULE III

TRADENAMES, FICTITIOUS NAMES AND "DOING BUSINESS AS" NAME

None.

EXHIBIT 4.103

SCHEDULE IV

LOCATION OF RECORDS AND CONTRACT FILES

Credit Acceptance Corporation 25505 West Twelve Mile Road Southfield, MI 48034

SCHEDULE V

LIST OF LOANS, CONTRACTS, DEALER AGREEMENTS AND POOLS

SCHEDULE VI FORECASTED COLLECTIONS

SCHEDULE VII

COMMITMENTS AND APPLICABLE PERCENTAGES

NAME OF LENDER	COMMITMENT	APPLICABLE PERCENTAGE
CITIZENS BANK, N.A.	$200,000,000.00	100.000000000%
Total	$200,000,000.00	100.000000000%

SCHEDULE VIII WIRE INFORMATION

Citizens Bank, N.A., as a Lender:
Bank Name: Citizens Bank, N.A.
ABA/Routing No.: 011500120
Account Name: Commercial Loan Participation Account Account No.: 88076000157363
Attention: Nina O'Leary or Marnie McGee
Reference: (QQZ CAC WAREHOUSE FUNDING LLC VIII 01#)

Citizens Bank, N.A., as Deal Agent:
Bank Name: Citizens Bank, N.A.
ABA/Routing No.: 011500120
Account Name: Commercial Loan Participation Account Account No.: 88076000157363
Attention: Nina O'Leary or Marnie McGee
Reference: (QQZ CAC WAREHOUSE FUNDING LLC VIII 01#)

Citizens Bank, N.A., as Collateral Agent:
Bank Name: Citizens Bank, N.A.
ABA/Routing No.: 011500120
Account Name: Commercial Loan Participation Account Account No.: 88076000157363
Attention: Nina O'Leary or Marnie McGee
Reference: (QQZ CAC WAREHOUSE FUNDING LLC VIII 01#)

Credit Acceptance Corporation, as Servicer:
Bank Name: Comerica Bank
ABA/Routing No.: 072000096
Beneficiary Name: Credit Acceptance Corporation Account No.: 1076135068

Wells Fargo Bank, National Association, as Backup Servicer: Bank Name: Wells Fargo Bank, N.A.
ABA/Routing No.: 121000248
DDA No.: 1000031565
Swift Code: WFBIUS6S
Reference: Invoice #, Transaction Name, Attn: Kristi Walters

SEVENTH AMENDMENT TO LOAN AND SECURITY AGREEMENT

This SEVENTH AMENDMENT TO LOAN AND SECURITY AGREEMENT, dated as of July 28, 2022 (this "Amendment"), is entered into by and among CAC Warehouse Funding LLC V, a Delaware limited liability company (the "Borrower"), Credit Acceptance Corporation, a Michigan corporation ("Credit Acceptance", the "Originator", the "Servicer" or the "Custodian"), and Fifth Third Bank, National Association, as the lender (the "Lender"), as the deal agent (the "Deal Agent") and as the collateral agent (the "Collateral Agent").

Reference is hereby made to the Loan and Security Agreement, dated as of September 15, 2014 (as amended by the First Amendment thereto, dated as of June 11, 2015, the Second Amendment thereto, dated as of August 18, 2016, the Third Amendment thereto, dated as of August 15, 2018, the Fourth Amendment thereto, dated as of July 16, 2019, the Fifth Amendment thereto, dated as of December 16, 2020, and the Sixth Amendment thereto, dated as of March 22, 2021, the "Agreement"), among the Borrower, Credit Acceptance, the Lender, the Deal Agent, the Collateral Agent and Systems & Services Technologies, Inc., a Delaware corporation, as the backup servicer (the "Backup Servicer"). Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

W I T N E S S E T H :

WHEREAS, the Borrower, Credit Acceptance, the Lender, the Deal Agent, the Collateral Agent and the Backup Servicer have previously entered into and are currently party to the Agreement; and

WHEREAS, the Borrower, Credit Acceptance, the Lender, the Deal Agent and the Collateral Agent wish to amend the Agreement pursuant to Section 14.1 thereof in certain respects as provided herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. Amendments. Subject to the conditions to effectiveness set forth in Section 2 below, the Agreement is hereby amended by deleting the stricken text (indicated in the same manner as the following example: ~~stricken text~~) and adding the inserted text (indicated in the same manner as the following example: inserted text) as set forth on the pages of the Agreement attached as Exhibit A hereto.

SECTION 2. Conditions to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the conditions precedent that the Deal Agent shall have received executed counterparts from each party thereto of: (i) this Amendment and (ii) the Fifth Amended and Restated Fee Letter.

SECTION 3. Representations of the Borrower and Credit Acceptance. Each of the Borrower and Credit Acceptance hereby represents and warrants to the other parties hereto that as of the date hereof each of the representations and warranties contained in Article IV of the Agreement and in any other Transaction Document to which it is a party are true and correct as of

the date hereof and after giving effect to this Amendment (except to the extent that such representations and warranties relate solely to an earlier date, and then that they are true and correct as of such earlier date) and that no Termination Event has occurred and is continuing as of the date hereof and after giving effect to this Amendment.

SECTION 4. Agreement in Full Force and Effect. Except as expressly set forth herein, all terms and conditions of the Agreement shall remain in full force and effect. Reference to this specific Amendment need not be made in the Agreement, the Note or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 5. Execution in Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which so executed shall be deemed an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 7. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Amendment to Loan and Security Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

CAC WAREHOUSE FUNDING LLC V

By: /s/ Douglas W. Busk Name: Douglas W. Busk
Title: Chief Treasury Officer

CREDIT ACCEPTANCE CORPORATION

By: /s/ Douglas W. Busk Name: Douglas W. Busk
Title: Chief Treasury Officer

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as Lender, Deal Agent and Collateral Agent

By: /s/ Dylan James Name: Dylan James
Title: Officer

Exhibit A

[*see attached*]

Conformed Loan and Security Agreement through First Amendment, dated as of June 11, 2015 Second Amendment, dated as of August 18, 2016 Third Amendment, dated as of August 15, 2018 Fourth Amendment, dated as of July 16, 2019 Fifth Amendment, dated as of December 16, 2020 Sixth Amendment, dated as of March 22, 2021 Seventh Amendment, dated as of July 28, 2022

U.S. $125,000,000

LOAN AND SECURITY AGREEMENT

dated as of September 15, 2014 among

CAC WAREHOUSE FUNDING LLC V
as the Borrower

CREDIT ACCEPTANCE CORPORATION
as the Servicer and Custodian

FIFTH THIRD BANK, NATIONAL ASSOCIATION

as the Lender, the Deal Agent and the Collateral Agent and

SYSTEMS & SERVICES TECHNOLOGIES, INC.
as the Backup Servicer

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EXHIBITS

SCHEDULES

THIS LOAN AND SECURITY AGREEMENT (the "Agreement") is made as of September 15, 2014, among:

(1) CAC WAREHOUSE FUNDING LLC V, a Delaware limited liability company (the "Borrower");

(2) CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("Credit Acceptance", the "Originator", the "Servicer" or the "Custodian");

(3) FIFTH THIRD BANK, NATIONAL ASSOCIATION ("Fifth Third" or "Fifth Third Bank"), as the lender (the "Lender"), as deal agent ("Deal Agent") and as collateral agent (the "Collateral Agent"); and

(4) SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation (the "Backup Servicer").

IT IS AGREED as follows:

ARTICLE I DEFINITIONS

Section 1.1. Certain Defined Terms.

(a) Certain capitalized terms used throughout this Agreement are defined above or in this Section 1.1.

(b) As used in this Agreement and its schedules, exhibits and other attachments, unless the context requires a different meaning, the following terms shall have the following meanings:

Account Control Agreement: Each agreement, in form and substance satisfactory to the Collateral Agent, among the Borrower, the Collateral Agent and Fifth Third Bank, that provides the Collateral Agent with control within the meaning of the UCC over the Collection Account and the Reserve Account.

Accrual Period: For any Payment Date, the calendar month immediately preceding such Payment Date.

Addition Date: (a) With respect to any Dealer Loan, the date on which such Dealer Loan is contributed or otherwise transferred by Credit Acceptance to the Borrower pursuant to the Contribution Agreement and (b) with respect to any Purchased Loan, the date on which such Purchased Loan is contributed or otherwise transferred by Credit Acceptance to the Borrower pursuant to the Contribution Agreement.

Additional Amount: Defined in Section 2.14(a).

Additional Loans: All Loans that become part of the Collateral after the Initial Funding.

Additional Principal Payment Amount: With respect to any Payment Date during the Amortization Period, the lesser of: (i) Capital as of the immediately preceding Payment Date (after giving effect to all payments in reduction of principal on such Payment Date); and (ii) Collections remaining after distribution of amounts described in Section 2.7 (a)(i) through (v).

~~Adjusted LIBOR Rate: For any Accrual Period, an interest rate per annum equal to a fraction, expressed as a percentage and rounded upwards (if necessary), to the nearest 1/100 of 1%, (i) the numerator of which is equal to the LIBOR Rate for such Accrual Period and (ii) the denominator of which is equal to 100% minus the Eurodollar Reserve Percentage for such Accrual~~ Period.

Advance: As defined in Section 2.1.

Affected Party: Each of the Lender, any assignee or participant of the Lender, Fifth Third, any successor to Fifth Third as Deal Agent and any sub-agent of the Deal Agent.

Affiliate: With respect to a Person, means any other Person that, directly or indirectly, controls, is controlled by or under common control with such Person, or is a director or officer of such Person. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") when used with respect to any specified Person means the possession, direct or indirect, of the power to vote 5% or more of the voting securities of such Person or to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Agent's Account: An account at Fifth Third in the name of the Deal Agent or at such other account as may be designated by the Deal Agent from time to time.

Aggregate Outstanding Eligible Loan Balance: On any date of determination, the sum of the Outstanding Balances of all Eligible Loans on such day; provided, that, a Dealer Loan relating to a Dealer that, to the knowledge of the Servicer, has become insolvent after the sale of such Dealer Loan to the Borrower shall continue to constitute an "Eligible Dealer Loan" (assuming that such Dealer Loan would otherwise be an "Eligible Dealer Loan" on such date of determination if the applicable Dealer had not become insolvent) for purposes of calculating the "Aggregate Outstanding Eligible Loan Balance" so long as (i) the percentage of the aggregate Outstanding Balances of all Eligible Dealer Loans relating to Dealers who are insolvent does not exceed 2.5% of the Aggregate Outstanding Eligible Loan Balance and (ii) no bankruptcy court has entered an order (whether or not final), which order has not been vacated or overturned, stating that a person other than the Borrower (or the Servicer on the Borrower's behalf) is entitled to receive any collections on such Dealer Loan or the Contracts relating thereto.

Aggregate Unpaids: At any time, an amount, equal to the sum of all accrued and unpaid Capital, Interest, Breakage Costs, Hedge Breakage Costs, fees, indemnities and all other amounts owed by the Borrower hereunder, under any Hedging Agreement (including, without limitation, payments in respect of the termination of any such Hedging Agreement) or under any other Transaction Document or by the Borrower or any other Person under any fee letter (including, without limitation, the Fee Letter) delivered in connection with the transactions contemplated by this Agreement (whether due or accrued) and any unpaid fees due to the Backup Servicer, both

before and after the Assumption Date.

Amendment No. 6 Effective Date: March 22, 2021.

Amortization Event: The occurrence of any of the following events: (i) on any Payment Date, the Weighted Average Spread Rate is less than ~~25.0~~22.0%; (ii) a Reserve Advance is made, except if on the date of such Reserve Advance, the Capital is zero; (iii) Collections are less than 85.0% of Forecasted Collections for any two (2) consecutive Collection Periods; or (iv) the Commitment Termination Date.

Amortization Period: The period beginning on the earlier of (i) the occurrence of an Amortization Event, and (ii) the occurrence or declaration of the Termination Date, and ending on the Collection Date.

Applicable Law: For any Person, all existing and future applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including, without limitation, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, orders, or action of any Court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

Assignment and Acceptance: An assignment and acceptance entered into by the Lender and an Eligible Assignee, and accepted by the Deal Agent, in substantially the form of Exhibit B hereto.

Assumption Date: Defined in the Backup Servicing Agreement.

Authoritative Electronic Copy: With respect to any Contract stored in an electronic medium, the single electronic "authoritative copy" (within the meaning of Section 9-105 of the UCC) of such Contract (i) that constitutes the single authoritative copy of the record or records comprising the related chattel paper which is unique, identifiable and, except as otherwise provided in clauses (iv), (v) and (vi) below, unalterable, (ii) that identifies Credit Acceptance as the sole assignee thereof, (iii) that is communicated to and maintained by Credit Acceptance, (iv) copies or revisions to which that add or change an identified assignee thereof can only be made with the participation of Credit Acceptance, (v) for which any copy thereof is readily identifiable as a copy that is not the authoritative copy and (vi) for which any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

Available Funds: With respect to any Payment Date: (i) all amounts deposited in the Collection Account during the Collection Period (other than Dealer Collections and Repossession Expenses) that ended on the last day of the calendar month immediately preceding the calendar month in which such Payment Date occurs and investment earnings thereon; (ii) all Reserve Advances (which shall be applied in accordance with Section 2.7(c) hereof); (iii) all amounts paid by the Borrower pursuant to Section 4.5 hereof during or with respect to the prior Collection Period in respect of Ineligible Loans; (iv) amounts paid by the Borrower pursuant to Section 2.16 hereof; (v) all amounts paid under any Dealer Agreement; and (vi) any other funds on deposit in

the Collection Account on such date (other than Dealer Collections and Repossession Expenses).

Available Tenor: As of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of "Accrual Period" pursuant to Section 2.17(c).

Backup Servicer: SST.

Backup Servicing Agreement: The Backup Servicing Agreement dated as of the Closing Date, among the Borrower, the Servicer, the Backup Servicer, the Collateral Agent and the Deal Agent substantially in the form attached hereto as Exhibit L, as the same may be amended, restated, supplemented or otherwise modified from time to time.

Backup Servicing Fee: The fee payable by the Borrower to the Backup Servicer pursuant to the Backup Servicing Agreement and Section 7.3 hereof.

Bankruptcy Code: The United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

Base Rate: On any date, a fluctuating interest rate per annum equal to the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 2.0%, and (c) the Benchmark, provided that if the Base Rate as determined above shall ever be less than the Floor, then the Base Rate shall be deemed to be the Floor.

Base Rate Advance: Advances that accrue interest at a rate based on the Base Rate.

Benchmark: Initially, Term SOFR; provided that if a Benchmark Transition Event has occurred with respect to Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.17 hereof.

Benchmark Advance: Any Advance which bears interest at the Benchmark, other than pursuant to clause (c) of the definition of Base Rate.

Benchmark Replacement: means, with respect to any Benchmark Transition Event, the sum of: (i) the alternate benchmark rate that has been selected by the Deal Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment; provided that if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the

Floor for the purposes of this Agreement and the other Transaction Documents.

Benchmark Replacement Adjustment: With respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Deal Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

Benchmark Replacement Date: The earliest to occur of the following events with respect to the then-current Benchmark:

(A) in the case of clause (A) or (B) of the definition of "Benchmark Transition Event," the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(B) in the case of clause (C) of the definition of "Benchmark Transition Event," the first date on which all Available Tenors of such Benchmark (or the published component used in the calculation thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (C) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (A) or (B) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

Benchmark Transition Event: The occurrence of one or more of the following events with respect to the then-current Benchmark:

(A) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such

Benchmark (or such component thereof);

(B) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

Benchmark Unavailability Period: The period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.17 hereof and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.17 hereof.

Benefit Plan: Any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate of the Borrower is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

Borrower: CAC Warehouse Funding LLC V, a Delaware limited liability company. Borrowing Base: On any date of

determination, (a) the product of (i) the Aggregate

Outstanding Eligible Loan Balance and (ii) the Net Advance Rate, *minus* (b) the Overconcentration Loan Amount.

Breakage Costs: Any amount or amounts as shall compensate the Lender for any loss, cost or expense incurred by the Lender (as determined by the Lender in the Lender's sole discretion) as a result of a prepayment by the Borrower of Capital or Interest, the failure by the Borrower to draw or accept any requested funds on any applicable borrowing date, or the failure of any Payment Date with respect to any loan or advance hereunder to occur on the maturity date of the applicable

source of funds, the proceeds of which were used to fund or maintain such loan or advance (or portion thereof).

Business Day: Any day other than a Saturday or a Sunday on which ~~(a)~~ banks are not required or authorized to be closed in New York City, New York, Delaware, Cincinnati, Ohio, Detroit, Michigan, or if the Backup Servicer becomes the Servicer, Missouri~~, and (b) if the term "Business Day" is used in connection with the determination of the LIBOR Rate, dealings in United States dollar deposits are carried on in the London interbank market~~.

Capital: The amounts advanced to the Borrower by the Lender pursuant to Section 2.1(a) and Section 2.3, reduced from time to time by Collections distributed on account of such Capital pursuant to Section 2.7 or as a result of a Take-Out pursuant to Section 2.8; provided, however, if such Capital shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Capital shall be increased by the amount of such rescinded or returned distribution, as though it had not been made.

Capped Servicing Fee: With respect to any Collection Period when the Backup Servicer has become the Servicer, the greater of (x) an amount equal to the product of (i) 10.00% and (ii) Collections received during such Collection Period (exclusive of amounts received under any Hedging Agreement) and (y) $5,000.

Carrying Costs: With respect to any Payment Date, the sum of amounts payable under Section 2.7(a)(iv)(A)-(C).

CECL Methodology: The current expected credit losses methodology for credit losses accounting under GAAP established under ASU 2016-13.

Certificate of Title: With regard to each Financed Vehicle (i) the original certificate of title relating thereto, or copies of correspondence and application made in accordance with applicable law to the appropriate state title registration agency, and all enclosures thereto, for issuance of its original certificate of title or (ii) if the appropriate state title registration agency issues a letter or other form of evidence of Lien (whether in paper or electronic) in lieu of a certificate of title, the original lien entry letter or form or copies of correspondence and application made in accordance with applicable law to such state title registration agency, and all enclosures thereto, for issuance of the original lien entry letter or form.

Change-in-Control: Any of the following:

(c) the creation or imposition of any Lien on any shares of membership interest of the Borrower;

(d) the failure by Originator to own all of the issued and outstanding membership interest of the Borrower.

Closed Pool: With respect to any Dealer Loan, a Pool as to which, pursuant to the terms of the related Dealer Agreement, no additional Dealer Loan Contracts may be allocated.

Closing Date: September 15, 2014.

Code: The United States Internal Revenue Code of 1986, as amended from time to time. Collateral: Defined in Section 2.2(a).
Collateral Agent: Fifth Third and its successors and permitted assigns.

Collection Account: The account number xxxxxx8097 in the name of the Borrower at Fifth Third Bank, subject to an Account Control Agreement and established pursuant to Section 6.7(a).

Collection Date: The date following the Termination Date on which the Aggregate Unpaids have been reduced to zero and indefeasibly paid in full.

Collection Guidelines: With respect to Credit Acceptance, the policies of the Servicer, relating to the collection of amounts due on contracts for the sale of automobiles and/or light-duty trucks, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents, and with respect to the Backup Servicer, as Successor Servicer, the servicing policies set forth in the Backup Servicing Agreement.

Collection Period: Each calendar month, except in the case of the first Collection Period, the period beginning on the Cut-Off Date to and including the last day of the calendar month in which the Funding Date occurs.

Collections: All payments (including recoveries, credit-related insurance proceeds and proceeds of Related Security and so long as Credit Acceptance is the Servicer, excluding certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements) received by the Servicer, Credit Acceptance, the Borrower or any Successor Servicer on or after the Cut-Off Date in respect of the Loans in the form of cash, checks, wire transfers or other form of payment in accordance with the Loans and the Dealer Agreements and all net amounts received under any Hedging Agreement.

Commitment: The commitment of the Lender to make Advances to the Borrower in an amount not to exceed the amount set forth on Schedule VIII to this Agreement.

Commitment Termination Date: December 18, 2023, or such later date to which the Commitment Termination Date may be extended if agreed in writing among the Borrower, the Deal Agent and the Lender.

Conforming Changes: With respect to either the use or administration of Term or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day", the definition of "Accrual Period" or any similar or analogous definition (or the addition of a concept of "interest period"), the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Breakage Costs, and other technical, administrative or operational matters) that the Deal Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration

thereof by the Deal Agent in a manner substantially consistent with market practice (or, if the Deal Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Deal Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Deal Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

Contract: Any Dealer Loan Contract or Purchased Loan Contract.

Contract Files: With respect to each Contract, the fully executed original counterpart of such Contract or, in the case of any Contract constituting electronic chattel paper, the Authoritative Electronic Copy of the Contract (in each case, for UCC purposes), either a copy of the application to the appropriate state authorities for a Certificate of Title with respect to the related financed vehicle or a standard assurance in the form commonly used in the industry relating to the provision of a Certificate of Title or other evidence of lien, all original or electronic instruments modifying the terms and conditions of such Contract and the original or electronic endorsements or assignments of such Contract.

Contractual Obligation: With respect to any Person, means any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or is subject.

Contribution Agreement: The Contribution Agreement, dated as of the Closing Date, substantially in the form of Exhibit H hereto, between Credit Acceptance and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

Credit Acceptance: Credit Acceptance Corporation, a Michigan corporation, and its successors and permitted assigns.

Credit Acceptance Payment Account: The clearinghouse account number xxxxxx5068 maintained by Credit Acceptance at Comerica Bank, or if the Backup Servicer has become the Successor Servicer or a Successor Servicer has been appointed hereunder, such other account specified by the Deal Agent, where payments received in respect of all loans and contracts are deposited or paid.

Credit Agreement: That certain Sixth Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 23, 2014, with Comerica Bank, as administrative agent and collateral agent, Credit Acceptance, as borrower, and the banks signatory, as amended, supplemented or otherwise modified from time to time.

Credit Guidelines: The policies of Credit Acceptance, relating to the extension of credit to automobile and light-duty truck dealers and consumers in respect of retail installment contracts for the sale of automobiles and/or light-duty trucks, including, without limitation, the policies for determining the creditworthiness of such dealers and consumers and, relating to this extension of credit to such dealers and consumers, the maintenance of installment sale contracts, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents.

Custodian: Credit Acceptance, or any person appointed as Custodian pursuant to Section 6.2(d).

Cut-Off Date: With respect to the Loans and related collateral purchased by the Borrower on each Payment Date during the Revolving Period, the close of business on the last day of the immediately preceding Collection Period.

on each Payment Date during the Revolving Period, the close of business on the last day of the immediately preceding Collection Period.

Date of Processing: With respect to any transaction relating to a Loan or a Contract, the date on which such transaction is first recorded on the Servicer's master servicing file (without regard to the effective date of such recordation).

Deal Agent: Defined in the preamble of the Agreement.

Dealer: Any new or used automobile and/or light-duty truck dealer who has entered into a Dealer Agreement or a Purchase Agreement with Credit Acceptance.

Dealer Agreement: Each agreement between Credit Acceptance and any Dealer, in substantially the form attached hereto as Exhibit J.

Dealer Collections: Defined in Section 2.9(d).

Dealer Collections Purchase: Defined in Section 6.15(a).

Dealer Collections Purchase Agreement: Defined in Section 6.15(a). Dealer Collections Purchase Price: Defined in Section 6.15(b).

Dealer Concentration Limit: With respect to any Dealer, an amount equal to, in the case of Dealer Loans made to such Dealer, 4.0% of the aggregate Outstanding Balance of all Dealer Loans included in the Collateral, as of the end of the immediately preceding Collection Period .

Dealer Loan: All amounts advanced by Credit Acceptance under a Dealer Agreement and payable from Collections, including servicing charges, insurance charges and service policies and all related finance charges, late charges, and all other fees and charges; provided, however, that the term "Dealer Loan" shall, for the purposes of this Agreement, include only those Dealer Loans identified from time to time on Schedule V hereto, as amended from time to time in accordance herewith, and/or any Funding Notice.

Dealer Loan Contract: Each retail installment sales contract, in substantially one of the forms attached hereto as Exhibit K, relating to the sale of a used automobile or light-duty truck originated by a Dealer and in which Credit Acceptance shall have been granted a security interest and shall have acquired certain other rights under a related Dealer Agreement to secure the related dealer's obligation to repay one or more related Dealer Loans.

Defaulted Contract: A Contract shall be deemed a Defaulted Contract no later than the earlier of (i) the day it becomes 90 days delinquent, based on the date the last payment thereon was received by the Servicer and (ii) the day on which an auction check is posted to the relevant account.

Derivatives: Any exchange-traded or over-the-counter (i) forward, future, option, swap, cap, collar, floor or foreign exchange contract or any combination thereof, whether for physical delivery or cash settlement, relating to any interest rate, interest rate index, currency, currency exchange rate, currency exchange rate index, debt instrument, debt price, debt index, depository instrument, depository price, depository index, equity instrument, equity price, equity index, commodity, commodity price or commodity index, (ii) any similar transaction, contract, instrument, undertaking or security, or (iii) any transaction, contract, instrument, undertaking or security containing any of the foregoing.

Determination Date: The fourth (4_{th}) Business Day prior to the related Payment Date.

Effective Date: The date this Loan and Security Agreement becomes effective, which shall be the Closing Date.

Eligible Assignee: (a) an Affiliate of the Lender; (b) any Person (other than a natural person) that is engaged in the business of making, purchasing, holding or otherwise investing in commercial revolving loans in the ordinary course of its business, provided that such Person is administered or managed by the Lender, an Affiliate of the Lender or an entity or Affiliate of an entity that administers or manages the Lender; or (c) any other Person (other than a natural person) approved by the (i) Deal Agent and (ii) unless a Termination Event has occurred and is continuing or such assignment is to any Federal Reserve Bank, the Borrower (each such approval not to be unreasonably withheld, delayed or conditioned); provided that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower, or any of the Borrower's Affiliates or Subsidiaries.

Eligible Contract: Each Eligible Dealer Loan Contract and each Eligible Purchased Loan Contract.

Eligible Dealer Agreement: Each Dealer Agreement:

(a) which was originated by the Originator in material compliance with all applicable requirements of law and which complies in all material respects with all applicable requirements of law;

(b) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower, Credit Acceptance or by the Servicer in connection with the origination of such Dealer Agreement or the execution, delivery and performance by the Borrower, Credit Acceptance or by the Servicer of such Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(c) (i) as to which at the time of the transfer of rights thereunder to the Collateral Agent and the Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens, and (ii) which does not contain any terms which would (or purport to) limit or restrict any of the transfers or assignments contemplated by the Transaction Documents (including, without limitation, transfer by the Originator to the

Borrower and the collateral assignment by the Borrower to the Collateral Agent);

(d) the Borrower's rights under which have been the subject of a valid grant by the Borrower of a first priority perfected security interest in such rights and in the proceeds thereof in favor of the Collateral Agent;

(e) which will at all times be the legal, valid and binding obligation of the Dealer party thereto (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Dealer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(f) which constitutes either a "general intangible" or "tangible chattel paper" under and as defined in Article 9 of the UCC;

(g) which, at the time of the pledge of the rights to payment thereunder to the Collateral Agent and the Secured Parties, no right to payment thereunder has been waived or modified;

(h) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(i) as to which Credit Acceptance and the Borrower have satisfied in all material respects all obligations to be fulfilled at the time the rights to payment thereunder are pledged to the Collateral Agent and the Secured Parties;

(j) as to which the related Dealer has not asserted that such agreement is void or unenforceable in any legal proceedings not being contested in good faith;

(k) as to which the related Dealer is not known to be bankrupt or insolvent;

(l) as to which the related Dealer is not an Affiliate of or an executive of Credit Acceptance or an Affiliate of Credit Acceptance;

(m) as to which the related Dealer is located in the United States; and

(n) as to which none of Credit Acceptance, the Servicer or the Borrower has done anything, at the time of its pledge to the Collateral Agent and the other Secured Parties, to impair the rights of the Collateral Agent and the other Secured Parties therein.

Eligible Dealer Loan Contract: Each Dealer Loan Contract which at the time of its pledge by the applicable Dealer to the Originator, satisfied the requirements for "Qualifying Receivable" set forth in the related Dealer Agreement.

Eligible Dealer Loans: Each Dealer Loan, at the time of its transfer to the Borrower under the Contribution Agreement (or such other times as specifically provided for below):

(a) which has arisen under a Dealer Agreement that, on the day the Dealer Loan was created, qualified as an Eligible Dealer Agreement;

(b) which was created in material compliance with all applicable requirements of law and pursuant to an Eligible Dealer Agreement which complies in all material respects with all applicable requirements of law;

(c) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower or Originator, in connection with the creation of such Dealer Loan or the execution, delivery and performance by the Borrower or Originator, of the related Eligible Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(d) as to which at the time of the pledge of such Dealer Loan to the Collateral Agent and the Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens;

(e) as to which a valid first priority perfected ownership interest in such Dealer Loan, related security and in the Proceeds thereof has been sold or contributed by the Originator to the Borrower and a valid first priority perfected security interest in such Dealer Loan has been granted by the Borrower in favor of the Collateral Agent;

(f) which will at all times be the legal, valid and binding payment obligation of the related Dealer thereof (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Dealer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which constitutes a "general intangible" under and as defined in Article 9 of the UCC as in effect in the relevant State;

(h) which is denominated and payable in United States dollars;

(i) which, at the time of its pledge to the Collateral Agent and the Secured Parties, has not been waived or modified;

(j) which is not subject to any right of rescission (subject to the rights of the related Dealer to repay the outstanding balance of the Dealer Loan and terminate the related Dealer Agreement), setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors'

rights in general;

(k) as to which Credit Acceptance and the Borrower have satisfied all material obligations to be fulfilled at the time it is pledged to the Collateral Agent and the Secured Parties;

(l) as to which the related Dealer has not asserted that the related Dealer Agreement is void or unenforceable in any legal proceeding not being contested in good faith;

(m) as to which the related Dealer is not known to be bankrupt or insolvent;

(n) as to which none of Credit Acceptance, the Servicer or the Borrower has done anything, other than actions permitted under the Collection Guidelines, to impair the rights of the Collateral Agent and the other Secured Parties;

(o) the proceeds of which were used to finance the purchases of new or used automobiles and/or light-duty trucks and related products;

(p) if any Dealer Loan Contract securing such Dealer Loan is an electronic contract, such electronic contract constitutes "electronic chattel paper" and there is only a single "authoritative copy" (as such terms are used in Section 9-105 of the UCC) of such electronic contract and such "authoritative copy" constitutes an Authoritative Electronic Copy; and

(q) as to which, on the day the Dealer Loan was created, the related Dealer was not listed on the OFAC SDN List.

Eligible Hedge Transaction: Each Hedge Transaction governed by an Eligible Hedging Agreement.

Eligible Hedging Agreement: Any of the following: (i) that certain ISDA Master Agreement and the Schedule thereto, each dated as of May 27, 2014, and entered into between the Borrower and Fifth Third, as amended, supplemented or otherwise modified and in effect from time to time with the written consent of the Deal Agent, or (ii) any other Hedging Agreement approved by the Deal Agent in writing with respect to a Hedge Transaction.

Eligible Loans: The Eligible Dealer Loans and Eligible Purchased Loans.

Eligible Purchased Loan Contract: Each Purchased Loan Contract which at the time of its purchase from the applicable Dealer by the Originator, evidenced an Eligible Purchased Loan.

Eligible Purchased Loans: Each Purchased Loan at the time of its transfer to the Borrower under the Contribution Agreement:

(a) which has been originated in the United States by a Dealer for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business and is evidenced by a fully and properly executed Purchased Loan Contract of which there is only one original

executed copy (or, if such Purchased Loan Contract is an electronic contract, there is only a single "authoritative copy" (as such term is used in Section 9-105 of the UCC) of such electronic contract and such "authoritative copy" constitutes an Authoritative Electronic Copy);

(b) which creates a valid, subsisting, and enforceable first priority security interest for the benefit of the Originator in the Financed Vehicle, which security interest has been, in turn, assigned by the Originator to the Borrower, and by the Borrower to the Collateral Agent;

(c) which contains customary and enforceable provisions such that the rights and remedies of the holder thereof shall be adequate for realization against the collateral of the benefits of the security;

(d) which provides for, in the event that such Purchased Loan is prepaid in full, a prepayment that fully pays the Outstanding Balance of such Purchased Loan (net of all rebates for the unused portion of any ancillary products and net of all unearned finance charges);

(e) which was created in material compliance with all applicable requirements of law;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(h) the Obligor thereon is not the United States, any State or any agency, department, or instrumentality of the United States or any State;

(i) the Obligor thereon is a natural person;

(j) with respect to which, to the best of the Originator's knowledge, no liens or claims have been filed for work, labor, materials, taxes or liens that arise out of operation of law relating to the applicable Financed Vehicle that are prior to, or equal with, the security interest in the Financed Vehicle granted by the related Purchased Loan Contract;

(k) with respect to which, to the best of the Originator's knowledge, there was no material misrepresentation by the Obligor thereon on such Obligor's credit application;

(l) which has not been originated in, and is not subject to the laws of, any

jurisdiction under which the sale, transfer and assignment of such Purchased Loan under this Agreement or pursuant to the transfer of the related Purchased Loan Contract shall be unlawful, void or voidable;

(m) which (i) constitutes either "tangible chattel paper," "electronic chattel paper" or a "payment intangible," as such terms are defined in the UCC in the relevant State (ii) if "tangible chattel paper," shall be maintained in its original "tangible" form, unless the Collateral Agent has consented in writing to such chattel paper being maintained in another form or medium, and (iii) if "electronic chattel paper," there is only a single "authoritative copy" (as such term is used in Section 9-105 of the UCC) and such "authoritative copy" constitutes an Authoritative Electronic Copy;

(n) which is payable in U.S. Dollars and the Obligor thereon is an individual who is a United States resident and who is not listed on the OFAC SDN List;

(o) which satisfies in all material respects the requirements under the Credit Guidelines;

(p) with respect to which the collection practices used with respect thereto have complied in all material respects with the Collection Guidelines;

(q) with respect to which there are no proceedings pending, or to the best of the Originator's knowledge, threatened, wherein the Obligor thereon or any governmental agency has alleged that such Purchased Loan is illegal or unenforceable;

(r) with respect to which the Originator has duly fulfilled all material obligations to be fulfilled on the lender's part under or in connection with the origination, acquisition and assignment of such Purchased Loan, including, without limitation, giving any notices or consents necessary to effect the acquisition of such Purchased Loan by the Borrower, and has done nothing to materially impair the rights of the Borrower, or the Secured Parties in payments with respect thereto;

(s) which was purchased by the Originator from a Dealer pursuant to a Purchase Agreement;

(t) with respect to which the Dealer from whom the Originator purchased such Purchased Loan has not engaged in any conduct constituting fraud or misrepresentation with respect to such Purchased Loan to the best of the Originator's knowledge;

(u) with respect to which, at the time such Purchased Loan was originated the proceeds thereof were fully disbursed and there is no requirement for future advances thereunder, and all fees and expenses in connection with the origination of such Purchased Loan have been paid;

(v) with respect to which Credit Acceptance holds the Certificate of Title as of the date on which the related Purchased Loan Contract is transferred to the Borrower and will obtain within 180 days of such date (i) the original certificate of title or (ii) the original lien entry letter or form or copies of correspondence and all enclosures thereto for issuance

of the original lien entry letter or form with respect to such Financed Vehicle, in each case, as to which Credit Acceptance holds only an application; and

(x) with respect to which the related Purchased Loan Contract has not been extended or rewritten and is not subject to any forbearance, or any other modified payment plan other than in accordance with the Credit Guidelines or the Collection Guidelines or as required by Applicable Law.

ERISA: The United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

ERISA Affiliate: (a) Any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in clause (a) above or any trade or business described in clause (b) above.

~~Eurocurrency Liabilities: Defined in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.~~

~~Eurodollar Reserve Percentage: Of any Reference Bank for any period, for Capital means the percentage applicable during such period (or, if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Reference Bank with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term of one month.~~

Excess Reserve Amount: With respect to any Payment Date, the excess, if any, of the amount on deposit in the Reserve Account over the Required Reserve Account Amount.

Excluded Dealer Agreement Rights: With respect to any Dealer Agreement, the rights of Credit Acceptance thereunder related to loans made to the related Dealer which are not Dealer Loans pledged by the Borrower to the Collateral Agent hereunder, including rights of set-off and rights of indemnification, related to such loans.

Facility Fee: As defined in the Fee Letter.

Facility Limit: $125,000,000; or as such amount may vary from time to time upon the written agreement of the Borrower, Credit Acceptance, the Deal Agent, and the Lender.

Federal Funds Rate: For any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the federal funds rates as quoted by Fifth Third and confirmed in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by Fifth Third (or, if such day is not a Business Day, for the next preceding Business Day), or, if, for any reason, such rate is not available on any day, the rate

determined, in the sole opinion of Fifth Third, to be the rate at which federal funds are being offered for sale in the national federal funds market at 9:00 a.m. Cincinnati, Ohio time.

Fee Letter: The Fourth Amended and Restated Fee Letter, dated as of the Fifth Amendment Effective Date, between Fifth Third and the Borrower, as any such letter may be further amended, modified, supplemented, restated or replaced from time to time.

Fifth Amendment Effective Date: December 16, 2020. Fifth Third: As defined in the Preamble hereto.

Final Score: Means the final output from the Originator's proprietary credit scoring process, which, when divided by 1,000, represents the Originator's expectations of the ultimate collection rate on a contract at inception.

Financed Vehicle: With respect to a Contract, any new or used automobile, light-duty truck, minivan or sport utility vehicle, together with all accessories thereto, securing the related Obligor's indebtedness thereunder.

Floor: The rate per annum of interest equal to 0.00%.

Forecasted Collections: The expected amount of Collections to be received with respect to the Aggregate Outstanding Eligible Loan Balance each month as determined by Credit Acceptance in accordance with its forecasting model, which amount shall be submitted to the Deal Agent in a report (x) delivered on or prior to any Funding Date with respect to an Advance when new Pools or Purchased Loans are pledged to the Collateral Agent pursuant to Section 3.2(e) and (y) certified by a Responsible Officer of the Servicer.

Funding: An Advance by the Lender pursuant to Section 2.1 and Section 2.3 hereof.

Funding Date: With respect to the Initial Funding and any Incremental Funding, the date determined in accordance with Section 2.3.

Funding Notice: The notice, in the form of Exhibit A hereto, delivered in accordance with Section 2.3 hereof.

GAAP: Generally accepted accounting principles as in effect from time to time in the United States.

Governmental Authority: Any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person, and any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

H.15: Federal Reserve Statistical Release H.15.

Hedge Breakage Costs: For any Hedging Agreement, any amount payable by the Borrower for the early termination of such Hedging Agreement or any portion thereof.

Hedge Costs: For any Hedging Agreement, any amount payable by the Borrower with respect thereto, including any swap payments, any breakage payments, any termination payments, any notional reduction payments and any other amounts due to the Hedge Counterparty.

Hedge Counterparty: (I) Any entity that (a) on the date of entering into any Hedge Transaction (i) is an interest rate swap dealer that is either the Lender or an Affiliate of the Lender, or has been approved in writing by the Deal Agent (which approval shall be in the sole discretion of the Deal Agent), and (ii) unless otherwise agreed to by the Deal Agent, has a long-term unsecured debt rating of not less than "A" by S&P and not less than "A2" by Moody's ("Long-term Rating Requirement") and a short-term unsecured debt rating of not less than "A-1" by S&P and not less than "P-1" by Moody's ("Short-term Rating Requirement"), and (b) in a Hedging Agreement (i) consents to the assignment of the Borrower's rights under the Hedging Agreement to the Deal Agent pursuant to Section 2.2(a) and (ii) agrees that in the event that Moody's or S&P reduces its long-term unsecured debt rating below the Long-term Rating Requirement, or reduces its short-term unsecured debt rating below the Short-term Rating Requirement, it shall transfer its rights and obligations under each Hedging Agreement to another entity that meets the requirements of clause (a) and (b) hereof and has entered into a Hedging Agreement with the Borrower on or prior to the date of such transfer, or (II) any entity that (a) on the date of entering into any Hedge Transaction (i) is a bank signatory to the Credit Agreement and
(ii) unless otherwise agreed to by the Deal Agent, has a short- and long-term unsecured debt rating of not less than investment grade by S&P and by Moody's, and (b) in a Hedging Agreement (i) consents to the assignment of the Borrower's rights under the Hedging Agreement to the Deal Agent pursuant to Section 2.2(a) (except in the case of an interest rate cap where such consent is not required) and (ii) agrees that in the event that it no longer has a short- and long-term unsecured debt rating of not less than investment grade by S&P and by Moody's, it shall transfer its rights and obligations under each Hedging Agreement to another entity that meets the requirements of clauses (I)(a) and (I)(b) or clauses (II)(a) and (II)(b) hereof and has entered into a Hedging Agreement with the Borrower on or prior to the date of such transfer (except in the case of an interest rate cap where such transfer is not required).

Hedge Transaction: Each interest rate swap, interest rate cap or other interest rate protection transaction between the Borrower and a Hedge Counterparty that is entered into pursuant to Section 5.3 hereof and is governed by a Hedging Agreement.

Hedging Agreement: Each agreement between the Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into pursuant to Section 5.3 hereof, and each "Confirmation" thereunder confirming the specific terms of each such Hedge Transaction.

Increased Costs: Any amounts required to be paid by the Borrower to an Affected Party pursuant to Section 2.13.

Incremental Funding: Any Advance made after the Initial Funding.

Independent Director: Defined in Section 5.2(o)(xxvii).

Ineligible Contract: Each Contract other than an Eligible Contract.

Ineligible Loan: Each Loan other than an Eligible Loan.

Indebtedness: With respect to any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument, (b) all obligations of such Person under leases that shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (e) all indebtedness, obligations or liabilities of that Person in respect of Derivatives, and (f) obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clauses (a) through (e) above.

Indemnified Amounts: Defined in Section 11.1(a).

Indemnified Parties: Defined in Section 11.1(a).

Initial Facility Limit: $75,000,000.

Initial Funding: Defined in Section 2.3(a).

Insolvency Event: With respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

Insolvency Laws: The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

Insolvency Proceeding: Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

Instrument: Any "instrument" (as defined in Article 9 of the UCC), other than an instrument that constitutes part of chattel paper.

Interest: With respect to the Lender and the Capital, with respect to any Accrual Period, the sum of the products (for each day during such Accrual Period) of:

$$IR \times C \times \frac{1}{360}$$

where:

C = the outstanding principal amount of the Advance of the Lender; and

IR = the Interest Rate for the Lender applicable on such day;

provided, however, that (i) no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by Applicable Law and (ii) Interest shall not be considered paid by any distribution if at any time such distribution is rescinded or must otherwise be returned for any reason.

Interest Cap: With respect to the Lender and the Capital, with respect to any Accrual Period, the amount of Interest payable for such Accrual Period determined based on an Interest Rate for each day during such Accrual Period equal to the ~~Adjusted LIBOR Rate~~Benchmark plus 0.10%.

Interest Cap Carryover: With respect to the Lender and any Accrual Period, an amount equal to the sum of (a) the positive excess if any of (i) Interest payable on such Payment Date to the Lender without giving effect to the Interest Cap, over (ii) the amount of Interest actually paid on such Payment Date to the Lender pursuant to clause fourth of Section 2.7(a), plus (b) any previously unpaid Interest Cap Carryover with respect to the Lender.

Interest Rate: For each day during any Accrual Period and for the aggregate principal amount of the Advance allocated to such Accrual Period:

(e) before the occurrence of a Termination Event, the ~~Adjusted LIBOR Rate~~Benchmark except to the extent that (i) the Interest Rate is required to be the Base Rate pursuant to Section ~~2.17(a)~~2.18 or (ii) a Benchmark Replacement has been selected in accordance with Section ~~2.17(b)~~2.18; or

(f) after the occurrence of a Termination Event, a rate equal to the Base Rate plus 2.0%.

Investment: With respect to any Person, any direct or indirect loan, advance or investment by such Person in any other Person, whether by means of share purchase, capital contribution, loan or otherwise, excluding the acquisition of assets pursuant to the Contribution Agreement and excluding commission, travel and similar advances to officers, employees and directors made in

the ordinary course of business.

Late Fees: If the Backup Servicer has become the Successor Servicer, any late fees collected with respect to any Contract in accordance with the Collection Guidelines.

Lender: Fifth Third and any other Person that agrees, pursuant to the pertinent Assignment and Acceptance, to make or maintain Fundings pursuant to this Agreement.

~~LIBOR Determination Date: With respect to any Accrual Period, the date that is two Business Days before the first day of such Accrual Period~~

~~LIBOR Rate: For any portion of Capital on any day during any Accrual Period, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the rate for deposits in United States Dollars for a period equal to such Accrual Period, which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London, England time) on the related LIBOR Determination Date. If Thomson Reuters no longer reports such rate or if such index no longer exists or if Reuters Screen LIBOR01 Page no longer exists, the Deal Agent may select a replacement index or replacement page, as the case may be, consistent with market practices at the time. In the event that any rate set forth above shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. The LIBOR Rate shall be adjusted for each Accrual Period after the initial Accrual Period, as of the first day of each such Accrual Period, and as of the effective day of any change in the maximum reserve requirement.~~

Lien: With respect to any Loan, Dealer Agreement or Contract or any other property or collateral, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind (other than any Permitted Lien, mechanics' liens and liens of collection attorneys or agents collecting the property subject to such Permitted Lien or mechanics' lien).

Loan: Any Dealer Loan or Purchased Loan.

Material Adverse Effect: With respect to any event or circumstance, means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Originator, the Servicer or the Borrower, (b) the validity, enforceability or collectibility of this Agreement or any other Transaction Document or the validity, enforceability or collectibility of the Loans, (c) the rights and remedies of the Deal Agent, the Collateral Agent or Secured Parties, (d) the ability of the Borrower, the Originator or the Servicer to perform its obligations under this Agreement or any Transaction Document, or (e) the status, existence, perfection, priority or enforceability of the Collateral Agent's or any Secured Party's interest in the Collateral.

Material Debt: Defined in Section 6.11(i). Maturity Date: Defined in Section 2.1(c)(i).

Monthly Principal Payment Amount: With respect to any Payment Date, the amount, if any, necessary to reduce the Capital to the Borrowing Base.

Monthly Report: Defined in Section 6.5(a).

Moody's: Moody's Investors Service, Inc., and any successor thereto.

Multiemployer Plan: A "multiemployer plan" as defined in Section 4001(a)(3) of ERISA that is or was at any time during the current year or the immediately preceding five years contributed to by the Borrower or any ERISA Affiliate on behalf of its employees.

Net Advance Rate: 80%.

Nonconforming Contract: Defined in Section 6.2(c)(ii).

Nonconforming Contract Payment Amount: With respect to a Nonconforming Contract, an amount equal to the sum of (i) the product of the Outstanding Balance of such Contract as of the last day of the related Collection Period and a fraction, the numerator of which is Capital as of the Funding Date and the denominator of which is the Outstanding Balance of Eligible Contracts as of the Funding Date; (ii) accrued and unpaid Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts related to such Contract through the date of such deposit; and (iii) all Hedge Costs due to the relevant Hedge Counterparties for any termination in whole or in part of one or more transactions related to the relevant Hedging Agreement, as required by the terms of any Hedging Agreement.

Note: The Variable Funding Note of the Borrower, issued to the Lender pursuant to Section 2.1(c) hereof substantially in the form of Exhibit I hereto.

Obligor: With respect to any Loan, Dealer Agreement or Contract, the Person or Persons obligated to make payments with respect to such Dealer Agreement, Loan or Contract, respectively, including any guarantor thereof.

OFAC: The United States Department of Treasury Office of Foreign Assets Control. OFAC/AML Laws: All laws, regulations, and Executive Orders administered by OFAC,
including all economic and trade sanction programs administered by OFAC, any and all similar United States federal laws, regulations or Executive Orders, and any similar laws, regulations or orders adopted by any State within the United States.

OFAC Event: The event specified in Section 5.1(t).

OFAC SDN List: The list of the Specially Designated Nationals and Blocked Persons maintained by OFAC.

Officer's Certificate: A certificate signed by any officer of the Borrower, the Originator or the Servicer, as the case may be, and delivered to the Collateral Agent.

Open Pool: With respect to any Dealer Loan, a Pool as to which, pursuant to the terms of the related Dealer Agreement, additional Dealer Loan Contracts may be allocated.

Opinion of Counsel: A written opinion of counsel, which opinion and counsel are reasonably acceptable to the Deal Agent.

Original Advance Rate: Means, with respect to any Dealer, the ratio, expressed as a percentage, where the numerator is equal to the sum of the Outstanding Balance of all Eligible Loans of such Dealer on the dates such Eligible Loans were originated and the denominator is equal to the sum of payments due under all Eligible Contracts related to such Dealer on their dates of origination.

Originator: Defined in the preamble of this Agreement. Outstanding Balance:

(i) With respect to any Contract on any date of determination, all amounts owing under such Contract (whether considered principal or as finance charges) on such date of determination. The Outstanding Balance with respect to a Contract shall be deemed to have been created at the end of the day on the Date of Processing of such Contract; which shall be greater than or equal to zero (except in the case of a Contract as to which the final payment on such Contract is in excess of the amount owed on such Contract on the date of such final payment);

(ii) with respect to any Dealer Loan on any date of determination, the aggregate amount advanced under such Dealer Loan plus revenue accrued with respect to such Dealer Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) and the payment of monies to a Dealer under the related Dealer Agreement, less Collections on the related Dealer Loan Contracts applied through such date of determination in accordance with the related Dealer Agreement to the reduction of the balance of such Dealer Loan;

(iii) with respect to any Purchased Loan (other than any Purchased Loan arising from a Dealer Collections Purchase Agreement) on any date of determination, the aggregate amount advanced under such Purchased Loan plus revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) less Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan; and

(iv) with respect to any Purchased Loan arising from a Dealer Collections Purchase Agreement on any date of determination, (A) such Purchased Loan's pro rata share of the sum of
(x) the Outstanding Balance of the related Dealer Loan as of the date of the related Dealer Collections Purchase and (y) the Dealer Collections Purchase Price with respect to such Dealer Loan (such pro rata share determined based on such Purchased Loan's pro rata share of the forecasted collections on the pool of Purchased Loans which previously constituted Dealer Loan Contracts securing such Dealer Loan), plus following the acquisition of such Purchased Loan (B) revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020), less (C) Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan.

Overconcentration Loan Amount: With respect to any Dealer, the amount by which the aggregate Outstanding Balance of Dealer Loans made to such Dealer, calculated on a Funding Date as of the end of the immediately preceding Collection Period, exceeds the Dealer Concentration Limit.

Payment Date: The fifteenth (15th) day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day.

Permitted Investments: Any one or more of the following types of investments:

(g) marketable obligations of the United States, the full and timely payment of which are backed by the full faith and credit of the United States of America and that have a maturity of not more than 270 days from the date of acquisition;

(h) marketable obligations, the full and timely payment of which are directly and fully guaranteed by the full faith and credit of the United States and that have a maturity of not more than 270 days from the date of acquisition;

(i) bankers' acceptances and certificates of deposit and other interest-bearing obligations (in each case having a maturity of not more than 270 days from the date of acquisition) denominated in dollars and issued by any bank with capital, surplus and undivided profits aggregating at least $100,000,000, the short-term obligations of which are rated at least A-1 by S&P or P-1 by Moody's;

(j) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (a), (b) and (c) above entered into with any bank of the type described in clause (c) above;

(k) commercial paper rated at least A-1 by S&P or P-1 by Moody's; and

(l) demand deposits, time deposits or certificates of deposit (having original maturities of no more than 365 days) of depository institutions or trust companies incorporated under the laws of the United States of America or any state thereof (or domestic branches of any foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities; provided, however that at the time such investment, or the commitment to make such investment, is entered into, the short-term debt rating of such depository institution or trust company shall be at least A-1 by S&P or P-1 by Moody's; and

(m) money market mutual funds (including funds for which the Collateral Agent may act as a sponsor or advisor or for which the Collateral Agent may receive fee income) having a rating, at the time of such investment, in the highest investment category granted thereby.

Permitted Liens: Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable and Liens granted pursuant to the Transaction Documents and with respect to the Dealer Loan Contracts, the second priority lien of the related Dealer therein as set forth in the related Dealer Agreement.

Person: An individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

Pool: An identifiable group of Dealer Loan Contracts related to a particular Dealer Agreement identified on Schedule V hereto (as amended from time to time in accordance herewith), which, for the avoidance of doubt, may take the form of an Open Pool or Closed Pool at the time it is pledged hereunder.

Potential Servicer Termination Event: Means any event which, with the giving of notice or passage of time or both, would become a Servicer Termination Event.

Prime Rate: The rate announced by Fifth Third from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Fifth Third in connection with extensions of credit to debtors.

Proceeds: With respect to any portion of the Collateral, all "proceeds" as such term is defined in Article 9 of the UCC, including, whatever is receivable or received when such portion of Collateral is sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating thereto.

Program Fee: As defined in the Fee Letter.

Program Fee Rate: On any day, the rate set forth in the Fee Letter as the "Program Fee Rate."

Purchase Agreement: Each agreement between Credit Acceptance and any Dealer in substantially the form attached hereto as Exhibit P, together with any Dealer Collections Purchase Agreement.

Purchased Loan: A motor vehicle retail installment loan relating to the sale of a used automobile or light-duty truck originated by a Dealer, purchased by the Originator from such Dealer and evidenced by a Purchased Loan Contract; provided, however, that the term "Purchased Loan" shall, for purposes of this Agreement, include only those Purchased Loans identified from time to time on Schedule V hereto, and/or any Funding Notice, as amended from time to time in accordance herewith.

Purchased Loan Contract: Each motor vehicle retail installment sales contract, in substantially one of the forms attached hereto as Exhibit K, relating to a Purchased Loan.

Records: The Dealer Agreements, Contracts, Contract Files, certificates of title (and applications therefor) and all other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related contracts, records and other media for storage of information) in each case whether tangible or electronic that are maintained with respect to the Loans and the Contracts and the related Obligors.

~~Reference Bank: Any bank that furnishes information for purposes of determining the Adjusted LIBOR Rate.~~

Register: Defined in Section 13.1(c).

Related Security: With respect to any Loan all of Credit Acceptance's and the Borrower's right, title and interest in:

(i) the Dealer Agreements (other than Excluded Dealer Agreement Rights, but including, without limitation, Credit Acceptance's rights to service the Loans and the related Contracts and receive the related collection fee and receive reimbursement of certain repossession and recovery expenses, in accordance with the terms of the Dealer Agreements) and Contracts securing payment of such Loan;

(ii) all security interests or liens purporting to secure payment of such Loan, whether pursuant to such Loan, the related Dealer Agreement or otherwise, together with all financing statements signed by the related Obligor describing any collateral securing such Loan and all other property obtained upon foreclosure of any security interest securing payment of such Loan or any related Contract;

(iii) all guarantees, insurance (including insurance insuring the priority or perfection of any lien) or other agreements or arrangements of any kind from time to time supporting or securing payment of each Contract whether pursuant to such Contract or otherwise, including any of the foregoing relating to any Contract securing payment of such Loan;

(iv) all of the Borrower's interest in all Records, documents and writing evidencing or related to such Loan;

(v) all rights of recovery of the Borrower against the Originator;

(vi) all Collections (other than Dealer Collections), the Collection Account, the Reserve Account, and all amounts on deposit therein and investments thereof;

(vii) all of the Borrower's right, title and interest in and to (but not its obligations under) any Hedging Agreement and any payment from time to time due thereunder;

(viii) all of the Borrower's right, title and interest in and to the Contribution Agreement and the assignment to the Collateral Agent of all UCC financing statements filed by the Borrower against the Originator under or in connection with the Contribution Agreement; and

(ix) the Proceeds of each of the foregoing.

For the avoidance of doubt, the term "Related Security" with respect to any Dealer Loan includes all rights arising under such Dealer Loan which rights are attributable to advances made under such Dealer Loan as the result of such Dealer Loan being secured by an Open Pool on the date such Dealer Loan was sold and Dealer Loan Contracts being added to such Open Pool.

Release Date: As defined in Section 4.5(b).

Release Price: As defined in Section 4.5(a).

Relevant Governmental Body: The Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

Repossession Expenses: For any Collection Period, any expenses payable pursuant to the terms of this Agreement, incurred by the Backup Servicer, if it has become the Successor Servicer, in connection with the liquidation or repossession of any Financed Vehicle, in an aggregate amount not to exceed the cash proceeds received by the Backup Servicer, if it has become the Successor Servicer, from the disposition of the Financed Vehicles.

Required Reserve Account Amount: With respect to any date of determination, an amount equal to the sum of (a) the product of (i) 1.0% and (ii) the Capital on such date (after the application of funds pursuant to Section 2.7 on the related Payment Date) plus (b) all amounts required to be maintained by the Borrower pursuant to Section 6.2(c)(ii) hereof); provided, however, the Required Reserve Account Amount shall at no time be less than $70,000 (unless the Capital is zero, in which case the Required Reserve Account Amount shall be zero).

Reserve Account: The account number xxxxxx8105 in the name of the Borrower at Fifth Third Bank, subject to an Account Control Agreement and established pursuant to Section 6.7(a).

Reserve Advance: Defined in Section 2.7(c)(i).

Responsible Officer: As to any Person any officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Retransfer Amount: Defined in Section 4.5(b).

Revolving Period: The period commencing on the Closing Date and ending on the day immediately preceding the first day of the Amortization Period.

S&P: S&P Global Ratings, and any successor thereto.

Secured Party: (i) The Collateral Agent, the Deal Agent and the Lender and (ii) each Hedge Counterparty that is either the Lender or an Affiliate of the Lender if that Affiliate that is a Hedge Counterparty executes a counterpart of this Agreement agreeing to be bound by the terms of this Agreement applicable to a Secured Party.

SEC: The United States Securities and Exchange Commission.

Securities Exchange Act: The Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time.

Servicer: Credit Acceptance, the Backup Servicer, if it has become the Successor Servicer,

or any other Successor Servicer, appointed in accordance with the terms hereof as the Servicer of the Loans and Contracts.

Servicer Termination Event: Defined in Section 6.11. Servicer Termination Notice: Defined in Section 6.11.

Servicer Expenses: Any expenses incurred by the Backup Servicer, if it has become the Successor Servicer hereunder (including any expenses incurred by the Backup Servicer in connection with the retitling or reliening of the Financed Vehicles), other than Repossession Expenses or Transition Expenses.

Servicing Fee: For each Payment Date, a fee payable to Servicer for services rendered during the related Collection Period, equal to: (i) so long as Credit Acceptance is the Servicer, the product of (A) 6.00% and (B) the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement) and (ii) if the Backup Servicer is the Servicer, the sum of (1) the greatest of: (a) the product of 10.0% and the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement), (b) the actual costs incurred by the Backup Servicer as Successor Servicer, and (c) the product of (x) $30.00 and
(y) the aggregate number of Contracts serviced by it during the related Collection Period, plus (2) without duplication, Late Fees and Servicer Expenses; provided, however, with respect to each Payment Date on which the Backup Servicer is the Servicer, the Servicing Fee shall be at least equal to $5,000.

SOFR: A rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

SOFR Administrator: The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

Solvent: As to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair salable value of the property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital.

Specified Change in Law: Means the adoption, existence or implementation of, or any change in (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203,
H.R. 4173) and all requests, rules, regulations, guidelines, interpretations or directives

promulgated thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, which, in each case, shall be deemed to be a "Change in "Law", regardless of the date enacted, adopted, issued or promulgated, whether before or after the Effective Date.

SST: Systems & Services Technologies, Inc., a Delaware corporation. Structuring Fees: The structuring fee set forth in the Fee Letter.

Subsidiary: A corporation of which the Originator and/or its Subsidiaries own, directly or indirectly, such number of outstanding shares as have more than 50% of the ordinary voting power for the election of directors.

Successor Servicer: Defined in Section 6.12(a).

Take-Out: The release of certain Loans and the related Contracts from the Lien of this Agreement and the reduction of the Capital by at least $10,000,000 in connection with or in contemplation of a refinancing (which may take the form of a sale) of such Loans by the Borrower using an affiliated special purpose entity.

Take-Out Date: Defined in Section 2.8(a).

Take-Out Release: The release to be executed pursuant to Section 2.8 hereto, substantially in the form of Exhibit D hereto.

Taxes: Any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including interest, penalties, and additions thereto) that are imposed by any Governmental Authority.

Term SOFR: For any calculation with respect to:

(a) a Benchmark Advance at any time when Term SOFR is the applicable Benchmark, the Term SOFR Reference Rate for a tenor comparable to the applicable Accrual Period on the day (such day, the *"Periodic Term SOFR Determination Day"*) that is two (2) U.S. Government Securities Business Days prior to the first day of such Accrual Period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR

Determination Day; or

(b) a Base Rate Advance on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the *"Base Rate Term SOFR Determination Day"*) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided*, *however*, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day;

provided, if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

Term SOFR Administrator: CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Deal Agent in its reasonable discretion).

Term SOFR Reference Rate: The forward-looking term rate based on SOFR.

Termination Date: The earlier of: (a) the date of the declaration of the Termination Date pursuant to Section 10.1, and (b) the date of termination of the Facility Limit pursuant to Section 2.5.

Termination Event: Defined in Section 10.1.

Transaction Documents: This Agreement, the Contribution Agreement, each Hedging Agreement, the Fee Letters, the Backup Servicing Agreement, the Account Control Agreements, and any additional document the execution of which is necessary or incidental to carrying out the terms of the foregoing documents.

Transition Expenses: If the Backup Servicer has become the Successor Servicer, the sum of: (i) reasonable costs and expenses incurred by the Backup Servicer in connection with its assumption of the servicing obligations hereunder, related to travel, Obligor welcome letters, freight and file shipping plus (ii) a boarding fee equal to the product of $7.50 and the number of Contracts to be serviced.

U.S. Government Securities Business Day: Any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

UCC: The Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

Unadjusted Benchmark Replacement: The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

United States: The United States of America.

Unmatured Termination Event: Any event that, with the giving of notice or the lapse of time, or both, would become a Termination Event.

Unsatisfactory Audit: The occurrence of any audit exceptions resulting from any audit, inspection or review pursuant to Section 6.1(c), Section 6.2(e) or Section 6.9, which, in the reasonable judgment of the Deal Agent, would have a Material Adverse Effect on the ability of the Servicer to identify and allocate Collections or to service, as provided in this Agreement, any Collateral.

U.S. Government Securities Business Day: Any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Weighted Average Final Score: With respect to each Payment Date during the Revolving Period, the ratio, expressed as a percentage, where (i) the numerator is equal to the aggregate for all Dealers of the product of (a) the Final Score of each Dealer with respect to all Eligible Loans of such Dealer and (b) the aggregate Outstanding Balance of all Eligible Loans for such Dealer and
(ii) the denominator is equal to the Aggregate Outstanding Eligible Loan Net Balance.

Weighted Average Original Advance Rate: With respect to each Payment Date during the Revolving Period, the ratio, expressed as a percentage, where the numerator is equal to the aggregate for all Dealers of the product of: (i) the Original Advance Rate of each Dealer; and (ii) the aggregate Outstanding Balance of all Eligible Loans for such Dealer and the denominator is equal to the Aggregate Outstanding Eligible Loan Balance.

Weighted Average Spread Rate: With respect to each Payment Date during the Revolving Period, one minus the Weighted Average Original Advance Rate divided by the Weighted Average Final Score (expressed as a percentage).

Section 1.2. Other Terms. All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of Michigan, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3. Computation of Time Periods Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.4. Interpretation. In each Transaction Document, unless a contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor; and

(v) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision.

ARTICLE II
THE LOAN FACILITY

Section 2.1. Funding of the Advance.

(a) On the terms and conditions hereinafter set forth (including, without limitation, the conditions set forth in Sections 3.1 and 3.2), the Borrower may, at its option, on the Closing Date and on any Funding Date request an advance (an "Advance" or a "Funding"). On the terms and conditions hereinafter set forth (including, without limitation, the conditions set forth in Sections 3.1 and 3.2), the Lender agrees to make the Advance from time to time as requested by the Borrower during the period from the date hereof to but not including the Termination Date. Under no circumstances shall the Lender make an Advance if, after giving effect to such Advance,
(A) the aggregate Capital outstanding hereunder would exceed the lesser of (i) the Facility Limit and (ii) the Borrowing Base.

(b) [Reserved].

(c) The Note.

(i) The Borrower's obligation to pay the principal of and interest on all amounts advanced by the Lender pursuant to the Fundings shall be evidenced by a variable funding note of the Borrower in favor of the Lender (the "Note") which shall: (1) be dated the Fifth Amendment Effective Date; (2) be in the stated principal amount equal to the Commitment amount for the Lender (as reflected from time to time on the grid attached thereto); (3) bear interest as provided therein; (4) be payable to the order of the Lender, and mature (whether or not there are funds available therefor at

such time, pursuant to Section 2.7 or otherwise) on December 16, 2025 (the "Maturity Date"); and (5) be substantially in the form of Exhibit I hereto, with blanks appropriately completed in conformity herewith. The Lender may, and is hereby authorized to, make a notation on the schedule attached to the Note of the date and the amount of the Fundings and the date and amount of the payment of principal thereon, and prior to any transfer of the Note, the Lender shall endorse the outstanding principal amount of the Note on the schedule attached thereto; provided, however, that failure to make such notation shall not adversely affect the Lender's rights with respect to the Note.

(ii) Although the Note shall be dated the Effective Date, interest in respect thereof shall be payable only for the periods during which amounts are outstanding thereunder. In addition, although the stated principal amount of the Note shall be equal to the Commitment amount of the Lender, such Note shall be enforceable with respect to the Borrower's obligation to pay the principal thereof only to the extent of the unpaid principal amount of the Capital and Interest and all other amounts outstanding hereunder and thereunder at the time such enforcement shall be sought.

Section 2.2. Grant of Security Interest; Acceptance by Collateral Agent.

(a) (i) As security for the prompt and complete payment of the Note and the performance of all of the Borrower's obligations under the Note, this Agreement and the other Transaction Documents, the Borrower hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and continuing Lien on all of the Borrower's property (whether now owned or hereafter acquired or arising, and wherever located) including, without limitation, all of its right, title and interest to: (i) the Loans, and all monies due or to become due in payment thereupon on and after the related Cut-Off Date; (ii) all Related Security; (iii) all of the Borrower's right, title and interest in and to the Contribution Agreement and the other Transaction Documents and the assignment to the Deal Agent of all UCC financing statements filed by the Borrower against the Originator under or in connection with the Contribution Agreement and the other Transaction Documents and (iv) all income, Collections and Proceeds of the foregoing (collectively, the "Collateral"). The foregoing pledge does not constitute an assumption by the Collateral Agent of any obligations of the Borrower to Obligors or any other Person in connection with the Collateral or under any agreement or instrument relating to the Collateral, including, without limitation, any obligation to make future advances to or on behalf of such Obligors.

(ii) In connection with such grant, the Borrower authorizes Credit Acceptance, and Credit Acceptance agrees to record and file, at Borrower's expense, financing statements with respect to the Collateral now existing and hereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the first priority security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, and to deliver a file-stamped copy of such financing statements or other evidence of such filing to the Collateral Agent and the Deal Agent on or prior to each Funding Date. Such financing statements may describe as the collateral covered thereby "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Agreement. In addition, the Borrower and the Servicer agree to clearly and unambiguously mark their respective general ledgers and all accounting records and documents and all computer tapes and records to show that the Collateral, including that portion of

the Collateral consisting of the Dealer Agreements listed on Schedule V hereto (and each addendum thereto), the Loans and the related Contracts and the rights to payment under the related Dealer Agreements, has been pledged to the Collateral Agent for the benefit of the Secured Parties hereunder.

(iii) In connection with such pledge, the Borrower (or the Servicer on its behalf) agrees to deliver to the Collateral Agent on the Closing Date or any Funding Date on which new Pools or Purchased Loans are pledged to the Collateral Agent, as the case may be, one or more computer files or microfiche lists containing true and complete lists of all applicable Dealer Agreements, Pools and Loans securing the payment of the Note and amounts due under the Transaction Documents and all of the Borrower's obligations under the Note and the Transaction Documents as of the Closing Date or Funding Date, and all Contracts securing all such Loans, identified by, as applicable, account number, dealer number and pool number as of the end of the Collection Period immediately preceding such date. Such file shall be marked as Schedule V hereto or as an addendum thereto, shall be delivered to the Collateral Agent as confidential and proprietary, and such Schedule V and each addendum thereto are hereby incorporated into and made a part of this Agreement. Such Schedule V shall be supplemented and updated on the date of each Incremental Funding in the Revolving Period to include all Loans and Contracts pledged on the date of each such date so that, on each such date, the Collateral Agent will have a Schedule V that describes all Loans pledged by the Borrower to the Collateral Agent hereunder on or prior to said date of Incremental Funding, any related Dealer Agreements, Purchase Agreements and all Contracts securing or evidencing such Loans (other than those that have been released from the Collateral and those Dealer Loans that have been deemed to be satisfied pursuant to Section 6.15(b) hereto). Such updated Schedule V shall be deemed to replace any existing Schedule V as of the date such updated Schedule V is provided in accordance with this Section 2.2(a)(iii). Furthermore, Schedule V hereto shall be deemed to be supplemented on each date of Dealer Collections Purchase by the related list delivered by Credit Acceptance pursuant to Section 6.15(c).

(iv) In connection with such pledge, each of the Borrower, Credit Acceptance and the Servicer also agrees, within 180 days of the Closing Date or relevant Funding Date, as the case may be, to clearly mark at least 98% of the Contracts or Contract folders securing a Loan with the following legend: "THIS AGREEMENT AND ALL RELATED CONTRACTS AND LOANS HAVE BEEN PLEDGED TO FIFTH THIRD BANK AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN SECURED PARTIES AND ANY PURCHASE, SALE OR COLLATERAL ASSIGNMENT OF ANY SUCH ASSET WOULD VIOLATE THE RIGHTS OF SUCH SECURED PARTIES". Such legend shall be in bold, in type face at least as large as 12 point and shall be entirely in capital letters.

(b) The Collateral Agent hereby acknowledges its acceptance, on behalf of the Secured Parties, of the pledge by the Borrower of the Loans and all other Collateral. The Collateral Agent further acknowledges that, prior to or simultaneously with the execution and delivery of this Agreement, the Borrower delivered to the Collateral Agent the computer file or microfiche list represented by the Borrower to be the computer file or microfiche list described in Section 2.2(a)(iii).

(c) The Collateral Agent hereby agrees not to disclose to any Person (other than to each Secured Party) any of the account numbers or other information contained in the computer

files or microfiche lists delivered to the Collateral Agent by the Borrower pursuant to Section 2.2(a)(iii), except as is required in connection with the performance of its duties hereunder or in enforcing the rights of the Secured Parties or to a Successor Servicer; provided, however, that notwithstanding anything to the contrary in this Agreement, the Collateral Agent may reply to a request from any Person for a list of Loans, Dealer Agreements, Contracts or other information referred to in any financing statement. The Collateral Agent agrees to take such measures as shall be necessary or reasonably requested by the Borrower to protect and maintain the security and confidentiality of such information. The Collateral Agent shall provide the Borrower with written notice five Business Days prior to any disclosure pursuant to this subsection 2.2(c).

Section 2.3. Procedures for Funding of Advances.

(a) Each Advance hereunder shall be requested by the Borrower delivering to the Lender (with a copy to the Collateral Agent) a duly completed Funding Notice no later than 12:00 p.m. (New York time) at least two (2) Business Days prior to the proposed Funding Date. Each Funding Notice shall: (i) specify the desired amount of such Funding which amount must (x) in the case of the initial funding hereunder (the "Initial Funding") be in a minimum amount of $1,000,000, and (y) in the case of any Incremental Funding, be in an amount equal to $1,000,000 or an integral multiple of $10,000 in excess thereof, (ii) specify the date of such Funding, and (iii) include a representation that all conditions precedent for a Funding described in Article III hereof have been met. Each Funding Notice shall be irrevocable.

(b) Following receipt of such Funding Notice, the Lender will make the Advance. On the Funding Date, the Lender shall, upon satisfaction of the applicable conditions set forth in Article III, initiate a wire to the Borrower no later than 3:00 p.m. (New York time), at such bank or other location reasonably designated by Borrower in its Funding Notice given pursuant to this Section 2.3, an amount equal to the lesser of (A) the amount requested by the Borrower from the Lender for such Advance or (B) the excess of the Commitment over the Capital then outstanding.

(c) In no event shall the Lender be required on any date to make any Funding which would result in the Capital, determined after giving effect to such funding, exceeding the Commitment.

Section 2.4. Determination of Interest and Other Amounts. On each ~~LIBOR~~Periodic Term SOFR Determination Date, the Lender shall determine and deliver to the Servicer the applicable ~~LIBOR Rate~~Benchmark with respect to the related Accrual Period. On or before each Determination Date, the Lender shall determine and deliver to the Servicer (i) the applicable Interest Rate and the Interest (including unpaid Interest, if any, due and payable on a prior Payment Date) to be paid by the Borrower on the related Payment Date, (ii) the Program Fee, the Facility Fee, any Breakage Costs, any Increased Costs and any Additional Amounts due in respect of the related Payment Date and any such amounts unpaid from any prior Payment Date.

Section 2.5. Reduction of the Facility Limit; Repurchase. The Borrower may, upon at least ten (10) Business Days' notice to the Deal Agent, terminate in whole or reduce in part the portion of the Facility Limit that exceeds the aggregate Capital; provided, however, that each partial reduction of the Facility Limit shall be in an aggregate amount equal to $1,000,000 or an integral

multiple thereof. Each notice of reduction or termination pursuant to this Section 2.5 shall be irrevocable.

Section 2.6. [Reserved].

Section 2.7. Settlement Procedures.

(a) On each Payment Date and on the Maturity Date, the Borrower (or, following its assumption of exclusive control of the Collection Account, the Collateral Agent) shall withdraw Available Funds and any Excess Reserve Amount (to be applied in accordance with Section 2.7(c)) and investment earnings on amounts on deposit in the Collection Account from the Collection Account and allocate and distribute such amounts to the applicable Person in the following order of priority:

(iii) FIRST, to the Hedge Counterparty, an amount equal to any Hedge Costs (exclusive of termination payments) and any such Hedge Costs (exclusive of termination payments) unpaid from any prior Payment Date.

(iv) SECOND, to the Backup Servicer so long as it has not become the Servicer hereunder, an amount equal to any accrued and unpaid Backup Servicing Fee due in respect of such Payment Date, any unpaid Backup Servicing Fee from any prior Payment Date, any reasonable out-of-pocket expenses incurred in SST's capacity as Backup Servicer, and any accrued and unpaid Indemnified Amounts owed by the Borrower to SST up to $17,000, monthly;

(v) THIRD, (A) to the Servicer, an amount equal to any accrued and unpaid Servicing Fees due in respect of such Payment Date and any Servicing Fees unpaid from any prior Payment Date; provided, however, if the Servicer has been replaced pursuant to Section 6.12 such amount shall not exceed the Capped Servicing Fee; and (B) to the Backup Servicer, if it has become the Successor Servicer, any Transition Expenses;

(vi) FOURTH, to the Deal Agent for the account of the Lender, an amount equal to the sum of any accrued and unpaid (A) Interest (up to an amount not exceeding the Interest Cap) and Breakage Costs, (B) the Program Fee, and (C) the Facility Fee, Increased Costs and any Additional Amounts due in respect of such Payment Date and any such amounts unpaid from any prior Payment Date;

(vii) FIFTH, during the Revolving Period, to the Deal Agent for the account of the Lender, an amount equal to the Monthly Principal Payment Amount for such Payment Date;

(viii) SIXTH, during the Amortization Period, to the Deal Agent for the account of the Lender, the Additional Principal Payment Amount, until Capital has been reduced to zero;

(ix) SEVENTH, to the Deal Agent for the account of the Lender, an amount equal to, without double counting, any Interest Cap Carryover.

(x) EIGHTH, to the Deal Agent for the account of the Lender and the Backup Servicer, an amount equal to, without double counting, Increased Costs, any Additional Amounts and Indemnified Amounts (provided that, with respect to the Backup Servicer, such Indemnified Amounts shall include only those Indemnified Amounts not paid pursuant to clause (ii) above) due in respect of such Payment Date and unpaid from any prior Payment Date;

(xi) NINTH, to the Reserve Account, (A) an amount equal to any outstanding Reserve Advances and (B) the amount necessary to cause the amount on deposit in the Reserve Account to equal the Required Reserve Account Amount (after giving effect to any deposits made in subclause (A));

(xii) TENTH, to the Backup Servicer, any Servicing Fee due in respect of such Payment Date, to the extent not paid pursuant to clause (iii) above and any such Servicing Fee unpaid from any prior Payment Date;

(xiii) ELEVENTH, to the Deal Agent for the account of any other applicable Person, all remaining amounts up to all Aggregate Unpaids (during the Revolving Period, other than Capital) until paid in full;

(xiv) TWELFTH, to the Borrower any remaining amounts.

(b) One Business Day per calendar month, the date of which is to be chosen by the Borrower, the Borrower (or, following its assumption of exclusive control of the Collection Account, the Collateral Agent) shall, upon two Business Days' prior written notice of the Borrower to the Collateral Agent, withdraw from the Collection Account an amount not to exceed the amount on deposit therein on the date of such request. The Borrower (or, following its assumption of exclusive control of the Collection Account, the Collateral Agent) shall distribute such amount to the Deal Agent for the account of the Lender, to be distributed by the Deal Agent to the Lender as a payment in reduction of Capital. Notwithstanding anything in this Section 2.7(b) to the contrary, the Borrower shall not be permitted (or, following its assumption of exclusive control of the Collection Account, the Collateral Agent shall not be required) to effect any such withdrawal or the Deal Agent make any such distribution until an Officer of the Servicer or a representative of the Servicer designated by a Responsible Officer of the Servicer has certified to the Collateral Agent and the Deal Agent in writing (which shall include electronic transmission) that it reasonably believes that at the end of the related Collection Period the sum of Available Funds and Excess Reserve Amount, after giving effect to such payment, will be greater than the amount needed to make the payments required pursuant to Section 2.7(a)(i) through (xi). Any such prepayment of principal shall include all accrued and unpaid Interest and any applicable Breakage Costs relating thereto.

(c) (i) If on any Payment Date the amount paid pursuant to Section 2.7(a)(iv) and (v) is insufficient to cover all amounts due thereunder on such Payment Date the Borrower (or, following its assumption of exclusive control of the Reserve Account, the Collateral Agent) shall withdraw from the Reserve Account an amount equal to the lesser of such shortfall and the amount of funds on deposit in the Reserve Account (such withdrawal, a "Reserve Advance") and deposit such amount to the Collection Account. The Borrower (or, following its assumption of exclusive

control of the Collection Account, the Collateral Agent) shall pay such amount to the Deal Agent for payment to the Lender.

(ii) If on any Payment Date during the Amortization Period, the amount paid pursuant to Section 2.7(a)(vi) is insufficient to reduce Capital to zero, the Deal Agent, in its sole discretion, may direct the Borrower (or, following its assumption of exclusive control of the Reserve Account, the Collateral Agent) to withdraw any or all of the amount on deposit in the Reserve Account, and pay such amount to the Deal Agent, for payment to the Lender in respect of interest and principal and all other Aggregate Unpaids payable to the Lender at such time.

Section 2.8. Take-Out.

(n) On any Business Day (the "Take-Out Date"), but subject to the limitations below (including those contained in clause (d) below), the Borrower shall have the right to effect a Take-Out and require the Collateral Agent to release its security interest and Lien on the related Contracts and Loans, subject to the following terms and conditions:

(i) The Borrower shall have given the Deal Agent, the Collateral Agent, the Backup Servicer and the Servicer at least three (3) Business Days' prior written notice of its intent to effect the Take-Out, which notice shall be irrevocable; provided, however, failure to effect such Take-Out on the Take-Out Date shall not result in a Termination Event, but the Borrower shall be obligated to pay any Breakage Costs and any other losses and Indemnified Amounts incurred by the Lender and the other Indemnified Parties in connection therewith.

(ii) Unless the Take-Out is to be effected on a Payment Date (in which case the relevant calculations with respect to such Take-Out shall be reflected on the applicable Monthly Report), the Servicer shall deliver to the Deal Agent an Officer's Certificate, together with evidence to the reasonable satisfaction of the Deal Agent (which evidence may consist solely of the Officer's Certificate signed by an officer of the Servicer) that the Borrower shall have sufficient funds on the related Take-Out Date to effect the contemplated Take-Out in accordance with this Agreement. In effecting the Take-Out, the Borrower may use the proceeds of sales of the Loans (which sales must be made in arm's length transactions).

(iii) After giving effect to the Take-Out and the release to the Borrower of the Loans and related Contracts on the Take-Out Date, (x) the representations and warranties contained in Section 4.1 and 4.2 hereof shall continue to be correct in all material respects, except to the extent relating to an earlier date and (y) neither an Unmatured Termination Event nor a Termination Event shall have resulted.

(iv) On the Take-Out Date, the Collateral Agent shall have received, for the benefit of the Secured Parties and the Hedge Counterparties, as applicable, in immediately available funds, an amount equal to the sum of: (A) the Capital being paid plus (B) an amount equal to the related unpaid Interest plus (C) an aggregate amount equal to the sum of all other amounts due and owing to the Deal Agent, the Collateral Agent, the

Lender, the Backup Servicer, the Successor Servicer, the Hedge Counterparties and the other Secured Parties, as applicable, under this Agreement and the other Transaction Documents, to the extent accrued to such date (including, without limitation, Breakage Costs and Hedge Costs) plus (D) all other Aggregate Unpaids. No reduction of the Capital shall be given effect unless the Borrower has complied with the terms of any Hedging Agreement requiring that any derivative transaction related thereto be terminated in whole or in part as a result of any such reduction in the Capital and the Borrower has paid all Hedge Costs due to the relevant Hedge Counterparty for any such termination.

(v) Upon receipt of the amount set forth in clause (iv) above, the Collateral Agent shall apply such amounts first to the pro rata reduction of the Capital, second to the payment of accrued Interest on the amount of the Capital to be repaid and to the payment of any Breakage Costs, by paying such amounts to the Lender, and third to pay any Hedge Costs related to such reduction of the Capital due to the relevant Hedge Counterparty, and fourth to pay all other Aggregate Unpaids related to such reduction of the Capital due to the relevant party.

(vi) The Borrower shall certify in writing to the Collateral Agent and the Deal Agent that no adverse selection was employed in the selection of the Loans and Contracts to be released.

(vii) On the Take-Out Date, the Servicer shall submit to the Deal Agent a report setting forth (A) the Forecasted Collections in respect of the Loans remaining as part of the Collateral after giving effect to such Take-Out, (B) a calculation of the Borrowing Base (and material components thereof) after giving effect to such Take-Out and (C) such other information regarding the Collateral remaining after the Take-Out as the Deal Agent may reasonably request.

(viii) Any sale or other transfer of Loans and related Contracts by the Borrower in connection with any Take-Out shall be made in an arm's length transaction, the terms of which shall state that such sale or other transfer is made without recourse to, or representation or warranty by, the Borrower; provided that the Borrower may represent and warrant that it is selling or transferring such Loans and Contracts free and clear of any Lien created by or through the Borrower.

Upon the occurrence of any Take-Out the Borrower and the Servicer shall be deemed to represent and warrant that each of the foregoing conditions has been satisfied with respect thereto.

(o) The Borrower hereby agrees to pay the reasonable legal fees and expenses of the Lender, the Deal Agent and the Collateral Agent in connection with any Take-Out (including, but not limited to, expenses incurred in connection with the release of the Lien of the Collateral Agent, for the benefit of the Secured Parties, and any expenses of the Lender, the Deal Agent or any other party having such an interest in the Loans in connection with such Take-Out).

(p) In connection with any Take-Out, on the related Take-Out Date, the Collateral Agent, on behalf of the Lender, the Deal Agent and the other Secured Parties, shall, at the expense of the Borrower: (i) execute such instruments of release with respect to the portion of

the Loans to be released to the Borrower, in favor of the Borrower as the Borrower may reasonably request; (ii) deliver any portion of the Loans to be released to the Borrower in its possession to the Borrower; and (iii) at the Borrower's reasonable request, otherwise take such actions, and permit the Borrower to take such actions, as are necessary and appropriate to release the Lien of the Collateral Agent on the Loans to be released to the Borrower and deliver to the Borrower such Loans.

(q) Notwithstanding anything to the contrary contained herein, Borrower may not effect a Take-Out more frequently than one time during any three month period.

Section 2.9. Collections and Allocations.

(a) Collections. The Servicer shall transfer, or cause to be transferred, all Collections on deposit in the form of available funds in the Credit Acceptance Payment Account to the Collection Account by the close of business on the second Business Day such Collections are received therein. The Servicer shall promptly (but in no event later than the second Business Day (or if the Backup Servicer has become the Successor Servicer hereunder, the third Business Day) after the receipt thereof) deposit all Collections received directly by it in the Collection Account. The Servicer shall make such deposits or payments on the date indicated therein by wire transfer of immediately available funds or by automated clearing house (ACH) payment.

(b) Initial Deposits. On each Funding Date, the Servicer will deposit (in immediately available funds) into the Collection Account all Collections received on and after the applicable Cut-Off Date and through and including the day that is two days immediately preceding such Funding Date, in respect of the Loans.

(c) Investment of Funds. (i) Until the occurrence of a Termination Event or Unmatured Termination Event, to the extent there are uninvested amounts on deposit in the Collection Account and the Reserve Account, all amounts therein shall be invested as set forth in Section 6.7(c).

(ii) On the date on which Capital is reduced to zero and all Aggregate Unpaids have been indefeasibly paid in full in cash, all Collateral is released from the Lien of this Agreement, and this Agreement is terminated, any amounts on deposit in the Reserve Account shall be released to the Borrower.

(d) Allocation of Collections. The Servicer will allocate Collections monthly in accordance with the actual amount of Collections received. The Servicer (including any applicable Successor Servicer) shall determine each month the amount of Collections received during such month which constitutes amounts which, pursuant to the terms of any Dealer Agreement, are required to be remitted to the applicable Dealer (such collections, "Dealer Collections") and shall so notify the Collateral Agent. Notwithstanding any other provision hereof, the Collateral Agent, at the direction of the Servicer, shall distribute on each Payment Date:

(xv) to the Borrower, an amount equal to the aggregate amount of Dealer Collections received during or with respect to the prior Collection Period and (ii) to the Backup Servicer, if it has become the Successor Servicer, an amount equal to any Repossession Expenses related to the prior Collection Period prior to the distribution of Available Funds pursuant to Section 2.7.

Section 2.10. Payments, Computations, Etc.

(a) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Borrower or the Servicer hereunder shall be paid or deposited in accordance with the terms hereof no later than 10:00 a.m. (New York time) on the day when due in lawful money of the United States in immediately available funds to the Agent's Account and the Deal Agent shall distribute such amounts actually received by it to the Persons entitled thereto for receipt no later than 11:00 a.m. (New York time). Any amounts received in the Agent's Account after 10:00 a.m. (New York time) shall be deemed to be received on the next subsequent Business Day and the Deal Agent shall distribute such amounts to the Persons entitled thereto no later than 11:00 a.m. (New York time) on such next subsequent Business Day. The Borrower shall, to the extent permitted by law, pay to the Secured Parties interest on all amounts not paid or deposited when due hereunder 3.0% per annum above the Base Rate, payable on demand; provided, however, that such interest rate shall not at any time exceed the maximum rate permitted by Applicable Law. All computations of interest and all computations of Interest and other fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of Interest, interest or any fee payable hereunder, as the case may be.

(c) If the Advance requested by the Borrower for any Funding Date and approved by the Lender and the Deal Agent pursuant to Section 2.1 and Section 2.3, is not made or effectuated for any reason other than the Lender's failure to honor its obligations hereunder, as the case may be, on the requested Funding Date, the Borrower shall indemnify the Lender against Breakage Costs, any reasonable loss, cost or expense incurred by the Lender, including, without limitation, any loss (including loss of anticipated profits, net of anticipated profits in the reemployment of such funds in the manner determined by the Lender), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by the Lender to fund or maintain the Funding.

Section 2.11. [Reserved].

Section 2.12. Fees.

(a) The Borrower shall pay to the Deal Agent, for the account of the Lender from the Collection Account on each Payment Date, monthly in arrears, the Program Fee agreed to in each Fee Letter.

(b) The Servicer shall be entitled to receive the Servicing Fee, monthly in arrears in accordance with Section 2.7(a).

(c) The Backup Servicer shall be entitled to receive the Backup Servicing Fee in accordance with Section 2.7(a).

(d) The Borrower shall pay to Mayer Brown LLP, as counsel to the Deal Agent,

on the Effective Date, their respective estimated reasonable fees and out-of-pocket expenses in immediately available funds and shall pay all additional reasonable fees and out-of-pocket expenses of Mayer Brown LLP, within ten (10) Business Days after receiving an invoice for such amounts.

Section 2.13. Increased Costs; Capital Adequacy~~; Illegality~~.

(a) If (i) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any law or regulation, (ii) the compliance by an Affected Party with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), or (iii) without limiting the generality of the foregoing, any Specified Change in Law, in any of the foregoing cases, shall (A) subject an Affected Party to any Tax (except for Taxes on the overall net income of such Affected Party imposed on it by the jurisdiction under the laws of which such Affected Party is organized), duty or other charge with respect to the Advance made by it hereunder, or any right to make the Funding hereunder, or on any payment made hereunder, (B) impose, modify or deem applicable any reserve requirement (including, without limitation, any reserve requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve requirement, if any, included in the determination of Interest), special deposit or similar requirement against assets of, deposits with or for the amount of, or credit extended by, any Affected Party or (C) impose any other condition affecting the Advance made by it hereunder or the Lender's rights hereunder, the result of which is to increase the cost to any Affected Party or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, then within ten days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered.

(b) If (i) the introduction of or any change in or in the interpretation of any law, guideline, rule, regulation, directive or request, (ii) compliance by any Affected Party with any law, guideline, rule, regulation, directive or request from any central bank or other governmental authority or agency (whether or not having the force of law), including, without limitation, compliance by an Affected Party with any request or directive regarding capital adequacy, or (iii) without limiting the generality of the foregoing, any Specified Change in Law, in any of the foregoing cases, has or would have the effect of reducing the rate of return on the capital of any Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such introduction, change or compliance (taking into consideration the policies of such Affected Party with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time, within ten days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction. For avoidance of doubt, any interpretation of Accounting Research Bulletin No. 51 by the Financial Accounting Standards Board shall constitute an adoption, change, request or directive subject to this subsection 2.13(b).

(c) If as a result of any event or circumstance similar to those described in

clauses (a) or (b) of this section, any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of the Advance hereunder, then within ten days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts payable or paid by it.

(d) In determining any amount provided for in this section, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this section shall submit to the Borrower a written description as to such additional or increased cost or reduction and the calculation thereof, which written description shall be conclusive absent manifest error.

Section 2.14. Taxes.

(a) All payments made by an Obligor in respect of each Loan and each Contract and all payments made by the Borrower, Originator or Credit Acceptance under this Agreement or the other Transaction Documents will be made free and clear of and without deduction or withholding for or on account of any Taxes. If any Taxes are required to be withheld from any amounts payable to the Deal Agent or any Secured Party, then the amount payable to such Person will be increased (such increase, the "Additional Amount") such that every net payment made under this Agreement after withholding for or on account of any Taxes (including, without limitation, any Taxes on such increase) is not less than the amount that would have been paid had no such deduction or withholding been deducted or withheld. The foregoing obligation to pay Additional Amounts, however, will not apply with respect to net income or franchise taxes imposed on the Lender or the Deal Agent, respectively, with respect to payments required to be made by the Borrower or Credit Acceptance under this Agreement, by a taxing jurisdiction in which the Lender or Deal Agent is organized, conducts business or is paying taxes (in either case of conducting business or paying taxes, other than solely as a result of the transactions contemplated by this Agreement and the other Transaction Documents) as of the Effective Date (as the case may be).

(b) The Borrower will indemnify each Affected Party for the full amount of Taxes payable by such Person in respect of Additional Amounts and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. All payments in respect of this indemnification shall be made within ten days from the date a written invoice therefor is delivered to the Borrower.

(c) The Borrower will notify the Deal Agent on an annual basis of any payments by the Borrower in respect of any Taxes, not including those Taxes paid by Credit Acceptance on a consolidated basis.

(d) If the Lender is not created or organized under the laws of the United States or a political subdivision thereof, the Lender shall deliver to the Borrower, with a copy to the Deal Agent, (i) within 15 days after the date hereof, or, if a successor lender becomes the Lender after the Closing Date, the date on which such party becomes the Lender hereunder, two (or such other number as may from time to time be prescribed by Applicable Laws) duly completed copies of IRS

Form W-8BEN or Form W-8ECI (or any successor forms or other certificates or statements that may be required from time to time by the relevant United States taxing authorities or Applicable Laws), as appropriate, to permit the Borrower to make payments hereunder for the account of the Lender, as the case may be, without deduction or withholding of United States federal income or similar Taxes and (ii) upon the obsolescence of or after the occurrence of any event requiring a change in, any form or certificate previously delivered pursuant to this Section 2.14(d), copies (in such numbers as may from time to time be prescribed by Applicable Laws or regulations) of such additional, amended or successor forms, certificates or statements as may be required under Applicable Laws or regulations to permit the Borrower to make payments hereunder for the account of the Lender, without deduction or withholding of United States federal income or similar Taxes.

(e) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this section shall survive the termination of this Agreement.

Section 2.15. Assignment of the Contribution Agreement. The Borrower hereby assigns to the Deal Agent, for the ratable benefit of the Secured Parties hereunder, all of the Borrower's right, title and interest in and to, but none of its obligations under, the Contribution Agreement, the Hedging Agreement and any other Transaction Documents. The Borrower confirms that the Deal Agent on behalf of the Secured Parties shall have the sole right to enforce the Borrower's rights and remedies under the Contribution Agreement and the Hedging Agreement for the benefit of the Secured Parties.

Section 2.16. Servicer Clean-up Call.

(a) (i) On any Payment Date after the last day of any Collection Period during the Amortization Period as of which the amount of Capital shall be less than or equal to 10% of the amount of Capital as of the beginning of the Amortization Period, Credit Acceptance shall have the option to purchase the Loans, subsequent Collections and Related Security for a price equal to the aggregate Release Price for the Loans. To exercise such option, Credit Acceptance shall deposit in the Collection Account an amount equal to such aggregate Release Price plus accrued Interest, Hedge Costs and Breakage Costs in immediately available funds. Notwithstanding the foregoing, Credit Acceptance shall not exercise such option unless the amount so deposited equals or exceeds the Retransfer Amount for the Loans.

(i) Credit Acceptance shall have the right to purchase from time to time Loans, subsequent Collections and Related Security (as selected by the Borrower without adverse selection) so long as in the aggregate such purchases do not exceed 1.0% of the Loans based upon the Aggregate Outstanding Eligible Loan Balance on the date of purchase, for an amount equal to the greater of: (A) the Release Price plus any accrued Interest, Hedge Costs and Breakage Costs related to such Loans; and (B) the aggregate fair market value of such Loans. Such amount shall be paid by depositing immediately available funds in the Collection Account.

(ii) Credit Acceptance shall give at least 2 Business Days' notice to the Collateral Agent and the Deal Agent of its intent to exercise either of the foregoing options.

(b) The Borrower hereby agrees to pay the reasonable legal fees and expenses of the Deal Agent, any Successor Servicer and the Lender in connection with any such purchase option (including, but not limited to, expenses incurred in connection with the release of the Lien of the Collateral Agent, the Lender and any other party having such an interest in the Loans).

(c) In connection with any such purchase option, on the related date of purchase, the Collateral Agent, on behalf of the Lender, shall, at the expense of the Borrower: (i) arrange for the execution by the Lender of such instruments of release with respect to the Loans being released, in favor of the Borrower and the purchaser as the Borrower or purchaser may reasonably request, including without limitation, a release in the form of Exhibit G hereto; (ii) deliver any portion of the Loans to be released in its possession to the Borrower or purchaser; and
(iii) otherwise take such actions, and cause or permit the Collateral Agent to take such actions, as are necessary and appropriate to release the Lien of the Collateral Agent on the Loans to be released and deliver to the Borrower or purchaser such Loans.

~~Section 2.17. LIBOR Inability.~~

~~(r) Temporary Inability: In the event, prior to commencement of any Accrual Period relating to Capital in respect of which Interest accrues at the Adjusted LIBOR Rate, the Deal Agent shall determine that:~~

~~(i) deposits in U.S. Dollars (in the applicable amounts) are not being offered to it in the London Interbank Offered Rate market for such Accrual Period;~~

~~(ii) by reason of circumstances affecting the London Interbank Offered Rate market, adequate and reasonable methods do not exist for ascertaining the LIBOR Rate;~~

~~(iii) the LIBOR Rate as determined by the Deal Agent will not adequately and fairly reflect the cost to the Lender of funding Capital in respect of which Interest accrues at the Adjusted LIBOR Rate for such Accrual Period; or~~

~~(iv) the making or funding of Capital in respect of which Interest accrues at the Adjusted LIBOR Rate becomes impracticable;~~

~~then, the Deal Agent shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower), and (x) any request for Capital in respect of which Interest accrues at the Adjusted LIBOR Rate or for a conversion to or continuation of Capital in respect of which Interest accrues at the Adjusted LIBOR Rate shall be automatically withdrawn and shall be deemed a request for Capital in respect of which Interest accrues at the Base Rate, (y) Capital in respect of which Interest accrues at the Adjusted LIBOR Rate will automatically, on the last day of the then current Accrual Period relating thereto, become Capital in respect of which Interest accrues at the Base Rate, and (z) the obligations of Lender to provide Capital in respect of which Interest accrues at the Adjusted LIBOR Rate shall be suspended until the Deal Agent determines that the circumstances giving rise to such suspension no longer exist, in which event the Deal Agent shall so notify Borrower; provided, that, in each case, to the extent applicable, the Deal Agent is taking substantially consistent action with respect to similarly situated~~

counterparties with similar assets in similar facilities. (b) Permanent Inability:

(i) In the event the Deal Agent shall determine (which determination shall be deemed presumptively correct absent manifest error) that:

(A) the circumstances set forth in Section 2.17(a) have arisen and such circumstances are unlikely to be temporary;

(B) a public statement or publication of information has been made (1) by or on behalf of the administrator of the London Interbank Offered Rate ("LIBOR"); or by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, stating that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR, (2) by the administrator of LIBOR that it has invoked or will invoke, permanently or indefinitely, its insufficient submissions policy, or (3) by the regulatory supervisor for the administrator of LIBOR or any Governmental Authority having jurisdiction over the Deal Agent or the Lender announcing that LIBOR is no longer representative or may no longer be used;

(C) LIBOR is not published by the administrator of LIBOR for five consecutive Business Days and such failure is not the result of a temporary moratorium, embargo or disruption declared by the administrator of LIBOR or by the regulatory supervisor for the administrator of LIBOR; or

(D) a new index rate has become a widely-recognized replacement benchmark rate for LIBOR in newly originated or amended loans denominated in U.S. Dollars in the U.S. market;

then the Deal Agent may in its sole discretion, amend this Agreement as described below to replace LIBOR with an alternative replacement index and to modify the applicable margins (the new index and margin together, the "Benchmark Replacement"), in each case, (x)giving due consideration to any evolving or then existing convention for similar US dollar denominated credit facilities and any selection, endorsement or recommendation made by a relevant governmental body with respect to such facilities and (y) resulting in the Deal Agent having taken action hereunder that is, to the extent applicable and administratively feasible, substantially consistent with action taken with respect to similarly situated counterparties with similar assets in similar facilities. The Deal Agent may also from time to time, in the Deal Agent's sole discretion, make other related amendments ("Conforming Changes"), including but not limited to increasing or decreasing the "floor" applicable to the replacement index and/or Benchmark

~~Replacement, to permit the administration thereof by the Deal Agent in an administratively and operationally practicable manner and in a manner substantially consistent with market practice with respect to similarly situated counterparties with similar assets in similar facilities.~~

Section 2.17. Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lender without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Deal Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lender comprising the Required Lender. No Hedging Agreement shall constitute a "Transaction Document" for purposes of this Section 2.17.

(b) ~~(ii) The Deal Agent shall provide notice to Borrower of an amendment of this Agreement to reflect the~~Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement~~ and~~, the Deal Agent will have the right to make Conforming Changes~~. Notwithstanding~~ from time to time and, notwithstanding anything to the contrary herein or in ~~this Agreement or the~~any other ~~Loan Documents (including, without limitation, Section 2.17), such amendment shall~~Transaction Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement ~~upon delivery of notice to Borrower~~or any other Transaction Document.

~~(iii) For the avoidance of doubt, following the date when a determination is made pursuant to clause (b)(i), above, and until a Benchmark Replacement has been selected and implemented in accordance with the terms and conditions of clause (b)(i) and (ii), at the Deal Agent's election, all Loans shall accrue interest at the Base Rate.~~

~~(iv) Subject to any Conforming Changes, if at any time the replacement index is less than zero, then at such times, such index shall be deemed to be zero for purposes of this Agreement; provided, however, even if the replacement index is greater than zero, if due to a negative margin the Benchmark Replacement would be zero, the Benchmark Replacement shall be deemed to be zero.~~

~~(v) In the event that circumstances similar to those set out in clause (b)(i)(A)–(D) occur in relation to an index selected to replace LIBOR (or another index previously selected pursuant to this provision) or if the Deal Agent determines a replacement index is administratively or operationally impracticable, the terms governing replacement of LIBOR set forth in clauses (ii) and (iii) shall govern replacement of the replacement index~~

(c) Notices; Standards for Decisions and Determinations. The Deal Agent will promptly notify the Borrower and the Lender of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Deal Agent will promptly notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to this Section 2.17 and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Deal Agent or, if applicable, the Lender pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 2.17.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement) (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Deal Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Deal Agent may modify the definition of "Accrual Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Deal Agent may modify the definition of "Accrual Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Borrower may revoke any pending request for a Benchmark Advance, or conversion to or continuation of Benchmark Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Advances and (ii) any outstanding affected Benchmark Advance will be deemed to have been converted to Base Rate Advances at the end of the applicable Accrual Period. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon

the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

Section 2.18. Inability to Determine Rates. Subject to Section 2.17, if, on or prior to the first day of any Accrual Period for any Benchmark Advance, the Deal Agent determines (which determination shall be conclusive and binding absent manifest error) that the Benchmark then in effect cannot be determined pursuant to the terms of this Agreement, the Deal Agent will promptly notify the Borrower and each Lender.

Upon notice thereof by the Deal Agent to the Borrower, any obligation of the Lender to make Benchmark Advances, and any right of the Borrower to continue Benchmark Advances or to convert Base Rate Advances to Benchmark Advances, shall be suspended (to the extent of the affected Benchmark Advances or affected Accrual Periods) until the Deal Agent revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Benchmark Advances (to the extent of the affected Benchmark Advances or affected Accrual Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Base Rate Advance of or conversion to Base Rate Advances in the amount specified therein and (ii) any outstanding affected Benchmark Advances will be deemed to have been converted into Base Rate Advances at the end of the applicable Accrual Period. Upon any such conversion, the Borrower shall also pay any additional amounts required pursuant to this Agreement. Subject to Section 2.17, if the Deal Agent determines (which determination shall be conclusive and binding absent manifest error) that the Benchmark cannot be determined pursuant to the terms of this Agreement on any given day, the interest rate on the Base Rate Advances shall be determined by the Deal Agent without reference to clause (c) of the definition of the "Base Rate" until Deal Agent revokes such determination.

ARTICLE III
CONDITIONS TO THE CLOSING AND EACH FUNDING

Section 3.1. Conditions to the Closing and the Initial Funding. The Closing Date shall not occur and no Lender shall be obligated to make an Advance hereunder on the occasion of the Initial Funding, nor shall any Lender, the Deal Agent, the Backup Servicer or the Collateral Agent be obligated to take, fulfill or perform any other action hereunder, until (i) in the case of the Closing Date, the conditions set forth in clauses (a), (c) and (d) below, and (ii) in the case of the Initial Funding, all of the following conditions, after giving effect to the proposed Advance, in each case, have been satisfied, in the sole discretion of, or waived in writing by, the Deal Agent:

(a) Each document specified in the schedule of documents attached hereto as Schedule IX has been duly executed by, and delivered to, the parties hereto and thereto and the Deal Agent has received all such executed documents. The Lender shall have cancelled all notes and terminated related fee letters executed by CAC Warehouse Funding III, LLC in favor of Fifth Third Bank and delivered the same to the Borrower.

(b) The executed Note in the face amount representing the Commitment amount and dated as of the Effective Date has been delivered to the Lender.

(c) The Deal Agent has received such other approvals, opinions or documents

as the Deal Agent or its counsel may reasonably require.

(d) All fees payable by the Borrower to Fifth Third on or prior to the Effective Date pursuant to the Fee Letter shall have been paid in full in accordance with the terms thereof.

(e) The Borrower shall have deposited to the Reserve Account an amount equal to the Required Reserve Account Amount after giving effect to the proposed Advance.

(f) An Eligible Hedging Agreement shall be in effect.

Section 3.2. Conditions Precedent To All Fundings. Each request for a Funding hereunder (each, a "Transaction") shall be subject to the further conditions precedent:

(a) With respect to any Advance (including the Initial Funding), the Borrower shall have delivered to the Deal Agent, on or prior to the date of the Advance in form and substance satisfactory to the Deal Agent, (i) the Funding Notice and (ii) Exhibit A to the Contribution Agreement, including the Schedule of Loans and Contracts attached thereto, dated within two (2) Business Days prior to the date of the Advance and containing such additional information as may be reasonably requested by the Deal Agent.

(b) On the date of such Transaction the following statements shall be true and the Borrower shall be deemed to have certified that, after giving effect to the proposed Advance and pledge of Additional Loans:

(iii) The representations and warranties contained in Sections 4.1, 4.2 and 4.3 are true and correct on and as of such day as though made on and as of such day and shall be deemed to have been made on such day;

(iv) On and as of such day, after giving effect to the proposed Advance, the outstanding Capital does not exceed the lesser of (A) the Borrowing Base and (B) the Facility Limit;

(v) On and as of such day, the Borrower, the Originator and the Servicer each has performed all of the agreements contained in this Agreement and the other Transaction Documents to which it is a party to be performed by such person at or prior to such day; and

(vi) No law or regulation shall prohibit, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of the Funding by the Lender in accordance with the provisions hereof.

(c) The Borrower shall have delivered to the Collateral Agent the information described in Section 2.2(a)(iii).

(d) All financing statements necessary to perfect the Collateral Agent's first priority security interest in the Collateral shall have been filed in the appropriate filing offices.

(e) (i) On or prior to the related Funding Date, the Servicer shall have submitted to the Deal Agent a report setting forth the Forecasted Collections for the Aggregate Outstanding Eligible Loan Balance (after giving effect to the proposed Advance) and (ii) the Forecasted Collections for the Aggregate Outstanding Eligible Loan Balance (after giving effect to the proposed Advance) shall be greater than or equal to Capital, after giving effect to the proposed Advance.

(f) all conditions required to be satisfied in the Contribution Agreement shall have been satisfied.

(g) No Amortization Event, Termination Event or Unmatured Termination Event shall have occurred.

(h) No Servicer Termination Event or any event, that with the giving of notice or the lapse of time, or both, would become a Servicer Termination Event shall have occurred.

(i) No material adverse selection procedures were used by the Borrower with respect to the Loans, Contracts or Dealer Agreements; provided, for the avoidance of doubt, that during the Revolving Period, the Borrower in its sole discretion may elect to pledge Dealer Loans secured by either Open Pools or Closed Pools.

(j) The Borrower shall have made any deposit to the Reserve Account necessary to ensure that the amount on deposit therein is equal to the Required Reserve Account Amount after giving effect to the proposed Advance.

(k) An Eligible Hedging Agreement shall be in effect.

(l) There shall be no litigation, proceeding or investigation, to the best knowledge of the Borrower and Servicer, threatened against the Borrower or the Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Borrower or Servicer is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower or Servicer is a party or (iii) seeking any determination or ruling that could reasonably be expected to have Material Adverse Effect.

(m) The Deal Agent shall have received such other approvals, opinions or documents as the Deal Agent or its counsel may reasonably require.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Collateral Agent, the Deal Agent, any Successor Servicer, the Backup Servicer and the Secured Parties on the Closing Date, and on each Funding Date thereafter until the Collection Date, as follows:

(a) Organization and Good Standing. The Borrower has been duly organized, and is validly existing as a limited liability company in good standing under the laws of the State of

Delaware, with all requisite power and authority to own or lease its properties and conduct its business as such business is presently conducted, and the Borrower had at all relevant times, and now has all necessary power, authority and legal right to acquire, own and pledge the Collateral and perform its obligations under this Agreement.

(b) Due Qualification. The Borrower is duly qualified to do business and is in good standing as a limited liability company and has obtained all material necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification, licenses or approvals.

(c) Power and Authority; Due Authorization. The Borrower: (i) has all necessary power, authority and legal right to: (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of the Transaction Documents to which it is a party, and (C) transfer and assign each Loan, Related Security and all other Collateral on the terms and conditions herein provided and (ii) has duly authorized by all necessary action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transfer and assignment of the Loans, Related Security and all other Collateral on the terms and conditions herein provided. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by it.

(d) Binding Obligation. This Agreement and each other Transaction Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower, each enforceable against the Borrower in accordance with its terms, subject to any defense, if any, arising out of a breach or other action or inaction of a party thereto other than the Borrower or any Affiliate of the Borrower.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Borrower's certificate of formation, operating agent or any Contractual Obligation of the Borrower, (ii) result in the creation or imposition of any Lien upon any of the Borrower's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or
(iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the best knowledge of the Borrower, threatened against the Borrower, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower is a party or (iii) seeking any determination or ruling that would reasonably be expected to have Material Adverse Effect and is reasonably expected to occur.

(g) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Borrower of this Agreement and any other Transaction

Document to which the Borrower is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

(h) Bulk Sales. The execution, delivery and performance of this Agreement do not require compliance with any "bulk sales" act or similar law by Borrower.

(i) Solvency. The transactions under this Agreement and any other Transaction Document to which the Borrower is a party do not and will not render the Borrower not Solvent and the Borrower shall deliver to the Deal Agent on the Effective Date a certification in the form of Exhibit F. The Originator has confirmed in writing to the Borrower that, until one year and one day after the Collection Date, the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other Insolvency Laws.

(j) Selection Procedures. No procedures believed by the Borrower to be materially adverse to the interests of the Collateral Agent or the Lender were utilized by the Borrower in identifying and/or selecting Loans or Dealer Agreements; provided, for the avoidance of doubt, that during the Revolving Period, the Borrower in its sole discretion may elect to pledge Dealer Loans secured by either Open Pools or Closed Pools In addition, each Loan shall have been underwritten in accordance with and satisfy, in each case in all material respects, the standards of any Credit Guidelines that have been established by the Borrower or the Originator and are then in effect.

(k) Taxes. The Borrower has filed or caused to be filed all tax returns that are required to be filed by it. The Borrower has paid or made adequate provisions for the payment of all material Taxes and all assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower), and no tax lien has been filed and, to the Borrower's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein (including, without limitation, the use of the proceeds from the pledge of the Collateral) will violate or result in a violation of Section 7 of the Securities Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the pledge of the Collateral will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purchase credit" within the meaning of Regulation U.

(m) Quality of Title. Each Loan, together with the Related Security related thereto, shall, at all times, be owned by the Borrower free and clear of any Lien except as provided in Section 4.2(a)(iii), and upon each Funding, the Collateral Agent as agent for the Secured Parties shall acquire a valid and perfected first priority security interest in such Loans, the Related Security related thereto and all Collections then existing or thereafter arising, free and clear of any Lien, except as provided in Section 4.2(a)(iii). No effective financing statement or other instrument similar in effect covering any Loan or Dealer Agreement shall at any time be on file in any recording office except such as may be filed (i) in favor of the Borrower in accordance with the

Contribution Agreement or (ii) in favor of the Collateral Agent in accordance with this Agreement.

(n) Security Interest. The Borrower has granted a security interest (as defined in the UCC) to the Collateral Agent, as agent for the Secured Parties, in the Collateral, which is enforceable in accordance with applicable law upon execution and delivery of this Agreement. Upon the filing of UCC-1 financing statements naming the Collateral Agent as secured party and the Borrower as debtor, the Collateral Agent, as agent for the Secured Parties, shall have a first priority perfected security interest in the Collateral. All filings (including, without limitation, such UCC filings) as are necessary in any jurisdiction to perfect the interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral have been made. The Collateral Agent has "control" (as defined in Section 9-104 of the UCC) over the Collection Account and the Reserve Account.

(o) Accuracy of Information. All information heretofore furnished by the Borrower (including without limitation, the Monthly Report and Credit Acceptance's financial statements) to the Deal Agent, Collateral Agent or the Lender for purposes of or in connection with this Agreement or any other Transaction Document, or any transaction contemplated hereby or thereby, will be true, correct, complete and accurate in every material respect, on the date such information is stated or certified.

(p) Location of Offices. The principal place of business and chief executive office of the Borrower and the office where the Borrower keeps all the Records (other than the Certificates of Title) are located at the address of the Borrower referred to in Section 14.2 hereof, and the office where the Borrower keeps all the Certificates of Title is located at 200 Galleria Officentre, Suite 125, Southfield, Michigan 48034 (or, in each case, at such other locations as to which the notice and other requirements specified in Section 5.2(g) shall have been satisfied); provided, that, Credit Acceptance may temporarily (or permanently, solely in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(q) OFAC. The Borrower has provided to the Lender, the Deal Agent and the Collateral Agent all information regarding Credit Acceptance, the Borrower and their respective Affiliates and Subsidiaries, as requested by the Deal Agent, necessary for the Lender, the Deal Agent and the Collateral Agent to comply with all applicable OFAC/AML Laws. To the best of the Borrower's knowledge, neither Credit Acceptance, the Borrower nor any of their respective Affiliates or Subsidiaries is, as of the date hereof, named on the current OFAC SDN List. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

(r) Tradenames; Place of Business; Correct Legal Name. (i) Except as described in Schedule III, the Borrower has no trade names, fictitious names, assumed names or "doing business as" names or other names under which it has done or is doing business; (ii) the principal place of business, chief executive office and location of the Borrower (for purposes of the applicable UCC) are located at the address of the Borrower set forth on the signature pages hereto;

and (iii) "CAC Warehouse Funding LLC V" is the correct legal name of the Borrower indicated on the public records of the Borrower's jurisdiction of organization.

(s) Contribution Agreement. The Contribution Agreement is the only agreement pursuant to which the Borrower purchases Loans from the Originator.

(t) Value Given. The Borrower shall have given reasonably equivalent value to the Originator in consideration for the transfer to the Borrower of the Loans and Related Security under the Contribution Agreement, no such transfer shall have been made for or on account of an antecedent debt owed by the Originator to the Borrower, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(u) Accounting. The Borrower accounts for the transfers to it from the Originator of Loans and Related Security under the Contribution Agreement as sales or contributions to capital of such Loans and Related Security in its books, records and financial statements, in each case consistent with the requirements set forth herein.

(v) Special Purpose Entity. The Borrower is in compliance with Section 5.2(o) hereof in all material respects.

(w) Confirmation from the Originator. The Borrower has received in writing from the Originator confirmation that, until one year and one day after the Collection Date, the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other bankruptcy or insolvency laws. Each of the Borrower and the Originator is aware that in light of the circumstances described in the preceding sentence and other relevant facts, the filing of a voluntary petition under the Bankruptcy Code for the purpose of making any Loan or any other assets of the Borrower available to satisfy claims of the creditors of the Originator would not result in making such assets available to satisfy such creditors under the Bankruptcy Code.

(x) Investment Company Act. The Borrower is not, and is not "controlled by", an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the Borrower is not relying exclusively on the exemption from the definition of "investment company" afforded by either Section 3(c)(1) or Section 3(c)(7)of the Investment Company Act of 1940, as amended.

(y) ERISA. The present value of all benefits vested under all "employee pension benefit plans," as such term is defined in Section 3 of ERISA, maintained by the Borrower, or in which employees of the Borrower are entitled to participate, as from time to time in effect (herein called the "Pension Plans"), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the last annual violation date). No prohibited transactions, accumulated funding deficiencies, withdrawals or reportable events have occurred with respect to any Pension Plans that, in the aggregate, could subject the Borrower to any material tax, penalty or other liability. No notice of intent to terminate a Pension Plan has been billed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment

of a trustee to administer, any Pension Plan.

(z) [Reserved].

(aa) Representations and Warranties in Contribution Agreement. The representations and warranties made by the Originator to the Borrower in the Contribution Agreement are hereby remade by the Borrower on each date to which they speak in the Contribution Agreement as if such representations and warranties were set forth herein. For purposes of this Section 4.1(aa), such representations and warranties are incorporated herein by reference as if made by the Borrower to the Deal Agent, the Successor Servicer, the Collateral Agent and to each of the Secured Parties under the terms hereof *mutatis mutandis*.

(bb) Amount of Loans and Contracts; Computer File. When new Pools or Purchased Loans are pledged to the Collateral Agent, the related Funding Notice shall provide (A) the aggregate Outstanding Balance of the Contracts to be pledged to the Collateral Agent on the related Funding Date; and (B) the Aggregate Outstanding Eligible Loan Balance, each as of the applicable Cut-Off Date and as reported in the loan servicing system~~. The computer file or microfiche list delivered pursuant to Section 2.2(a)(iii) hereof is complete and accurately reflects the information regarding the Loans, applicable Dealer Agreements and Contracts in all material respects~~.

(cc) Use of Proceeds. The proceeds of each Funding will be used by the Borrower solely to purchase the Loans and related Collateral from the Originator pursuant to the Contribution Agreement or, subject to Section 5.2(f), to make distributions to Credit Acceptance in respect of its equity interest in the Borrower.

(dd) Subsidiaries. The Borrower does not have any Subsidiaries.

(ee) Capital Stock. The Borrower has neither sold nor pledged any of its equity interests to any entity other than Credit Acceptance.

The representations and warranties set forth in this Section 4.1 shall survive the Borrower's pledge of the Collateral to the Collateral Agent and the termination and rights and obligations of the Servicer. Upon discovery by the Borrower, the Servicer (provided that, if SST is Successor Servicer, SST shall only be obligated to inform the other parties to the Agreement of breaches detailed in Section 4.1 of which a Responsible Officer has actual knowledge), Credit Acceptance or the Collateral Agent of a breach of any of the representations and warranties set forth herein, the party discovering such breach shall give prompt written notice to the other parties of such breach.

Section 4.2. Representations and Warranties of the Borrower Relating to the Loans and the Related Contracts.

(a) Eligibility of Loans. The Borrower hereby represents and warrants to the Deal Agent, the Collateral Agent, the Backup Servicer, any Successor Servicer, and the Secured Parties as of the Closing Date, the Effective Date and each Funding Date (or on such dates as otherwise provided herein) with respect to the Dealer Agreements, Loans, Contracts and Related Security pledged to the Collateral Agent on such date that:

(vii) (x) except as permitted by the definition of Aggregate Outstanding Eligible Loan Balance, each Loan classified as an "Eligible Dealer Loan" (or included in any aggregation of balances of "Eligible Dealer Loans") or as an "Eligible Purchased Loan" (or included in any aggregation of balances of "Eligible Purchased Loans") by the Borrower or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan or Eligible Purchased Loan, as applicable, on the date so delivered; and (y) except as permitted by the definition of Aggregate Outstanding Eligible Loan Balance, each Contract classified as an "Eligible Dealer Loan Contract" or "Eligible Purchased Loan Contract" (or included in any aggregation of balances of "Eligible Dealer Loan Contracts" or "Eligible Purchased Loan Contracts") by the Borrower or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan Contract or Eligible Purchased Loan Contract, as applicable, on the date so delivered;

(viii) all information with respect to the Dealer Agreements, Purchase Agreements and the Loans and the Contracts and the other Collateral provided to the Collateral Agent or the Deal Agent by the Borrower or the Servicer was true and correct in all material respects as of the date such information was provided to the Collateral Agent or the Deal Agent, as applicable;

(ix) each Loan and all other Collateral has been pledged to the Collateral Agent free and clear of any Lien of any Person (other than, with respect to the Dealer Loan Contracts, the second priority Lien of the related Dealer therein as set forth in the related Dealer Agreement) and in compliance, in all material respects, with all Applicable Laws;

(x) with respect to each Dealer Agreement, Purchase Agreement, Loan, Contract and all other Collateral, all material consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Borrower, in connection with the pledge of such Dealer Agreement, Purchase Agreement, Loan, Contract or other Collateral to the Collateral Agent have been duly obtained, effected or given and are in full force and effect;

(xi) Schedules V and IX to this Agreement (and any addendums thereto) are and will be accurate and complete listings of all Loans, Contracts and Dealer Agreements in all material respects on the date each such Loan, Contract or Dealer Agreement was pledged to the Collateral Agent hereunder, and the information contained therein is and will be true and correct in all material respects as of such date;

(xii) each Contract and Purchased Loan constitutes tangible or electronic chattel paper; and

(xiii) no selection procedure believed by the Borrower to be materially adverse to the interests of the Secured Parties has been or will be used in selecting the Dealer Agreements, Loans or Contracts; provided that for the avoidance of doubt, during the Revolving Period, Credit Acceptance in its sole discretion may elect to transfer to the Borrower Dealer Loans secured by either Open Pools or Closed Pools.

(b) Notice of Breach. The representations and warranties set forth in this Section 4.2 shall survive the pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Borrower, Credit Acceptance, the Servicer (provided that, if SST is Successor Servicer, SST shall only be obligated to inform the other parties to the Agreement of breaches detailed in Section 4.2 of which a Responsible Officer has actual knowledge) or the Collateral Agent of a breach of any of the representations and warranties set forth in this Section 4.2, the party discovering such breach shall give prompt written notice to the other parties of such breach.

Section 4.3. Representations and Warranties of the Servicer. Credit Acceptance, as Servicer, represents and warrants as follows on the Closing Date, the Effective Date and each Funding Date thereafter until the Collection Date:

(a) Organization and Good Standing. The Servicer has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with all requisite corporate power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement and the other Transaction Documents to which it is a party.

(b) Due Qualification. The Servicer is duly qualified to do business as a corporation and is in good standing as a corporation, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of its property and or the conduct of its business requires such qualification, licenses or approvals.

(c) Power and Authority; Due Authorization. The Servicer (i) has all necessary power, authority and legal right to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of this Agreement and the other Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by the Servicer.

(d) Binding Obligation. This Agreement and each other Transaction Document to which the Servicer is a party constitutes a legal, valid and binding obligation of the Servicer, each enforceable against the Servicer in accordance with its terms, subject to any defense, if any, arising out of a breach or other action or inaction of a party thereto other than the Servicer or any Affiliate of the Servicer.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Servicer’s certificate of incorporation, bylaws or any Contractual Obligation of the Servicer, (ii) result in the creation or imposition of any Lien upon any of the Servicer’s properties pursuant to the terms of any such Contractual Obligation, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending

or, to the best knowledge of the Servicer, threatened against the Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Servicer is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Servicer is a party or (iii) seeking any determination or ruling that would reasonably be expected to have Material Adverse Effect and is reasonably expected to occur.

(g) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Servicer of this Agreement and any other Transaction Document to which the Servicer is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

(h) Reports Accurate. All Monthly Reports and other written and electronic information, exhibits, financial statements, documents, books, records or reports furnished by the Servicer to the Deal Agent, the Backup Servicer, the Collateral Agent or the Lender in connection with this Agreement are accurate, true, complete and correct in all material respects as of the date delivered.

(i) Servicer's Performance. The Servicer has the knowledge, the experience and the systems, financial and operational capacity available to timely perform each of its obligations hereunder and under each Transaction Document to which it is a party.

(j) Compliance With Credit Guidelines and Collection Guidelines. The initial Servicer has, with respect to the Loans and Contracts, complied in all material respects with the Credit Guidelines and the Collection Guidelines unless otherwise required by Applicable Law.

(k) OFAC. Credit Acceptance has provided to the Lender, the Deal Agent and the Collateral Agent all information regarding Credit Acceptance, the Borrower and their respective Affiliates and Subsidiaries, as requested by the Deal Agent, necessary for the Lender, the Deal Agent and the Collateral Agent to comply with all applicable OFAC/AML Laws. To the best of Credit Acceptance's knowledge, neither Credit Acceptance, the Borrower nor any of their respective Affiliates or Subsidiaries is, as of the date hereof, named on the current OFAC SDN List. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

Section 4.4. Representations and Warranties of the Backup Servicer. The Backup Servicer represents and warrants as follows:

(a) Organization and Good Standing. The Backup Servicer has been duly organized, and is validly existing as a corporation and in good standing under the laws of Delaware, with all requisite power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement and each Transaction Document to which it is a party.

(b) Binding Obligation. This Agreement and each other Transaction Document to which it is a party constitutes a legal, valid and binding obligation of the Backup Servicer, each enforceable against the Backup Servicer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) Backup Servicing Agreement. The Backup Servicer hereby remakes the representations and warranties made by it under the Backup Servicing Agreement.

Section 4.5. Breach of Representations and Warranties.

(a) Payment in respect of an Ineligible Loan or Ineligible Contract. If a Loan or a Contract is an Ineligible Loan or Ineligible Contract, no later than the earlier of (i) knowledge by the Borrower of such Loan or Contract being an Ineligible Loan or Ineligible Contract and (ii) receipt by the Borrower from the Deal Agent, the Collateral Agent or the Servicer (provided that, if SST is Successor Servicer, SST shall only be obligated to inform the other parties to the Agreement of breaches detailed in Section 4.2 of which a Responsible Officer has actual knowledge) of written notice thereof the Borrower shall, by no later than the first Payment Date occurring after the Collection Period during which such discovery or notice thereof occurred, make a payment to the Collection Account in respect of each such Loan or Contract in an amount equal to the related Release Price. On and after the date of such payment, any such Loan or Contract shall for all purposes of this Agreement be deemed to be an Ineligible Loan or Ineligible Contract. The Borrower shall make a deposit to the Collection Account (for allocation pursuant to Section 2.7) in immediately available funds an amount (the "Release Price") equal to the sum of (i): in the case of an Ineligible Loan, the product of (x) the Outstanding Balance related to such Loan as of the last day of the related Collection Period and (y) the Net Advance Rate in effect on the date of such payment; and in the case of an Ineligible Contract, the product of (x) the Outstanding Balance related to such Contract as of the last day of the related Collection Period and

(y) a ratio the numerator of which is the outstanding Capital as of the date of such payment and the denominator of which is the Outstanding Balance of all Contracts as of the last day of the related Collection Period; (ii) accrued and unpaid Carrying Costs, Breakage Costs, Increased Costs, Indemnified Amounts and Additional Amounts related to such Loan or Contract through the date of such deposit; and (iii) all Hedge Costs due to the relevant Hedge Counterparties for any termination in whole or in part of one or more transactions related to the relevant Hedging Agreement, as required by the terms of any Hedging Agreement. Notwithstanding the foregoing, with respect to any Ineligible Contracts, the Borrower may repurchase the Loans related thereto in lieu of such Ineligible Contracts and deposit into the Collection Account the Release Price of such Loans (as if such Loans were Ineligible Loans). Each Loan or Contract which is subject to a payment in accordance with this Section 4.5(a) shall, upon payment in full of the related Release Price, be released from the lien created pursuant to this Agreement and shall no longer constitute Collateral. The Collateral Agent as agent for the Secured Parties shall, at the sole expense of the Servicer, execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by the Servicer on behalf of the Borrower to vest in the Borrower, or its designee or assignee, all right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans or Contract subject

to a payment in accordance with this Section 4.5(a).

(f) Retransfer of All of the Loans. In the event of a breach of any representation or warranty set forth in Section 4.2 hereof which breach could reasonably be expected to have a Material Adverse Effect, by notice then given in writing to the Borrower, the Deal Agent may direct the Borrower to accept the release by the Collateral Agent of all of the Loans, in which case the Borrower shall be obligated to accept the release of such Loans on a Payment Date specified by the Deal Agent (such date, the "Release Date"); provided, however, that no such release shall be given effect unless Borrower has complied with the terms of any Hedging Agreement requiring that any derivative transaction related thereto be terminated in whole or in part and the Borrower has paid all Hedge Costs due with respect to such termination. The Borrower shall deposit in the Collection Account on the Release Date an amount equal to: (A) the Aggregate Unpaids minus (B) the amount, if any, available in the Collection Account and Reserve Account on such Payment Date (the "Retransfer Amount") for allocation and distribution in accordance with Section 2.7 in respect of such Aggregate Unpaids. On the Release Date, provided that the full Retransfer Amount has been deposited into the Collection Account, the Loans and Related Security related thereto shall be transferred to the Borrower; and the Collateral Agent as agent for the Secured Parties shall, at the sole expense of Credit Acceptance, execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by Credit Acceptance on behalf of the Borrower to vest in the Borrower, or its designee or assignee, all right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans.

(g) Remedy for Breach. The parties hereto agree that the sole remedy for the breach by the Borrower of the representations and warranties set forth in Section 4.2 hereof with respect to the eligibility of a Loan or Contract shall be set forth in this Section 4.5 and Section 6.2(c)(ii).

(h) Application. Amounts paid in accordance with Section 4.5(a) and (b) shall be distributed on the next succeeding Payment Date in accordance with Section 2.7.

(i) Notwithstanding anything herein to the contrary, during the Revolving Period, payments required under Section 4.5(a) and (b) shall not be required if the Capital is equal to or less than the Borrowing Base.

ARTICLE V GENERAL COVENANTS

Section 5.1. Affirmative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) Compliance with Laws. The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Loans and Dealer Agreements.

(b) Preservation of Corporate Existence; Conduct of Business. The Borrower will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each

jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect. The Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(c) Performance and Compliance with Loans, Dealer Agreements and Contracts. The Borrower will, at its expense, timely and fully perform and comply (or cause the Originator to perform and comply pursuant to the Contribution Agreement) with all provisions, covenants and other promises required to be observed by it under the Loans, Dealer Agreements and Contracts in and all other agreements related thereto in all material respects.

(d) Keeping of Records and Books of Account. The Borrower will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Loans in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) Originator Assets. With respect to each Loan acquired by the Borrower, the Borrower will: (i) acquire such Loan pursuant to and in accordance with the terms of the Contribution Agreement; (ii) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Loan, including, without limitation, (A) filing and maintaining, effective financing statements (Form UCC-1) against the Originator in all necessary or appropriate filing offices, and filing continuation statements, amendments or assignments with respect thereto in such filing offices, and (B) executing or causing to be executed such other instruments or notices as may be necessary or appropriate; and (iii) take all additional action that the Deal Agent or the Collateral Agent may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(f) Delivery of Collections. Subject to Section 2.9(d) hereof, the Borrower will deposit to the Collection Account promptly (but in no event later than two (2) Business Days after receipt) all Collections received by Borrower in respect of the Loans or the Contracts.

(g) Separate Corporate Existence. The Borrower shall be in compliance with the requirements set forth in Section 5.2(o).

(h) Credit Guidelines and Collection Guidelines. The Borrower will comply in all material respects with the Credit Guidelines and the Collection Guidelines with respect to each Loan and Contract unless otherwise required by Applicable Law.

(i) Taxes. The Borrower will file all Tax returns, that are required to be filed by it, and pay any and all Taxes (other than any amount of Tax the validity of which is being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower).

(j) Use of Proceeds. The Borrower will use the proceeds of the Funding only to acquire Loans and related Collateral from the Originator pursuant to the Contribution Agreement or, subject to Section 5.2(f), to make distributions to Credit Acceptance in respect of its equity interest in the Borrower.

(k) Reporting. The Borrower will maintain for itself a system of accounting established and administered as presented within the audited consolidated financial statements of Credit Acceptance and its subsidiaries and furnish or cause to be furnished to the Deal Agent and the Lender the following information:

(i) [Reserved];

(ii) Annual Reporting. Within 120 days after the close of the Borrower's and Credit Acceptance's fiscal years (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Annual Report on 10-K for such fiscal year with the SEC, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or (ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), (A) audited consolidated financial statements for Credit Acceptance and all of its Subsidiaries, accompanied by an unqualified audit report certified by independent certified public accountants, acceptable to the Deal Agent, and prepared in accordance with GAAP and any management letter prepared by said accountants and (B) unaudited financial statements for the Borrower, including balance sheets as of the end of such period and related statements of operations, prepared as presented within the audited consolidated financial statements of Credit Acceptance and all of its Subsidiaries;

(iii) Quarterly Reporting. Within sixty (60) days after the close of the first three quarterly periods of each of the Borrower's and Credit Acceptance's fiscal years (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Quarterly Report on 10-Q for such fiscal quarter with the SEC, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or (ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), (A) unaudited consolidated financial statements for Credit Acceptance and all of its Subsidiaries, including the consolidated balance sheets as of the end of each such period and consolidated related statements of operations and cash flows for the period from the beginning of such fiscal year to the end of such quarter, prepared in accordance with GAAP and certified by its chief financial officer or chief treasury officer as true, accurate and complete in all material respects and (B) unaudited financial statements for the Borrower, including balance sheets as of the end of each such period and related statement of operations for the period from the beginning of such fiscal year to the end of such quarter, prepared as presented within the unaudited consolidated financial statements

of Credit Acceptance and all of its Subsidiaries and certified by its chief financial officer or chief treasury officer as true, accurate and complete in all material respects;

(iv) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate signed by the Borrower's or Credit Acceptance's, as applicable, chief financial officer or chief treasury officer stating that (A) the attached consolidated financial statements of Credit Acceptance and all of its Subsidiaries have been prepared in accordance with GAAP and accurately reflect the financial condition of Credit Acceptance, (B) the attached financial statements of the Borrower have been prepared as presented within the consolidated financial statements of Credit Acceptance and all of its Subsidiaries and accurately reflect the financial condition of the Borrower, and (C) to the best of such Person's knowledge, no Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event exists, or if any Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event exists, stating the nature and status thereof;

(v) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the shareholders of the Borrower or Credit Acceptance, copies of all financial statements, reports and proxy statements so furnished, to the extent such information has not been provided pursuant to another clause of this Section 5.1(k);

(vi) SEC Filings. Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Credit Acceptance or any subsidiary files with the SEC;

(vii) Notice of Servicer Termination Events, Potential Servicer Termination Events, Termination Events or Unmatured Termination Events. As soon as possible and in any event within two (2) days after the occurrence of each Servicer Termination Event, Potential Servicer Termination Event, Termination Event or each Unmatured Termination Event, a statement of the chief financial officer or chief treasury officer of the Borrower setting forth details of such Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event and the action which the Borrower proposes to take with respect thereto;

(viii) Change in Credit Guidelines or Collection Guidelines. Prior to the date of the effectiveness of any change in or amendment to the Credit Guidelines or Collection Guidelines, which change or amendment would materially impair the collectibility of any Loan or Contract or otherwise materially adversely affect the interests or the remedies of the Deal Agent, the Collateral Agent or the other Secured Parties under this Agreement or any other Transaction Document (and which change or amendment shall be subject to the applicable requirements of this Article V), a notice describing such change or amendment, other than in the case of a change or amendment required in order to comply with Applicable Law.

(ix) Credit Guidelines and Collection Guidelines. On the Closing Date and on August 18, 2016, a complete copy of the Credit Guidelines and Collection

Guidelines then in effect;

(x) ERISA. Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any reportable event (as defined in Article IV of ERISA) which the Borrower, Credit Acceptance or any ERISA Affiliate of the Borrower or Credit Acceptance files under ERISA with the United States Internal Revenue Service, the Pension Benefit Guaranty Corporation or the United States Department of Labor or which the Borrower, Credit Acceptance or any ERISA Affiliates of the Borrower or Credit Acceptance receives from the United States Internal Revenue Service, the Pension Benefit Guaranty Corporation or the United States Department of Labor;

(xi) Proceedings. As soon as possible and in any event within two (2) Business Days after any executive officer of the Borrower receives notice or obtains knowledge thereof, any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy litigation, action, suit or proceeding (in each case, of a material nature), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any of its Affiliates;

(xii) Notice of Material Events. Promptly upon becoming aware thereof, notice of any other event or circumstances that, in the reasonable judgment of the Borrower, is likely to have a Material Adverse Effect; and

(xiii) Other Information. Such other information, documents, records or reports (including non-financial information) as the Deal Agent or the Collateral Agent may from time to time reasonably request with respect to Credit Acceptance, the Borrower, the Servicer or any Subsidiary of any of the foregoing.

(l) Compliance with Applicable Law. The Borrower shall duly satisfy in all material respects its obligations under or in connection with any Loan and Contract, will maintain in effect all material qualifications required under all Applicable Law, and will comply in all material respects with all other Applicable Law in connection with each Loan and Contract the failure to comply with which would have a material adverse effect on the interests of the Secured Parties in the Collateral.

(m) Furnishing of Information and Inspection of Records. The Borrower will furnish to the Deal Agent, the Backup Servicer and the Collateral Agent, from time to time, such information with respect to the Loans and Contracts as may be reasonably requested, including, without limitation, a computer file, microfiche list or other list identifying each Loan and Contract by pool number, account number and dealer number and identifying the Obligor on such Loan or Contract. The Borrower will, at any time and from time to time during regular business hours, upon reasonable notice, permit the Deal Agent, the Backup Servicer and the Collateral Agent, or its agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of the Borrower for the purpose of examining such Records, and to discuss matters relating to the Loans or Contracts or the Borrower's performance hereunder and under the other Transaction Documents with any of the officers, directors, employees or independent public accountants of the Borrower having knowledge of such matters; provided,

however, that the Deal Agent and the Collateral Agent each acknowledges that in exercising the rights and privileges conferred in this Section 5.1(m) it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Borrower has a proprietary interest. The Deal Agent and the Collateral Agent each agrees that all such information, practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall retain in strict confidence and shall use its reasonable efforts to ensure that its agents and representatives retain in strict confidence, and will not disclose without the prior written consent of the Borrower, any such information, practices, books, correspondence and records furnished to them except that it may disclose such information: (i) to its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives (provided that such Persons are informed of the confidential nature of such information); (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Deal Agent, the Collateral Agent or its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives; (iii) to the extent such information was available to the Deal Agent or the Collateral Agent on a non-confidential basis prior to its disclosure hereunder; (iv) to the extent the Deal Agent or the Collateral Agent should be (A) required under the Transaction Documents or in connection with any legal or regulatory proceeding or (B) requested by any bank regulatory authority to disclose such information; or (v) to the Lender or prospective assignee; provided, that the relevant party shall notify such assignee of the confidentiality provisions of this Section 5.1(m).

(n) Keeping of Records and Books of Account. The Borrower will maintain and implement or cause to be maintained and implemented administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due under the Loans and Contracts (including, without limitation, records adequate to permit adjustments to amounts due under each existing Loan and Contract). The Borrower will give the Deal Agent notice of any material change in the administrative and operating procedures of the Borrower referred to in the previous sentence.

(o) Notice of Liens. The Borrower will advise the Deal Agent and the Collateral Agent promptly, in reasonable detail of: (i) any Lien asserted by a Person against any of the Loans or Contracts or other Collateral; (ii) any breach by the Borrower, the Originator or the Servicer of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and (iii) of the occurrence of any other event which has had or is reasonably expected to have a Material Adverse Effect.

(p) Protection of Interest in Collateral. The Borrower shall file such continuation statements and any other documents reasonably requested by the Collateral Agent, the Deal Agent or the Lender or which may be required by law to fully preserve and protect the interest of the Collateral Agent and the Secured Parties in and to the Loans, the Contracts and the other Collateral.

(q) Contribution Agreement. The Borrower will at all times enforce the covenants and agreements of Credit Acceptance in the Contribution Agreement (including,

without limitation, the rights and remedies against the Dealers).

(r) Notice of Delegation of Servicer's Duties. The Borrower promptly shall notify the Collateral Agent and the Deal Agent of any delegation by the Servicer of any of the Servicer's duties under this Agreement which is not in the ordinary course of business of the Servicer.

(s) Organizational Documents. The Borrower shall only amend, alter, change or repeal its Certificate of Formation with the prior written consent of the Deal Agent.

(t) Compliance with OFAC/AML Laws.

(xiv) The Borrower shall provide the Lender, the Deal Agent and the Collateral Agent, as the reasonable request of the Deal Agent, with any information regarding the Borrower, its Affiliates, and its Subsidiaries (if any) necessary for the Lender, the Deal Agent and the Collateral Agent to comply with all applicable OFAC/AML Laws; subject however, in the case of Affiliates, to the Borrower's ability to provide such information applicable to them, and provided that the Borrower and its Affiliates are not prohibited from providing such information by the Applicable Laws.

(xv) If the Borrower obtains actual knowledge or receives any written notice that the Borrower, Credit Acceptance or any of their respective Affiliates or Subsidiaries is named on the then current OFAC SDN List (such occurrence, an "OFAC Event"), the Borrower shall promptly give written notice to the Lender, the Deal Agent and the Collateral Agent of such OFAC Event,

Section 5.2. Negative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) Other Business. Borrower will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents; (ii) incur any indebtedness, obligation, liability or contingent obligation of any kind other than pursuant to the Transaction Documents; or (iii) form any Subsidiary or make any Investments in any other Person.

(b) Loans Not to be Evidenced by Instruments. The Borrower will take no action to cause any Loan that is not, as of the Closing Date, evidenced by an Instrument, to be so evidenced except in connection with the enforcement or collection of such Loan.

(c) Security Interests. The Borrower will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on any Loan, Contract, Related Security or any other Collateral, whether now existing or hereafter transferred hereunder, or any interest therein, and the Borrower will not sell, pledge, assign or suffer to exist any Lien on its interest, if any, hereunder. The Borrower will promptly notify the Deal Agent of the existence of any Lien on any Loan, Contract, Related Security or any other Collateral and the Borrower shall defend the right, title and interest of the Deal Agent and Collateral Agent as agent for the Secured Parties in, to and under the Loans, Contracts, Related Security and other Collateral, against all claims of third parties.

(d) Mergers, Acquisitions, Sales, etc. The Borrower will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, or, sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign with or without recourse any Loan, Contracts, Related Security or other Collateral or any interest therein (other than pursuant to and in accordance with the Transaction Documents).

(e) [Reserved].

(f) Distributions. The Borrower shall not directly or indirectly, make any distribution (whether in cash or other property) with respect to the profits, assets or capital of the Borrower or any Person's interest therein, except that so long as no Termination Event or Unmatured Termination Event has occurred and is continuing or would result therefrom, the Borrower may declare and make distributions to its members.

(g) Change of Name or Location; Change of Location of Records Files. The Borrower shall not (x) change its name or state of organization, (y) move the location of its principal place of business or chief executive office or the offices where it keeps the Records from the location referred to in Sections 4.2 and 14.2 or (z) move, or consent to the Custodian or Servicer moving, the Records/Contract Files from the location thereof on the Closing Date, unless the Borrower has given at least thirty (30) days' written notice to the Deal Agent and the Collateral Agent and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral; provided, that, Credit Acceptance may temporarily (or permanently, solely in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(h) Accounting of the Contribution Agreement. The Borrower will not account for or treat (whether in financial statements or otherwise) the transaction contemplated by the Contribution Agreement in any manner other than as a contribution, or absolute assignment, of the Loans and related assets by the Originator to the Borrower.

(i) ERISA Matters. The Borrower will not: (i) engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the United States Department of Labor; (ii) permit to exist any accumulated funding deficiency, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (iii) fail to make any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (iv) terminate any Benefit Plan so as to result in any liability; or (v) permit to exist any occurrence of any reportable event described in Title IV of ERISA.

(j) Certificate of Incorporation; Contribution Agreement. The Borrower will not (without the prior written consent of the Deal Agent) amend, modify, waive or terminate any provision of its Certificate of Formation, the Contribution Agreement or any other Transaction Document. The Borrower will not take any action under the Contribution Agreement which

would have a Material Adverse Effect.

(k) Changes in Payment Instructions to Obligors. The Borrower will not make any change, or permit Servicer to make any change, in its instructions to Obligors regarding where payments in respect of Contracts are to be made to Borrower or Servicer, unless the Deal Agent shall have consented to such change in writing and has received duly executed copies of all documentation related thereto.

(l) Extension or Amendment. The Borrower will not, except as otherwise permitted hereunder or by law, extend, amend or otherwise modify, or permit the Servicer to extend, amend or otherwise modify, the terms of any Dealer Agreement, Loan or Contract; provided, however, the Dealer Agreements may be amended (i) in connection with the closing of or opening of a Pool and (ii) in a manner that does not materially impair the collectability of any Loan or Contract.

(m) Credit Guidelines or Collection Guidelines. The Borrower will not permit the amendment, modification, restatement or replacement, in whole or in part, of the Credit Guidelines or Collection Guidelines, which change would materially impair the collectibility of any Loan or Contract or otherwise materially adversely affect the interests or the remedies of the Deal Agent, the Collateral Agent or the other Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent, which consent shall not be unreasonably withheld or delayed; provided that no consent shall be required for any such change required in order to comply with Applicable Law.

(n) No Assignments. The Borrower will not assign or delegate, or grant any interest in, or permit any Lien to exist upon, any of its rights, obligations or duties under this Agreement or any other Transaction Document without the prior written consent of the Deal Agent.

(o) Special Purpose Entity. The Borrower has not and shall not:

(i) engage in any business or activity other than the purchase and receipt of Loans and related assets from the Originator under the Contribution Agreement, the pledge of Loans and related assets under the Transaction Documents and such other activities as are incidental thereto;

(ii) acquire or own any material assets other than (A) the Loans and related assets from the Originator under the Contribution Agreement and (B) incidental property as may be necessary for the operation of the Borrower;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case first obtaining the Deal Agent’s consent;

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, or without the prior written consent of the Deal Agent, amend, modify,

terminate, fail to comply with the provisions of its Certificate of Incorporation, or fail to observe corporate formalities;

(v) own any subsidiary or make any investment in any Person without the consent of the Deal Agent;

(vi) commingle its assets or funds with the assets or funds of any of its Affiliates, or of any other Person, except for (A) Dealer Collections, (B) erroneous deposits or (C) prior to the identification and separation of such funds or assets by the Servicer in accordance with the Servicer's normal and customary business practices;

(vii) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (A) indebtedness to the Lender hereunder or in conjunction with a repayment of Aggregate Unpaids owed to the Lender and (B) trade payables in the ordinary course of its business and in an amount not to exceed $12,300 at any one time outstanding, provided that such debt is not evidenced by a note and is paid when due;

(viii) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due;

(ix) fail to maintain its records, books of account and bank accounts separate and apart from those of its principal and Affiliates, and any other Person;

(x) enter into any contract or agreement with any of its principals or Affiliates or any other Person, except upon terms and conditions that are commercially reasonable and intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any principal or Affiliates;

(xi) seek its dissolution or winding up in whole or in part;

(xii) fail to correct any known misunderstandings regarding the separate identity of Borrower or Affiliate thereof or any other Person;

(xiii) guarantee, become obligated for, or hold itself out to be responsible for the debt of another Person;

(xiv) make any loan or advances to any third party, including Affiliate, or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities);

(xv) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name in order not
(A) to mislead others as to the identity with which such other party is transacting business, or (B) to suggest that it is responsible for the debts of any third party (including any of its Affiliates);

(xvi) fail to maintain adequate capital for the normal obligations

reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(xvii) file or consent to the filing or any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(xviii) share any common logo with or hold itself out as or be considered as a department or division of (A) any of its Affiliates or (B) any other Person;

(xix) permit any transfer (whether in any one or more transactions) of any direct or indirect ownership interest in the Borrower;

(xx) fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person, or have its assets listed on the financial statement of any other Person except its parent in accordance with GAAP;

(xxi) fail to pay its own liabilities and expenses only out of its own funds;

(xxii) fail to pay the salaries of its own employees in light of its contemplated business operations;

(xxiii) acquire the obligations or securities of its Affiliates or stockholders;

(xxiv) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(xxv) to the extent it has invoices or checks, fail to use separate invoices or checks bearing its own name;

(xxvi) pledge its assets for the benefit of any other Person, other than with respect to payment of the indebtedness to the Lender hereunder;

(xxvii) fail at any time to have at least two (2) independent directors (each, an "Independent Director") on its board of directors, each of which is a natural person who (A)for the five-year period prior to his or her appointment as Independent Director has not been, and during the continuation of his or her service as Independent Director is not: (i) an employee, director, stockholder, member, manager, partner or officer of the Borrower, Credit Acceptance or any of their respective Affiliates (other than his or her service as an Independent Director thereof); (ii) a supplier of the Borrower, Credit Acceptance or any of their respective Affiliates (other than his or her service as an Independent Director thereof); or (iii) any member of the immediate family of a person described in (i) or (ii), and (B) has, (i) prior experience as an Independent Director for a corporation or limited liability company whose charter documents required the unanimous consent of all Independent Directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (ii) at least three years of employment experience with one or more

entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities;

(xxviii) fail to provide that the unanimous consent of all directors (including the consent of the Independent Directors) is required for the Borrower to (A) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (B) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (C) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (D) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (E) make any assignment for the benefit of the Borrower's creditors, (F) admit in writing its inability to pay its debts generally as they become due, or (G) take any action in furtherance of any of the foregoing; and

(xxix) take or refrain from taking, as applicable, each of the activities specified in the non-consolidation opinion of Skadden, Arps, Slate, Meagher & Flom LLP, delivered on the Closing Date, upon which the conclusions expressed therein are based.

Section 5.3. Covenant of the Borrower Relating to the Hedging Agreement. At all times until the Collection Date, when any Advances are outstanding hereunder, an Eligible Hedging Agreement shall be in place. In addition, the Borrower hereby covenants and agrees that from the date of the first Advance occurring after August 15, 2018 through the Commitment Termination Date (as the same may be extended), it shall cause the aggregate notional amount of all Eligible Hedging Transactions to at all times at least equal 75% of the Facility Limit at such time and the notional amount of any Eligible Hedging Transaction shall amortize according to a schedule approved in writing by the Deal Agent.

Section 5.4. Affirmative Covenants of the Servicer. From the date hereof until the Collection Date:

(a) Compliance with Law. The Servicer will comply in all material respects with all Applicable Laws, including those with respect to the Contracts, the Loans and the Dealer Agreements or any part thereof.

(b) Preservation of Existence. The Servicer will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Obligations and Compliance with Loans and Contracts. Credit Acceptance will duly fulfill and comply with all material obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each Loan and each Contract and will do nothing to impair the rights of the Collateral Agent as agent for the Secured Parties or of the Secured Parties in, to and under the Collateral.

(d) Keeping of Records and Books of Account. The Servicer will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) Preservation of Security Interest. Credit Acceptance will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the security interest of the Collateral Agent as agent for the Secured Parties in, to and under the Collateral. In its capacity as Custodian, it will maintain possession of the Contract Files and Records, as Custodian for the Secured Parties, as set forth in Section 6.2(c).

(f) Credit Guidelines and Collection Guidelines.

(i) The Servicer will comply in all material respects with the Credit Guidelines and Collection Guidelines in regard to each Loan and Contract unless otherwise required by Applicable Law.

(ii) Credit Acceptance will not agree to or otherwise permit to occur any change in the Collection Guidelines, which change would materially impair the collectibility of any Loan or Contract or otherwise materially adversely affect the interests or remedies of the Deal Agent, the Collateral Agent or the other Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent, which consent shall not be unreasonably withheld or delayed; provided that no consent shall be required for any such change required in order to comply with Applicable Law.

(iii) The Servicer shall, upon at least thirty (30) days' prior written request therefor, furnish to the Deal Agent the Credit Guidelines and Collection Guidelines in effect at such time.

(g) Amortization Events, Servicer Termination Events and Termination Events. The Servicer will furnish to the Deal Agent, as soon as possible and in any event within two (2) Business Days after the occurrence of each Amortization Event, each Termination Event, each Unmatured Termination Event, each Servicer Termination Event and Potential Servicer Termination Event, a written statement of the chief financial officer or chief treasury officer (or if the Backup Servicer has become the Servicer, only to the extent a Responsible Officer has actual knowledge of such event) of the Servicer setting forth the details of such event and the action that the Servicer purposes to take with respect thereto.

(h) Other. The Servicer will furnish to the Deal Agent or the Collateral Agent, as applicable, promptly, from time to time, such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of Borrower or the Servicer as the Deal Agent or the Collateral Agent may from time to time reasonably request in connection with the interests of the Collateral Agent or the Secured Parties under or as contemplated by this Agreement and the other Transaction Documents.

(i) Losses, Etc. In any suit, proceeding or action brought by the Deal Agent, the Collateral Agent or any Secured Party for any sum owing thereto, the Servicer shall save, indemnify and keep the Deal Agent, the Collateral Agent and the Secured Parties harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the Obligor under a Loan or Contract, arising out of a breach by Credit Acceptance of any obligation under the related Loan or Contract or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Obligor or its successor from Credit Acceptance, and all such obligations of Credit Acceptance shall be and remain enforceable against and only against Credit Acceptance and shall not be enforceable against the Deal Agent, the Collateral Agent or any Secured Party.

(j) Notice of Liens Credit Acceptance shall advise the Collateral Agent and the Deal Agent promptly, in reasonable detail of: (i) any Lien asserted or claim made against any portion of the Collateral; (ii) the occurrence of any breach by Credit Acceptance of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and (iii) the occurrence of any other event which has had or could be reasonably expected to have a Material Adverse Effect.

(k) Realization on Loans or Contracts. In the event that the Servicer realizes upon any Loan or Contract, the methods utilized by the Servicer to realize upon such Loan or Contract or otherwise enforce any provisions of such Loan or Contract will not subject the Servicer, the Borrower, any Secured Party, the Deal Agent or the Collateral Agent to liability under any federal, state or local law, and such enforcement by the Servicer will be conducted in all material respects in accordance with the provisions of the Credit Guidelines (not in the case of SST if SST is Successor Servicer), the Collection Guidelines, Applicable Law and, in the case of Credit Acceptance, this Agreement, and in the case of the Backup Servicer if it has become the Servicer, the Backup Servicing Agreement.

(l) Backup Servicing Agreement. The Servicer shall provide the Backup Servicer with all information, data and reports as required by the terms of the Backup Servicing Agreement.

(m) Change in Debt Rating. Within five (5) days after the date of any change in the Borrower's or Credit Acceptance's public or private debt ratings, if any, a written certification of the Borrower's or Credit Acceptance's public and private debt ratings after giving effect to any such change.

(n) Monthly Reports. Not later than the Determination Date preceding each Payment Date, the Servicer will furnish to the Deal Agent and the Backup Servicer a Monthly Report relating to the immediately preceding Collection Period.

(o) Compliance with OFAC/AML Laws.

(i) The Servicer shall provide the Lender, the Deal Agent and the Collateral Agent, at the reasonable request of the Deal Agent, with any information regarding the Servicer, its Affiliates, and its Subsidiaries (if any) necessary for the Lender, the Deal Agent and the Collateral Agent to comply with all applicable OFAC/AML Laws;

subject however, in the case of Affiliates, to the Servicer's ability to provide such information applicable to them, and provided that the Servicer and its Affiliates are not prohibited from providing such information by the Applicable Law.

(ii) If the Servicer obtains actual knowledge or receives any written notice that an OFAC Event has occurred, the Servicer shall promptly give written notice to the Lender, the Deal Agent and the Collateral Agent of such OFAC Event.

Section 5.5. Negative Covenants of the Servicer. From the date hereof until the Collection Date.

(a) Mergers, Acquisition, Sales, etc. Credit Acceptance will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless Credit Acceptance is the surviving entity and unless:

(iii) Either (A) each Person merged into Credit Acceptance was a wholly-owned subsidiary of Credit Acceptance at all times after the date hereof and prior to the merger, or (B) Credit Acceptance has delivered to the Deal Agent and the Backup Servicer an Officer's Certificate and an Opinion of Counsel each stating that any consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 5.5 and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to Credit Acceptance and such other matters as the Deal Agent may reasonably request;

(iv) Credit Acceptance shall have delivered notice of such consolidation, merger, conveyance or transfer to the Deal Agent;

(v) after giving effect thereto, no Termination Event, Unmatured Termination Event or Servicer Termination Event or event that with notice or lapse of time, or both, would constitute a Servicer Termination Event shall have occurred.

(b) Change of Name or Location; Change of Location of Records. Credit Acceptance shall not (x) change its name or its state of organization, (y) move the location of its principal place of business or chief executive office or the offices where it keeps records concerning the Loans from the location referred to in Sections 4.2 and 14.2 or (z) move, or consent to the Custodian moving, the Records from the location thereof on the Closing Date, unless Credit Acceptance has given at least thirty (30) days' written notice to the Deal Agent and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent as agent for the Secured Parties in the Collateral; provided, that, Credit Acceptance may temporarily (or permanently, solely in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(c) Change in Payment Instructions to Obligors. The Servicer will not make any change in its instructions to Obligors regarding where payments in respect of Contracts are to be made, unless the Deal Agent has consented to such change and has received duly executed

documentation related thereto.

(d) [Reserved].

(e) No Instruments. The Servicer shall take no action to cause any Loan to be evidenced by any instrument (as defined in the UCC as in effect in the relevant UCC) except for instruments obtained with respect to defaulted Loans.

(f) No Liens. The Servicer shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on the Collateral or any interest therein; the Servicer will notify the Collateral Agent and the Deal Agent of the existence of any Lien on any portion of the Collateral immediately upon discovery thereof. Credit Acceptance shall defend the right, title and interest of the Collateral Agent on behalf of the Secured Parties in, to and under the Collateral against all claims of third parties claiming through or under Credit Acceptance.

(g) Information. The Servicer shall, within five (5) Business Days of its receipt thereof, respond to reasonable written directions or written requests for information that the Backup Servicer, the Borrower, the Deal Agent or the Collateral Agent might have with respect to the administration of the Loans.

(h) Consent. The Servicer will promptly advise the Borrower, the Backup Servicer, the Deal Agent and the Collateral Agent of any inquiry received from an Obligor which requires the consent of the Borrower, the Deal Agent or the Collateral Agent.

(i) Credit Guidelines and Collection Guidelines. The Servicer will not amend, modify, restate or replace, in whole or in part, the Credit Guidelines (other than in the case of SST if SST is Successor Servicer) or the Collection Guidelines, which change would materially impair the collectibility of any Loan or Contract or otherwise materially adversely affect the interests or the remedies of the Deal Agent, Collateral Agent or the other Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent, which consent shall not be unreasonably withheld or delayed; provided that no consent shall be required for any such change required in order to comply with Applicable Law.

(j) Electronic Contracts. Credit Acceptance will not transfer to the Borrower any Purchased Loan Contract constituting electronic chattel paper or any Dealer Loan secured by a Dealer Loan Contract constituting electronic chattel paper, in either case, unless and until all of the following conditions precedent have been satisfied: (i) Credit Acceptance shall have delivered to the Deal Agent at least 10 days prior written notice of first such transfer, (ii) prior to the first such transfer, Credit Acceptance shall have delivered or caused to be delivered to the Collateral Agent, the Deal Agent and the Lender an Opinion of Counsel in form and substance acceptable to the Deal Agent in its sole discretion (which may be a reasoned opinion as to what a court would hold) substantially to the effect that, assuming specific procedures are followed by Credit Acceptance, Credit Acceptance's security interest (as defined in the UCC) in the Contracts constituting electronic chattel paper will be perfected by "control" and (iii) Credit Acceptance shall have "control" of such electronic chattel paper within the meaning of Section 9-105 of the UCC.

Section 5.6. Negative Covenants of the Backup Servicer. From the date hereof until the Collection Date.

(a) No Changes in Backup Servicer Fee. The Backup Servicer will not make any changes to the Backup Servicer Fee without the prior written approval of the Deal Agent.

ARTICLE VI
ADMINISTRATION AND SERVICING OF CONTRACTS

Section 6.1. Servicing.

(a) The Borrower, the Deal Agent and the Collateral Agent hereby revocably appoint Credit Acceptance as servicer hereunder and Credit Acceptance hereby accepts such appointment and agrees to manage, collect and administer each of the Loans and Contracts as Servicer. In the event of a Servicer Termination Event, the Deal Agent shall have the right to terminate Credit Acceptance as servicer hereunder. Upon termination of Credit Acceptance as servicer of the Loans pursuant to Section 6.11 hereof, the Deal Agent shall have the right to appoint a Successor Servicer and enter into a servicing agreement with such Successor Servicer at such time and exercise all of its rights under Section 6.3 hereof. Such servicing agreement shall specify the duties and obligations of such Successor Servicer, and all references herein to the Servicer shall be deemed to refer to such Successor Servicer.

(b) The Borrower shall cause the Servicer to deposit all Collections to the Collection Account no later than two Business Days after receipt (if SST is Successor Servicer, within one (1) Business Day with respect to cleared funds, and in all other cases within three (3) Business Days of receipt). The Servicer agrees to deposit all Collections to the Collection Account no later than two (2) Business Days after receipt (if SST is Successor Servicer, within one (1) Business Day with respect to cleared funds, and in all other cases within three (3) Business Days of receipt).

(c) On or before 120 days after the end of each fiscal year of Credit Acceptance, beginning with the fiscal year ending December 31, 2014, Credit Acceptance shall cause a firm of nationally recognized independent public accountants acceptable to the Deal Agent (who may also render other services to Credit Acceptance or the Borrower) to furnish a report to the Collateral Agent, the Deal Agent and the Secured Parties to the effect that they have (i) compared the information contained in the Monthly Reports delivered during such fiscal year, based on a sample size provided by the Collateral Agent, with the information contained in the Loans, the Contracts and Credit Acceptance's records and computer systems for such period, and that, on the basis of such agreed upon procedures, such firm is of the opinion that the information contained in the Monthly Reports reconciles with the information contained in the Loans and the Contracts and Credit Acceptance's records and computer system and that the servicing of the Loans and the Contracts has been conducted in compliance with this Agreement and (ii) verified the Aggregate Outstanding Eligible Loan Balance as of the end of each Collection Period during such fiscal year, except, in each case for (A) such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated) and (B) such other exceptions as shall be set forth in such statement.

Section 6.2. Duties of the Servicer and Custodian.

(a) The Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Loans and Contracts from time to time, all in material accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in material accordance with the Collection Guidelines and Credit Guidelines, it being understood that there shall be no recourse to the Servicer (in its capacity as such) with regard to the Loans and Contracts except as otherwise provided herein and in the other Transaction Documents. In performing its duties as Servicer, the Servicer shall use the same degree of care and attention it employs with respect to similar contracts and loans which it services for itself or others. Each of the Borrower, the Deal Agent, the Collateral Agent and the Secured Parties hereby appoints as its agent the Servicer, from time to time designated pursuant to Section 6.1 hereof, to enforce its respective rights and interests in and under the Collateral. If the Servicer shall commence a legal proceeding to enforce a Loan or a Contract (for purposes of collection or otherwise), or if in any enforcement or other legal proceeding it shall be held that the Servicer may not enforce a Loan or a Contract, on the grounds that it shall not be a real party in interest or a holder entitled to enforce the Loan or Contract or on similar grounds, the Collateral Agent shall thereupon be deemed to have automatically assigned to the Servicer, solely for the purpose of enforcement, such a Loan or Contract. Without limiting the foregoing, the Collateral Agent (and Lender, if applicable) shall furnish the Servicer with any reasonably necessary and appropriate affidavit prepared by the Servicer that the Servicer may use in any such legal proceedings confirming the Servicer's power and authority to sue and otherwise enforce the Loans and Contracts in its own name, consistent with this Section 6.2, and any powers of attorney, declarations or other documents prepared by the Servicer reasonably necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder. The Servicer shall hold in trust for the Secured Parties all Records and any amounts it receives in respect of the Collateral. In the event that a Successor Servicer is appointed, the outgoing Servicer shall deliver to the Successor Servicer and the Successor Servicer shall hold in trust for the Borrower and the Secured Parties all records which evidence or relate to all or any part of the Collateral.

(b) The Servicer, if other than Credit Acceptance, shall as soon as practicable upon demand, deliver to the Borrower all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Loan or a Contract.

(c) (i) The Borrower, Deal Agent and Collateral Agent hereby revocably appoint Credit Acceptance as custodian (or if there has been a Successor Servicer appointed hereunder then such Successor Servicer shall act as custodian), and Credit Acceptance (or the Successor Servicer, if applicable) hereby accepts such appointment, to hold and maintain physical possession of the Contract Files and all Records (or with respect to any Contract constituting electronic chattel paper, to maintain "control" (for UCC purposes) of the Authoritative Electronic Copy thereof) (in such capacity together with its successors in such capacity, the "Custodian"). The Contract Files and Records are to be delivered to the Custodian or its designated bailee by or on behalf of the Borrower, the Deal Agent and Collateral Agent within two (2) Business Days preceding the Funding Date or within 2 Business Days after each Addition Date, as the case may be, with respect to each Loan acquired on the Funding Date or Addition Date.

(ii) The Custodian shall within 180 days after the Closing Date or

Funding Date, as applicable, review 100% of the Contract Files to verify the presence of the original retail installment contract and security agreement and/or installment loans with respect to each Contract, provided, however, that the Certificate of Title or other evidence of lien with respect to a Contract need not be verified. If the number of Contracts for which any of the foregoing documents have not been delivered to the Custodian within 180 days of the Closing Date or relevant Funding Date, as the case may be, or corrected (each such Contract, a "Nonconforming Contract"), exceeds 2% of the aggregate number of Contract Files required to be reviewed pursuant to this Section 6.2(c)(ii), the Borrower shall make a deposit to the Reserve Account only with respect to the excess number of Nonconforming Contracts, in an amount equal to the related Nonconforming Contract Payment Amount. Once per month, the amount on deposit in the Reserve Account in respect of Nonconforming Contracts shall be adjusted to account for increases or decreases in the excess number of Nonconforming Contracts and for changes in the Outstanding Balance of such Nonconforming Contracts. The Borrower shall, in the case of an increase, promptly deposit to the Reserve Account the amount of any such increase. In the case of a decrease, the amount of any such decrease shall be deemed to be part of the Excess Reserve Amount. During the Revolving Period, payments required under this Section 6.2(c)(ii) shall not be required if the Capital is equal to or less than the Borrowing Base by the amount of the payment that would otherwise be required to be made by this clause.

(iii) The Custodian agrees to maintain the Contract Files and Records which are delivered to it at the offices of the Custodian as shall from time to time be identified to the Deal Agent by written notice. Subject to the foregoing, Credit Acceptance may temporarily (or permanently, solely in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer to an agent of the Servicer individual Contract Files or Records, or any portion thereof without notice as necessary to allow the Servicer to conduct collection and other servicing activities in accordance with its customary practices and procedures.

(iv) The Custodian shall have the following powers and perform the following duties:

(A) hold the Contract Files and Records for the benefit of the Secured Parties and maintain a current inventory thereof; and

(B) carry out such policies and procedures in accordance with its customary actions with respect to the handling and custody of the Contract Files and Records so that the integrity and physical possession of the Contract Files and Records (or with respect to any Contract constituting electronic chattel paper, the integrity and "control" (for UCC purposes) of the Authoritative Electronic Copy thereof) will be maintained.

In performing its duties as custodian, the Custodian agrees to act with reasonable care, using that degree of skill and care that it exercises with respect to similar Contracts or Loans owned or held by it for its own account or for any other Person.

(v) Credit Acceptance shall have the obligation (i) to physically

segregate the Contract Files (to the extent held in physical form) from the other custodial files it is holding for its own account or on behalf of any other Person, (ii) to physically mark the Contract folders (to the extent held in physical form) to demonstrate the transfer of Contract Files and the Collateral Agent's security interest hereunder, (iii) mark its computer records indicating the transfer of any Contract Files relating to Contracts constituting electronic chattel paper and the Collateral Agent's security interest hereunder and (iv) with respect to each Contract constituting electronic chattel paper, cause the single "authoritative copy" (within the meaning of Section 9-105 of the UCC) to be communicated to and maintained at all times by Credit Acceptance such that the "authoritative copy" constitutes an Authoritative Electronic Copy at all times.

(d) (i) If (A) an Unsatisfactory Audit occurs or (B) a Termination Event, Unmatured Termination Event, Servicer Termination Event or a Potential Servicer Termination Event occurs, the Deal Agent shall have the right to terminate Credit Acceptance as the Custodian hereunder and the Deal Agent shall have the right to appoint a successor Custodian hereunder who shall assume all the rights and obligations of the "Custodian" hereunder. On the effective date of the termination of Credit Acceptance as Servicer, Credit Acceptance shall be released of all of its obligations as Custodian arising on or after such date. The Contract Files and Records shall be delivered by Credit Acceptance to the successor Custodian, on or before the date which is two (2) Business Days prior to such date.

(ii) Upon the occurrence of a Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event, the Servicer and the Borrower shall, at the request of the Deal Agent, in the Deal Agent's sole discretion, take all steps necessary to cause the Certificate of Title or other evidence of ownership of each Financed Vehicle to be revised to name the Collateral Agent on behalf of the Secured Parties as lienholder. Any costs associated with such revision of the Certificate of Title shall be paid by Credit Acceptance, and to the extent such costs are not paid by Credit Acceptance such unpaid costs shall be recovered as Servicer Expenses as described in Section 2.7 hereof. In no event shall the Collateral Agent be required to expend funds in connection with this Section 6.2(d).

(iii) The Custodian shall provide to the Deal Agent access to the Contract Files and Records and all other documentation regarding the Contracts, Dealer Agreement and the Loans and the related Financed Vehicles in such cases where the Collateral Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations to review such documentation, such access being afforded without charge.

(e) From time to time during normal business hours, at the expense of the Servicer (provided that the Deal Agent may review the Successor Servicer's collection and administration of the Loans, Dealer Agreements and Contracts two times per calendar year, at the expense of the party requesting such review, with prior written notice and without undue disruption of the Successor Servicer's business before the occurrence of a Servicer Termination Event at a time after the Assumption Date, and the Deal Agent and may conduct such review, with prior written notice but otherwise without limitation, at the Successor Servicer's expense if the Servicer Termination Event is due to the actions of the current Successor Servicer and otherwise at

the expense of the party requesting such review, after the occurrence of a Servicer Termination Event at a time after the Assumption Date) (but at the Servicer's expense not more than twice during any calendar year), the Deal Agent and may review the Servicer's collection and administration of the Loans, Dealer Agreements and Contracts in order to assess compliance by the Servicer with the Servicer's written policies and procedures, as well as with this Agreement and at the Servicer's (provided that the Deal Agent and may review the Successor Servicer's collection and administration of the Loans, Dealer Agreements and Contracts two times per calendar year, at the expense of the party requesting such review, with prior written notice and without undue disruption of the Successor Servicer's business before the occurrence of a Servicer Termination Event at a time after the Assumption Date, and the Deal Agent may conduct such review, with prior written notice but otherwise without limitation, at the Successor Servicer's expense if the Servicer Termination Event is due to the actions of the current Successor Servicer and otherwise at the expense of the party requesting such review, after the occurrence of a Servicer Termination Event at a time after the Assumption Date) expense may conduct an audit (but not more than two such audits during any calendar year except as described in the next sentence) of the Loans, Dealer Agreements and Contracts and Contract Files in conjunction with such a review. On and after the occurrence of a Termination Event or Servicer Termination Event, the Deal Agent may conduct such reviews and audits without limitation, at the Servicer's expense.

Section 6.3. Rights After Designation of Successor Servicer. At any time following the designation of a Successor Servicer pursuant to Section 6.12(a):

(i) The Collateral Agent may intercept payments made by or on behalf of Obligors and direct that payment of all amounts payable under any Loan or Contract be made directly to the Collateral Agent or its designee; provided, that the Collateral Agent shall pay to any Dealer, to the extent to which such Dealer is entitled, all related Dealer Collections.

(ii) The Borrower shall, at the Collateral Agent's request and at the Borrower's expense, give notice of the Collateral Agent's interest in the Loans and Contracts to each Obligor and direct that payments be made directly to the Collateral Agent or its designee.

(iii) The Borrower and Credit Acceptance shall, at the Collateral Agent's request, (A) assemble all of the records relating to the Collateral, including all Records with respect to the Loans and Contracts, and shall make the same available to the Collateral Agent at a place selected by the Collateral Agent or its designee, and (B) segregate all cash, checks and other instruments received by it from time to time constituting collections of Collateral in a manner acceptable to the Collateral Agent and shall, promptly upon receipt but in any event within two (2) Business Days, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Collateral Agent or its designee.

(iv) The Borrower and Credit Acceptance hereby authorize the Collateral Agent to take any and all steps in the Borrower's or the Servicer's name and on behalf of the Borrower and the Servicer necessary or desirable, in the determination of the Collateral Agent, to collect all amounts due under any and all of the Collateral with respect

thereto, including, without limitation, endorsing the Borrower's name on checks and other instruments representing Collections and enforcing the Loans and Contracts.

Section 6.4. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Loans and Contracts to the same extent as if a security interest in such Loans and Contracts had not been granted hereunder and the exercise by the Collateral Agent of its rights hereunder shall not relieve the Borrower from such obligations and (ii) pay when due any taxes, including without limitation, any sales taxes payable in connection with the Loans or Contracts and their creation and satisfaction. Neither the Collateral Agent, the Deal Agent nor any Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Section 6.5. Reports.

(a) Monthly Report. On each Determination Date, the Servicer shall deliver to the Deal Agent, the Backup Servicer and the Collateral Agent a report in substantially the form of Exhibit C attached hereto (the "Monthly Report") for the related Collection Period (provided that, if SST is Successor Servicer, SST shall only be responsible to the extent it has received sufficient assistance from the Borrower). The Deal Agent shall provide to the Borrower, the Servicer and the Backup Servicer by the third Business Day prior to each Payment Date, information relating to the amount of each obligation which comprises Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts for such Collection Period. The Monthly Report shall specify whether an Amortization Event, Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event has occurred with respect to the Collection Period preceding such Determination Date. Upon receipt of the Monthly Report, the Deal Agent and the Collateral Agent shall rely (and shall be fully protected in so relying) on the information contained therein for the purposes of making distributions and allocations as provided for herein. Each Monthly Report shall be certified by a Responsible Officer of the Servicer.

(b) Credit Agreement. Credit Acceptance shall deliver to the Deal Agent all reports or certificates required to be delivered under Section 7.3 of the Credit Agreement at the times set forth therein.

(c) Financial Statements. In the event the initial Servicer is no longer subject to the periodic and current reporting requirements of Section 13 or 15(d) of the Securities Exchange Act or is not current as to such reporting requirements, Credit Acceptance will submit to the Deal Agent, the Collateral Agent and the Backup Servicer, within 60 days of the end of each of its fiscal quarters (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Quarterly Report on 10-Q for such fiscal quarter with the SEC if Credit Acceptance were subject to such reporting requirements other than as an accelerated filer or large accelerated filer, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or (ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), commencing September 30, 2014 unaudited consolidated financial statements as of the end of

each such fiscal quarter. Credit Acceptance will submit to the Deal Agent and the Collateral Agent, within 120 days of the end of each of its fiscal years (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Annual Report on 10-K for such fiscal year with the SEC if Credit Acceptance were subject to such reporting requirements other than as an accelerated filer or large accelerated filer, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or (ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), commencing with the fiscal year ending December 31, 2014 audited consolidated financial statements as of the end of each such fiscal year. Credit Acceptance will submit to the Deal Agent, the Collateral Agent and the Backup Servicer an analysis of the static pool performance of Credit Acceptance for each fiscal quarter within 60 days of the end of such fiscal quarter.

(d) Annual Statement as to Compliance. The Servicer will provide to the Deal Agent and the Collateral Agent, within 120 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on December 31, 2014, an annual report signed by a Responsible Officer of the Servicer certifying that (a) a review of the activities of the Servicer, and the Servicer's performance pursuant to this Agreement, for the period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Servicer has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year (or in the case of a Successor Servicer which has been Servicer for less than one year, for so long as such Successor Servicer has been Servicer) and no Servicer Termination Event or potential Servicer Termination Event has occurred and is continuing (or if a Servicer Termination Event has so occurred and is continuing, specifying each such event, the nature and status thereof and the steps necessary to remedy such event, and, if a Servicer Termination Event or potential Servicer Termination Event occurred during such year and no notice thereof has been given to the Deal Agent and the Collateral Agent, specifying such Servicer Termination Event or potential Servicer Termination Event and the steps taken to remedy such event) (it being understood and agreed that the provision of any such notice shall in no event constitute or be deemed to constitute a waiver thereof for any purpose of this Agreement or any other Transaction Document).

Section 6.6. Additional Representations and Warranties of Credit Acceptance as Servicer. Credit Acceptance, in its capacity as Servicer, represents and warrants to the Collateral Agent, the Deal Agent and the Backup Servicer as of the Closing Date, the Effective Date and each day thereafter until the Collection Date, that the only material servicing computer systems and related software utilized by Credit Acceptance to service the Loans and Contracts are: (i) provided by Ontario Systems Corporation under an existing licensing agreement and related resource agreement, each of which may be amended from time to time, and (ii) the "loan servicing system" software developed by Credit Acceptance, which is owned by Credit Acceptance. Should Credit Acceptance or any of its Affiliates develop or implement computer software for servicing that is owned by or exclusively licensed to Credit Acceptance or an Affiliate and utilize such software in the servicing of the Loans and Contracts, the Collateral Agent shall be entitled to compel a license or sublicense for the benefit of the Collateral Agent or its designee of any such rights to the extent the Collateral Agent deems reasonably necessary and appropriate to assure that it or a duly

appointed Successor Servicer would be able to continue to service the Loans and Contracts should that be required in accordance with the terms hereof.

Section 6.7. Establishment of the Accounts.

(a) Establishment of the Collection Account and Reserve Account. The initial Servicer shall cause to be established, on or before the Closing Date, maintained in the name of the Borrower (and at the expense of the Borrower) at Fifth Third Bank and subject to, at all times following the Amendment No. 6 Effective Date, an Account Control Agreement (i) the Collection Account and (ii) the Reserve Account.

(b) Adjustments. If (i) the Servicer makes a deposit into the Collection Account in respect of a Collection of a Loan and such Collection was received by the Servicer in the form of a check or other form of payment that is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any payment in respect of which a dishonored check or other form of payment is received shall be deemed not to have been paid.

(c) Permitted Investments. Funds on deposit in the Collection Account and the Reserve Account may be invested in Permitted Investments by or at the written direction of the Borrower, provided that if a Termination Event or Unmatured Termination Event shall have occurred, such investments may be made as directed by the Collateral Agent. Absent written direction from the Borrower, any funds in such accounts shall remain uninvested (without any requirement or liability to pay for interest or earnings). Any such written directions shall specify the particular investment to be made and shall certify that such investment is a Permitted Investment and is permitted to be made under this Agreement. Funds on deposit in the Collection Account and the Reserve Account, if invested, shall be invested in Permitted Investments that will mature so that such funds will be available no later than the Business Day prior to the next Payment Date, except that in the case of funds representing Collections with respect to a succeeding Collection Period, such Permitted Investments may mature so that such funds will be available no later than the Business Day prior to the Payment Date for such Collection Period. No Permitted Investment may be liquidated or disposed of prior to its maturity. All proceeds of any Permitted Investment shall be deposited in the Collection Account or the Reserve Account, as applicable. Investments may be made in either account on any date (provided such investments mature in accordance herewith), only after giving effect to deposits to and withdrawals from such account on such date. Realized losses, if any, on amounts invested in Permitted Investments shall be charged against investment earnings on amounts on deposit in the Collection Account or the Reserve Account, as applicable.

Section 6.8. Payment of Certain Expenses by Servicer. Credit Acceptance will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of independent accountants, Taxes imposed on Credit Acceptance, expenses incurred in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. The Borrower will be required to pay all reasonable fees and expenses

owing to any bank or trust company in connection with the maintenance of the Collection Account, the Reserve Account and the Credit Acceptance Payment Account. Credit Acceptance shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Servicing Fee.

Section 6.9. Annual Independent Public Accountant's Servicing Reports. Credit Acceptance will cause a firm of nationally recognized independent public accountants (who may also render other services to Credit Acceptance) to furnish to the Deal Agent, within 120 days following the end of each fiscal year of Credit Acceptance, commencing with the fiscal year ending on December 31, 2014: (i) a report relating to such fiscal year to the effect that (A) such firm has reviewed certain documents and records relating to the servicing of the Loans and Contracts included in the Collateral, and (B) based on such examination, such firm is of the opinion that the Monthly Reports for such year were prepared in compliance with this Agreement, except for such exceptions as it believes to be immaterial and (ii) a report covering such fiscal year to the effect that such accountants have applied certain agreed-upon procedures, as set forth in Section 6.1(c) (which procedures shall have been approved by the Deal Agent) to certain documents and records relating to the Loans under any Transaction Document, compared the information contained in the Monthly Reports delivered during the period covered by such report which such documents and records and that no matters came to the attention of such accountants that caused them to believe that such servicing was not conducted in compliance with Article VI of this Agreement, except for such exceptions as such accountants shall believe to be immaterial.

Section 6.10. The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it hereunder except upon the Servicer's determination that
(i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and
(ii) there is no reasonable action that the Servicer could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Deal Agent, the Collateral Agent and the Backup Servicer. No such resignation shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 6.12.

Section 6.11. Servicer Termination Events. If any one of the following events (a "Servicer Termination Event") shall occur and be continuing and remains unremedied for more than thirty (30) days (or such other amount of time as specifically listed below) after knowledge by or written notice to the Servicer:

(a) any failure by the Servicer to make any payment, transfer or deposit as required by this Agreement or any other Transaction Document, other than any such failure resulting from an administrative or technical error of the Servicer in the amount so paid, transferred or deposited; provided that within one (1) Business Day after the Servicer receives notice or becomes aware that, as a result of an administrative or technical error of the Servicer, any amount previously paid, transferred or deposited by the Servicer was less than the amount required to be paid, transferred or deposited by the Servicer, the Servicer pays, transfers or deposits the amount of such shortfall;

(b) any failure by the Servicer (only with respect to Credit Acceptance) to give

instructions or notice to the Deal Agent as required by this Agreement or any other Transaction Document, or to deliver any required Monthly Report or other required reports hereunder on or before the date occurring two (2) Business Days after the date such instruction, notice or report is required to be made or given, as the case may be, under the terms of this Agreement or the relevant Transaction Document;

(c) any failure on the part of the Servicer to duly observe or perform in any material respect any other covenants or agreements of the Servicer set forth in this Agreement or the other Transaction Documents (other than as set forth in clauses (a) or (b) above) to which the Servicer is a party, which continues unremedied for a period of 10 days;

(d) any material representation, warranty or certification made by the Servicer (only with respect to Credit Acceptance) in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made; which continues unremedied for more than thirty (30) days (or a longer period, not in excess of sixty (60) days, as may be reasonably necessary to remedy such default, if the default is capable of remedy within sixty (60) days or less and the Servicer delivers an Officer's Certificate to the Deal Agent to the effect that it has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy the default);

(e) an Insolvency Event shall occur with respect to the Servicer;

(f) any delegation of the Servicer's duties that is not permitted by Section 7.1;

(g) any information related to the Collateral reasonably requested by the Deal Agent, the Collateral Agent or the Lender as provided herein is not reasonably provided as requested;

(h) the rendering against the Servicer of one or more final judgments, decrees or orders for the payment of money in excess of United States $15,000,000 (in the event SST is Successor Servicer, the amount shall be $10,000,000) in the aggregate, and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than 60 consecutive days without a stay of execution;

(i) the Servicer shall fail to pay any principal of or premium or interest on any indebtedness in an aggregate outstanding principal amount of $15,000,000 (in the event SST is Successor Servicer, the amount shall be $10,000,000) or more ("Material Debt"), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Debt; or any other default under any agreement or instrument relating to any Material Debt or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Material Debt; or any such Material Debt shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof;

(j) any change in the control of Credit Acceptance that takes the form of either a merger or consolidation in which Credit Acceptance is not the surviving entity;

(k) a Material Adverse Effect shall have occurred;

(l) if Credit Acceptance is Servicer, a Termination Event shall have occurred and such Termination Event has not been waived by the Deal Agent; or

(m) the occurrence of the thirtieth (30th) day after the end of the fiscal quarter in which a breach of any covenant set forth in Sections 7.5, 7.6 and 7.7 of the Credit Agreement shall occur unless prior to such date, such breach is cured or waived by the Deal Agent in the Deal Agent's sole discretion

then notwithstanding anything herein to the contrary, so long as any such Servicer Termination Event shall not have been remedied within any applicable cure period prior to the delivery of the Servicer Termination Notice (defined below), the Deal Agent may, at the direction of the Lender, by written notice to the Servicer (with a copy to the Backup Servicer) (a "Servicer Termination Notice"), terminate all of the rights and obligations of the Servicer as Servicer under this Agreement.

Section 6.12. Appointment of Successor Servicer.

(a) On and after the receipt by the Servicer of a Servicer Termination Notice pursuant to Section 6.11 or Section 10.2, the Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Servicer Termination Notice or otherwise specified by the Deal Agent in writing or, if no such date is specified in such Servicer Termination Notice or otherwise specified by the Deal Agent, until a date mutually agreed upon by the Servicer and the Deal Agent. The Deal Agent may at the time described in the immediately preceding sentence at the direction of the Lender appoint the Backup Servicer by written notice as the Servicer hereunder, and the Backup Servicer shall on such date (which date shall be no less than 30 days after receipt of such written notice) assume all obligations of the Servicer hereunder (except as specifically set forth herein or in the Backup Servicing Agreement), and all authority and power of the Servicer under this Agreement and the other Transaction Documents shall pass to and be vested in the Backup Servicer. In the event that the Deal Agent does not so appoint the Backup Servicer, there is no Backup Servicer or the Backup Servicer is unable to assume such obligations on such date, the Deal Agent shall as promptly as possible appoint a successor servicer (together with the Backup Servicer, if the Backup Servicer has been appointed Servicer hereunder, the "Successor Servicer") who shall be acceptable to the Lender, and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Deal Agent. In the event that a Successor Servicer has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Deal Agent shall petition a court of competent jurisdiction to appoint any established financial institution having a net worth of not less than United States $50,000,000 and whose regular business includes the servicing of Loans as the Successor Servicer hereunder.

(b) Upon its assumption as Successor Servicer, the Backup Servicer (except as specifically set forth herein or in the Backup Servicing Agreement and subject to Section 6.12(a)) or any other Successor Servicer, as applicable, shall be the successor in all respects to the Servicer

with respect to servicing functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement and the other Transaction Documents to the Servicer shall be deemed to refer to the Backup Servicer or the Successor Servicer, as applicable. In no event shall the Backup Servicer be liable for any actions or omissions of any predecessor Servicer.

(c) Subject to Section 6.12(a) and (b) above, all authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon the later of the Collection Date and the termination of this Agreement and shall pass to and be vested in the Borrower and, without limitation, the Borrower is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer agrees to cooperate with the Borrower in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing on the Loans and the Contracts.

(d) Within 30 days of receiving notice that the Backup Servicer is required to serve as the Servicer hereunder pursuant to the foregoing provisions of this Section 6.12 the Backup Servicer will begin the transition to its role as Servicer.

Section 6.13. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Loans to the same extent as if a security interest in such Loans had not been granted hereunder and (ii) pay when due, from funds available to the Borrower under Section 2.7 hereto, any taxes. Neither the Deal Agent, Collateral Agent nor any Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Section 6.14. Segregated Payment Account. Upon the occurrence of a Servicer Termination Event, a Potential Servicer Termination Event or an Unsatisfactory Audit, the Deal Agent shall have the right to require the Borrower and the Servicer (i) to establish a segregated payment trust account in the name of the Collateral Agent for Collections related to the Collateral and (ii) to direct all Obligors to make payments into such account.

Section 6.15 Dealer Collections Repurchase; Replacement of Dealer Loan with Related Purchased Loans. The parties hereto acknowledge the following:

(a) In the ordinary course of its business in managing its serviced portfolio of dealer loans, Credit Acceptance may from time to time agree to enter into agreements (each, a “Dealer Collections Purchase Agreement”) with Dealers, pursuant to which the applicable Dealer agrees to sell and assign to Credit Acceptance all of its rights, interests and entitlement in and to one or more Pools of Dealer Loan Contracts securing one or more Dealer Loans, including such Dealer’s ownership interest in such Dealer Loan Contracts and rights to receive the related Dealer Collections (a “Dealer Collections Purchase”).

(b) Credit Acceptance has assigned all of its rights under any Dealer

Collections Purchase Agreements (including, without limitation, any right, title and interest in any Dealer Loan Contract acquired from a Dealer thereunder) to the Borrower pursuant to the Contribution Agreement. Upon the payment by Credit Acceptance to the applicable Dealer under a Dealer Collections Purchase Agreement of the purchase price thereunder (the "Dealer Collections Purchase Price"), the related Dealer Loans shall be deemed to have been satisfied and, pursuant to the Contribution Agreement, the Dealer Loan Contracts securing such Dealer Loans shall be automatically and immediately transferred by Credit Acceptance to Borrower as Purchased Loan Contracts, and the loans thereunder shall be deemed Purchased Loans for all purposes of this Agreement. For the avoidance of doubt, all Collections on such Purchased Loan Contracts shall be included in Available Funds, and the determination of whether any Purchase Loan so transferred to the Borrower on the date of a Dealer Collections Purchase is an Eligible Purchased Loan shall be made on the date of such Dealer Collections Purchase.

(c) On the date of each Dealer Collections Purchase, Credit Acceptance shall deliver to the Collateral Agent a list identifying (A) all Dealer Loans satisfied as a result of such Dealer Collections Purchase, (B) each Dealer Loan Contract previously securing such Dealer Loans and (C) the Purchased Loans and Purchased Loan Contracts evidencing such Purchased Loans resulting from such Dealer Collections Purchase, in each case, identified by account number, dealer number and pool number, as applicable. Such list shall be deemed to supplement Exhibit A to the Contribution Agreement and Schedule V hereto as of the date of such Dealer Collections Purchase.

ARTICLE VII BACKUP SERVICER

Section 7.1. Designation of the Backup Servicer. The backup servicing role with respect to the Collateral shall be conducted by the Person designated as Backup Servicer under the Backup Servicing Agreement, which shall initially be SST.

Section 7.2. Duties of the Backup Servicer. On or before the Closing Date, and until its removal pursuant to the Backup Servicing Agreement, the Backup Servicer shall perform, on behalf of the Servicer, the Borrower, the Deal Agent, the Collateral Agent and the Secured Parties, the duties and obligations set forth in the Backup Servicing Agreement.

Section 7.3. Backup Servicing Compensation. As compensation for its backup servicing activities hereunder and under the Backup Servicing Agreement, the Backup Servicer shall be entitled to receive the Backup Servicing Fee pursuant to the provisions of Section 2.7(a). The Backup Servicer's entitlement to receive the Backup Servicing Fee shall cease on the earliest to occur of: (i) it becoming the Successor Servicer; (ii) its removal as Backup Servicer pursuant to the terms of the Backup Servicing Agreement; or (iii) the termination of this Agreement following the Collection Date.

ARTICLE VIII
[Reserved]

ARTICLE IX SECURITY INTEREST

Section 9.1. Security Agreement.

(a) The parties hereto intend that this Agreement constitute a security agreement and the transactions effected hereby constitute secured loans by the Lender to the Borrower under Applicable Law.

(b) The Borrower hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral and Proceeds thereof without the signature of the Borrower where permitted by law. A photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

Section 9.2. Release of Lien. At the same time as any Loan by its terms and all amounts in respect thereof has been finally paid in full by the related Obligor and deposited in the Collection Account, the Deal Agent as agent for the Lender will, to the extent requested by the Servicer, release its interest in such Loan and Related Security. The Deal Agent as agent for the Lender will after the deposit by the Servicer of the such payment into the Collection Account, at the sole expense of Credit Acceptance, execute and deliver to the Servicer any assignments, termination statements and any other releases and instruments as Credit Acceptance may reasonably request in order to effect such release and transfer; provided, that the Deal Agent as agent for the Lender will make no representation or warranty, express or implied, with respect to any such Loan and Related Security in connection with such sale or transfer and assignment.

Section 9.3. Further Assurances. The provisions of Section 14.12 shall apply to the security interest granted under Section 2.2(a) as well as to each Funding hereunder.

Section 9.4. Remedies. Upon the occurrence of a Termination Event, the Deal Agent, the Collateral Agent and Secured Parties shall have, with respect to the Collateral granted pursuant to Section 2.2(a), and in addition to all other rights and remedies available to the Deal Agent, the Collateral Agent and Secured Parties under this Agreement or other Applicable Law, all rights and remedies of a secured party under the UCC.

Section 9.5. Waiver of Certain Laws. Each of the Borrower and the Servicer agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where all or any portion of the Collateral may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of all any portion of the Collateral, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each of the Borrower and the Servicer, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all

right to have any of the properties or assets constituting the Collateral marshaled upon any such sale, and agrees that the Deal Agent, the Collateral Agent or any court having jurisdiction to foreclosure the security interests granted in this Agreement may sell the Collateral as an entirety or in such parcels as the Deal Agent, the Collateral Agent or such court may determine (including, without limitation, on a servicing released basis).

Section 9.6. Power of Attorney. The Borrower hereby irrevocably appoints the Deal Agent and the Servicer and any Successor Servicer as its true and lawful attorney (with full power of substitution) in its name, place and stead and at its expense, in connection with the enforcement of the rights and remedies provided for in this Agreement, including without limitation the following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral in connection with any such sale or other disposition made pursuant hereto, (c) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document or Hedging Agreement. Nevertheless, if so requested by the Deal Agent, the Servicer or any Successor Servicer, the Collateral Agent or a purchaser of the Collateral, the Borrower and the Servicer shall ratify and confirm any such sale or other disposition by executing and delivering to the Deal Agent, the Collateral Agent or such purchaser all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

ARTICLE X TERMINATION EVENTS

Section 10.1. Termination Events. The following events shall be termination events ("Termination Events") hereunder:

(a) the Weighted Average Spread Rate is less than 12.5%; or

(b) a Servicer Termination Event occurs and is continuing; or

(c) (i) failure on the part of the Borrower or the Originator to make any payment or deposit required by the terms of any Transaction Document on the day such payment or deposit is required to be made (including, without limitation, the failure of the Borrower to fully repay all principal and interest on the Note on the related Maturity Date (whether or not sufficient funds are available therefor at such time under Section 2.7 or otherwise)); or

(ii) failure on the part of the Borrower or the Originator to materially observe or perform any of its covenants or agreements set forth in this Agreement or any Transaction Document and such failure continues unremedied for more than five (5) Business Days after knowledge by or written notice to the Borrower or the Originator;

(d) any representation or warranty made or deemed to be made by the Borrower or Credit Acceptance under or in connection with this Agreement, any of the other Transaction Documents or any information required to be given by the Borrower or Credit Acceptance to the

Deal Agent or the Collateral Agent to identify Loans or Contracts pursuant to any Transaction Document, shall prove to have been false or incorrect in any material respect when made, deemed made or delivered and such failure continues unremedied for more than thirty (30) days after knowledge by or written notice to the Borrower or Credit Acceptance; or

(e) the occurrence of an Insolvency Event relating to the Originator, the Borrower or the Servicer; or

(f) the Borrower or Originator shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended or the arrangements contemplated by the Transaction Document shall require registration as an "investment company" within the meaning of the 40 Act; or

(g) a regulatory, tax or accounting body has ordered that the activities of the Borrower or any Affiliate of the Borrower, contemplated hereby be terminated or, as a result of any other event or circumstance, the activities of the Borrower or any Affiliate of the Borrower contemplated hereby may reasonably be expected to cause the Borrower or any of its respective Affiliates to suffer materially adverse regulatory, accounting or tax consequences; or

(h) there shall exist any event or occurrence that has a reasonable possibility of causing a Material Adverse Effect; or

(i) the Borrower or Credit Acceptance shall enter into any merger, consolidation or conveyance transaction, unless in the case of Credit Acceptance or the Servicer, the Servicer or Credit Acceptance, as applicable, is the surviving entity; or

(j) the United States Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower or the Originator and such lien shall not have been released within five (5) Business Days, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower or the Originator and such lien shall not have been released within five (5) Business Days; or

(k) the Collateral Agent, as agent for the secured parties, shall fail for any reason to have a first priority perfected security interest in a material portion of the Collateral free and clear of all Liens other than Permitted Liens; provided, however, that the failure of the Collateral Agent at any time to have a first priority perfected security interest in Contracts with an aggregate Outstanding Balance at such time not exceeding 3.00% of the aggregate Outstanding Balance of all Eligible Contracts at such time shall not constitute a Termination Event pursuant to this clause (k) so long as such failure does not have a Material Adverse Effect; or

(l) any Change-in-Control shall occur; or

(m) (i) any Transaction Document, or any lien or security interest granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Originator or the Servicer (ii) the Borrower, the Originator or the Servicer shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability or

(iii) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be a perfected first priority security interest free and clear of all Liens other than Permitted Liens; or

(n) Credit Acceptance shall fail to pay any principal of or premium or interest on any Material Debt, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Debt; or any other default under any agreement or instrument relating to any Material Debt or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Material Debt; or any such Material Debt shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof; or

(o) Collections are less than 75.0% of Forecasted Collections for any three consecutive Collection Periods.

Section 10.2. Remedies.

(a) Upon the occurrence of a Termination Event (other than a Termination Event described in Section 10.1(e)), the Deal Agent may, or at the direction of the Lender, shall by notice to the Borrower declare the Termination Date to have occurred.

(b) Upon the occurrence of a Termination Event described in Section 10.1(e), the Termination Date shall automatically occur.

(c) Upon any Termination Date that occurs following a Termination Event pursuant to this Section 10.2: (i) the rate on the Capital outstanding shall be equal to the applicable Interest Rate as described herein; (ii) the Deal Agent may, and shall at the direction of the Lender by delivery of a Servicer Termination Notice, terminate the Servicer; and (iii) the Deal Agent, may, and at the direction of the Lender, shall declare the entire outstanding principal amount of the Note be immediately due and payable. The Deal Agent, the Collateral Agent and the Secured Parties shall have, in addition to all other rights and remedies under this Agreement or otherwise (including, for the avoidance of doubt, the right to take exclusive control of the Collection Account and the Reserve Account), all other rights and remedies provided of a secured party under the UCC of each applicable jurisdiction and other applicable laws, which rights shall be cumulative.

(d) If the Note has been declared due and payable pursuant to Section 10.2(c), the Collateral Agent may institute proceedings to collect amounts due, exercise remedies as a secured party (including foreclosure or sale of the Collateral (and each of the parties hereto hereby acknowledges and agrees that any such sale may, in the sole discretion of the Deal Agent be on a servicer released basis)) or elect to maintain the Collateral and continue to apply the proceeds from the Collateral as if there had been no declaration of acceleration.

(e) Upon the declaration of the Termination Date, the Borrower may not request and no Lender shall be required to effect any Funding.

ARTICLE XI INDEMNIFICATION

Section 11.1. Indemnities by the Borrower.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Deal Agent, the Backup Servicer, the Collateral Agent, the Successor Servicer, the Secured Parties, and each of their respective Affiliates and officers, directors, members, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party or other non-monetary damages of any such Indemnified Party any of them arising out of or as a result of this Agreement or the financing or maintenance of the Capital or in respect of any Loan or any Contract, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party or (b) Indemnified Amounts that have the effect of recourse for non-payment of the Loans due to credit problems of the Obligors (except as otherwise specifically provided in this Agreement). If the Borrower has made any indemnity payment pursuant to this Section 11.1 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to the Borrower an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any Contract or Loan treated as or represented by Credit Acceptance to be an Eligible Dealer Loan Contract or Eligible Loan that is not at the applicable time an Eligible Dealer Loan Contract or Eligible Loan;

(ii) reliance on any representation or warranty made or deemed made by the Borrower or any of its officers under or in connection with this Agreement, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(iii) the failure by the Borrower to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Loan, Dealer Agreement, Purchase Agreement, any Contract, or the nonconformity of any Loan, Dealer Agreement, Purchase Agreement or Contract with any such Applicable Law;

(iv) the failure to vest and maintain vested in the Collateral Agent for the Secured Parties a first priority perfected security interest in the Collateral, together with all Collections, free and clear of any Lien whether existing at the time of any Funding or at any time thereafter;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or

other Applicable Laws with respect to the Collateral, whether at the time of the Funding or at any subsequent time;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Loan or Contract (including, without limitation, a defense based on such Loan or Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(vii) any failure of the Borrower to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by the Borrower to perform its respective duties under the Loans;

(viii) the failure by Borrower to pay when due any Taxes for which the Borrower is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Collateral;

(ix) any repayment by the Deal Agent or a Secured Party of any amount previously distributed in reduction of Capital or payment of Interest or any other amount due hereunder or under any Hedging Agreement, in each case which amount the Deal Agent or a Secured Party believes in good faith is required to be repaid;

(x) the commingling of Collections of the Collateral at any time with other funds;

(xi) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of the Funding or the funding of or maintenance of Capital or in respect of any Loan or Contract;

(xii) any failure by the Borrower to give reasonably equivalent value to the Originator in consideration for the transfer by the Originator to the Borrower of the Loans, Related Security or any portion thereof or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code;

(xiii) the use of the Proceeds of any Funding; or

(xiv) the failure of the Borrower or any of its agents or representatives to remit to the Servicer, the Deal Agent, the Collateral Agent or any other Secured Party, any Collections of the Collateral remitted to the Borrower or any such agent or representative.

(b) Any amounts subject to the indemnification provisions of this Section 11.1 shall be paid by the Borrower to the relevant Indemnified Party on the earlier of the next Payment Date or 5 Business Days following demand therefor.

(c) The obligations of the Borrower under this Section 11.1 shall survive the resignation or removal of the Deal Agent, the Collateral Agent, the Servicer, the Successor Servicer, the Lender or the Backup Servicer or the termination of this Agreement.

Section 11.2. Indemnities by the Servicer.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Servicer hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all Indemnified Amounts awarded against or incurred by any such Indemnified Party by reason of any acts, omissions or alleged acts or omissions of the Servicer, including, but not limited to: (i) any representation or warranty made by the Servicer under or in connection with any Transaction Document, any Monthly Report or any other information or report delivered by or on behalf of the Servicer pursuant hereto, which shall have been false, incorrect or misleading in any respect (or if the Backup Servicer becomes the Successor Servicer hereunder, in any material respect) when made or deemed made; (ii) the failure by the Servicer to comply with any Applicable Law; (iii) the failure of the Servicer to comply with its duties or obligations in accordance with the Agreement or any other Transaction Document to which it is a party; (iv) any litigation, proceedings or investigation against the Servicer; (v) the commingling of Collections at any time with other funds; or (vi) the failure of the Servicer or any of its agents or representatives to remit to the Collection Account, Deal Agent or Collateral Agent any Collections or Proceeds of the Collateral. The provisions of this indemnity shall run directly to and be enforceable by an Indemnified Party subject to the limitations hereof.

(b) Any amounts subject to the indemnification provisions of this Section 11.2 shall be paid by the Servicer to the relevant Indemnified Party within five (5) Business Days following such Person's demand therefor.

(c) The Servicer shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible Contracts.

(d) The obligations of the Servicer under this Section 11.2 shall survive the resignation or removal of the Deal Agent, the Collateral Agent, the Servicer, the Successor Servicer, the Lender or the Backup Servicer and the termination of this Agreement.

(e) Any indemnification pursuant to this Section 11.2 shall not be payable from the Collateral.

Section 11.3. After-Tax Basis. Indemnification under Sections 11.1 and 11.2 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

ARTICLE XII THE DEAL AGENT

Section 12.1. Authorization and Action.

(a) Each Secured Party hereby designates and appoints Fifth Third as Deal Agent hereunder, and authorizes the Deal Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Deal Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. The Deal Agent shall not have any duties or

responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Deal Agent shall be read into this Agreement or otherwise exist for the Deal Agent. In performing its functions and duties hereunder, the Deal Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Deal Agent shall not be required to take any action that exposes the Deal Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Deal Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaids.

(b) [Reserved].

(c) Each Secured Party hereby designates and appoints Fifth Third as Collateral Agent hereunder, and authorizes the Collateral Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. The Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Collateral Agent shall be read into this Agreement or otherwise exist for the Collateral Agent. In performing its functions and duties hereunder, the Collateral Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Collateral Agent shall not be required to take any action that exposes the Collateral Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Collateral Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaids.

Section 12.2. Delegation of Duties.

(a) The Deal Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Deal Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(b) [Reserved].

(c) The Collateral Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 12.3. Exculpatory Provisions.

(a) Neither the Deal Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person’s own gross

negligence or willful misconduct or, in the case of the Deal Agent, the breach of its obligations expressly set forth in this Agreement), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Deal Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Deal Agent shall not be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event or Servicer Termination Event unless the Deal Agent has received notice from the Borrower or a Secured Party.

(b) [Reserved].

(c) Neither the Collateral Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct or, in the case of the Collateral Agent, the breach of its obligations expressly set forth in this Agreement), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Collateral Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Collateral Agent shall not be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event or Servicer Termination Event unless the Collateral Agent has received notice from the Borrower or a Secured Party.

Section 12.4. Reliance.

(a) The Deal Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Deal Agent. The Deal Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Lender any of the Secured Parties, as applicable, as it deems appropriate or it shall first be indemnified to its satisfaction by the Secured Parties, provided that unless and until the Deal Agent shall have received such advice, the Deal Agent may take or refrain from taking any action, as the

Deal Agent shall deem advisable and in the best interests of the Secured Parties. The Deal Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Lender or any of the Secured Parties, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

(b) [Reserved].

(c) The Collateral Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Lender or any of the Secured Parties, as applicable, as it deems appropriate or it shall first be indemnified to its satisfaction by the Secured Parties, provided that unless and until the Collateral Agent shall have received such advice, the Collateral Agent may take or refrain from taking any action, as the Collateral Agent shall deem advisable and in the best interests of the Secured Parties. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Lender or any of the Secured Parties, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

Section 12.5. Non-Reliance on Deal Agent, Collateral Agent and The Lender. Each Secured Party expressly acknowledges that neither the Deal Agent, the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Deal Agent or the Collateral Agent hereafter taken, including, without limitation, any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Deal Agent or the Collateral Agent. Each Secured Party represents and warrants to the Deal Agent and the Collateral Agent that it has and will, independently and without reliance upon the Deal Agent, the Collateral Agent or any other Secured Party and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower and made its own decision to enter into this Agreement or Hedging Agreement, as the case may be.

Section 12.6. [Reserved].

Section 12.7. Deal Agent and Collateral Agent in their Individual Capacities. The Deal Agent, the Collateral Agent and each of their respective Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any Affiliate of the Borrower as though the Deal Agent or the Collateral Agent, as the case may be, were not the Deal Agent or the Collateral Agent, as the case may be, hereunder. With respect to each Funding pursuant to this Agreement, the Deal Agent, the Collateral Agent and each of their respective Affiliates shall have the same rights and powers under this Agreement as the Lender and may exercise the same as though it were not the Deal Agent or the Collateral Agent, as the case may be, and the term "Lender" shall include the Deal Agent or the Collateral Agent, as the case may be, each

in its individual capacity.

Section 12.8. Successor Deal Agent or Collateral Agent.

(a) The Deal Agent may, upon 5 days' notice to the Borrower and the Secured Parties, resign as Deal Agent. If the Deal Agent shall resign, then the Lender during such 5-day period may appoint a successor agent. If for any reason no successor Deal Agent is appointed by the Lender during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties other than the Lender shall perform all of the duties of the Deal Agent hereunder and the Borrower shall make all payments in respect of the Aggregate Unpaids or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Deal Agent's resignation hereunder as Deal Agent, the provisions of Article XI and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Deal Agent under this Agreement.

(b) The Collateral Agent may, upon 5 days' notice to the Borrower and the Secured Parties, and the Collateral Agent will, upon the direction of all of the Secured Parties resign as Collateral Agent. If the Collateral Agent shall resign, then the Secured Parties, during such 5-day period shall appoint a successor agent. If for any reason no successor Collateral Agent is appointed by the Secured Parties during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties shall perform all of the duties of the Collateral Agent hereunder and the Borrower shall make all payments in respect of the Aggregate Unpaids or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of Article XI and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement.

ARTICLE XIII ASSIGNMENTS; PARTICIPATIONS

Section 13.1. Assignments and Participations.

(a) The Lender may, with the express prior written consent of the Deal Agent (in its sole discretion) upon at least 30 days notice to the Deal Agent and the Collateral Agent, assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement; provided, however, that (i) each such assignment shall be of a constant, and not a varying percentage of all of the Lender's rights and obligations under this Agreement; (ii) the amount of the Commitment of the Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than the lesser of (A) $15,000,000 or an integral multiple of $1,000,000 in excess of that amount and (B) the full amount of the Lender's Commitment; (iii) each such assignment shall be to an Eligible Assignee; (iv) the parties to each such assignment shall execute and deliver to the Deal Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with a processing and recordation fee of $3,500 or such lesser amount as shall be approved by the Deal Agent; (v) the parties to each such assignment shall have agreed to reimburse the Deal Agent and the Collateral Agent for all fees, costs and expenses (including,

without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Deal Agent) incurred by the Deal Agent and the Collateral Agent, respectively, in connection with such assignment; and (vi) there shall be no increased costs, expenses or taxes incurred by the Deal Agent or the Collateral Agent upon such assignment or participation. Upon such execution, delivery and acceptance by the Deal Agent and the Collateral Agent and the recording by the Deal Agent, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be the date of acceptance thereof by the Deal Agent and the Collateral Agent, unless a later date is specified therein, (i) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of the Lender hereunder and (ii) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of itself or the performance or observance by it of any of its obligations under the Agreement or any other instrument or document furnished pursuant thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of such financial statements and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Deal Agent or the Collateral Agent, the assigning Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) the assigning Lender and such assignee confirm that such assignee is an Eligible Assignee; (vi) such assignee appoints and authorizes each of the Deal Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such agent by the terms hereof, together with such powers as are reasonably incidental thereto; and
(vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as the Lender.

(c) The Deal Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to herein a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the name and address of the Lender and the Commitment of, and the Capital of the Funding (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error. The Register shall be available for inspection by the Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Subject to the provisions of Section 13.1(a) (including receipt of Deal Agent's prior written consent), upon its receipt of an Assignment and Acceptance executed by the assigning Lender and an assignee, the Deal Agent and the Collateral Agent shall each, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, accept such Assignment and Acceptance, and the Deal Agent shall then (i) record the information contained therein in the Register.

(e) The Lender may, with the express prior written consent of the Deal Agent (in its sole discretion) sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and its portion of the Funding and related Collateral); provided, however, that (i) the Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged; and (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations. Notwithstanding anything herein to the contrary, each participant shall have the rights of the Lender (including any right to receive payment) under Sections 2.13 and 2.14; provided, however, that no participant shall be entitled to receive payment under either such Section in excess of the amount that would have been payable under such Section by the Borrower to the Lender granting its participation had such participation not been granted, and no Lender granting a participation shall be entitled to receive payment under either such Section in an amount that exceeds the sum of (i) the amount to which the Lender is entitled under such Section with respect to any portion of the Capital that is not subject to any participation plus (ii) the aggregate amount to which its participants are entitled under such Sections with respect to the amounts of their respective participations. With respect to any participation described in this Section 13.1, the participant's rights as set forth in the agreement between such participant and the Lender to agree to or to restrict the Lender's ability to agree to any modification, waiver or release of any of the terms of this Agreement or to exercise or refrain from exercising any powers or rights that the Lender may have under or in respect of this Agreement shall be limited to the right to consent to any of the matters set forth in Section 14.1 of this Agreement.

(f) The Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 13.1, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to the Lender by or on behalf of the Borrower.

(g) [Reserved].

(h) Nothing herein shall prohibit the Lender from pledging or assigning as collateral any of its rights under this Agreement to any Federal Reserve Bank in accordance with Applicable Law and any such pledge or collateral assignment may be made without compliance with Section 13.1(a) or Section 13.1(b).

(i) In the event the Lender causes increased costs, expenses or taxes to be incurred by the Deal Agent or the Collateral Agent in connection with the assignment or participation of the Lender's rights and obligations under this Agreement to an Eligible Assignee, then the Lender agrees that it will make reasonable efforts to assign such increased costs, expenses or taxes to such Eligible Assignee in accordance with the provisions of this Agreement.

(j) [Reserved].

(k) Notwithstanding anything herein or in any other Transaction Document to the contrary, no Person or group of Persons (who is not as of the Closing Date already a party hereto) shall become a party to this Agreement as Lender without the express prior written consent of the Deal Agent (in its sole discretion).

ARTICLE XIV MISCELLANEOUS

Section 14.1. Amendments and Waivers.

(a) Except as provided in this Section 14.1, no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Deal Agent, the Collateral Agent and the Lender; provided, however, that no such amendment, waiver or modification shall affect the rights or obligations of any Hedge Counterparty or the Backup Servicer without the written agreement of such Person. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No amendment, waiver or other modification of this Agreement shall:

(xv) without the consent of the Lender, (A) extend the Commitment Termination Date or the date of any payment or deposit of Collections by the Borrower or the Servicer, (B) reduce the rate or extend the time of payment of Interest (or any component thereof), (C) reduce any fee payable to the Deal Agent for the benefit of the Lender, (D) except pursuant to Article XIII hereof, change the amount of the Capital of the Lender, (E) amend, modify or waive any provision of this Section 14.1(b), Section 14.10 or Section 14.11, (F) consent to or permit the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement or (G) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (F) above in a manner that would circumvent the intention of the restrictions set forth in such clauses, including, without limitation, the definitions of “Breakage Costs”, “Eligible Assignee”, or “Interest Rate”;

(xvi) without the written consent of the Deal Agent or the Collateral Agent, as applicable, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of the Deal Agent or the Collateral Agent, as applicable; or

(xvii) without the consent of the Deal Agent, amend or modify (A) Section 10.1, (B) the definitions of “Amortization Event,” “Eligible Dealer Agreement,” “Hedging Agreement,” “Net Advance Rate,” “Initial Facility Limit,” “Termination Date” and “Required Reserve Account Amount” as set forth in Section 1.1, (C) Section 2.7(a) or (D) Section 5.3.

(c) Any modification or waiver shall be binding upon the Borrower, the Lender, the Collateral Agent and the Deal Agent.

Section 14.2. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telex communication and communication by facsimile copy) and mailed, telexed, transmitted or delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof or specified in such party's Assignment and Acceptance, as the case may be, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by telex, when telexed against receipt of answer back, or (c) notice by facsimile copy, when verbal communication of receipt is obtained, except that notices and communications pursuant to this Article XIV shall not be effective until received with respect to any notice sent by mail or telex.

Section 14.3. Ratable Payments. If any Secured Party, whether by setoff or otherwise, has payment made to it with respect to any portion of the Aggregate Unpaids owing to such Secured Party (other than payments received pursuant to Section 11.1) in a greater proportion than that received by any other Secured Party, such Secured Party agrees, promptly upon demand, to deliver such excess to the other Secured Parties (ratably) so that following such delivery each Secured Party will hold its ratable proportion of the Aggregate Unpaids.

Section 14.4. No Waiver; Remedies. No failure on the part of the Deal Agent, the Collateral Agent, the Backup Servicer or a Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 14.5. Binding Effect; Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Deal Agent, the Backup Servicer, the Collateral Agent, the Secured Parties and their respective successors and permitted assigns and, in addition, the provisions of Section 2.7(a)(i) shall inure to the benefit of each Hedge Counterparty, whether or not that Hedge Counterparty is a Secured Party.

Section 14.6. Term of this Agreement. This Agreement, including, without limitation, the Borrower's representations, warranties and covenants set forth in Articles IV and V, and the Servicer's representations, warranties and covenants set forth in Articles V and VI hereof, create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Collection Date; provided, however, that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower or Servicer pursuant to Articles III and IV and the indemnification and payment provisions of Article XI and Article XII and the provisions of Section 14.10 and Section 14.11 shall be continuing and shall survive any termination of this Agreement.

Section 14.7. **Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN**

THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH SECURED PARTY HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 14.8. **Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.**

Section 14.9. Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Deal Agent, the Backup Servicer, the Collateral Agent, the Secured Parties and its or their Affiliates and officers, directors, employees and agents thereof under Article XI hereof, the Borrower agrees to pay on demand all costs and expenses of the Deal Agent, the Backup Servicer, the Collateral Agent and the Secured Parties incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), amendment or modification of, or any waiver or consent issued in connection with, this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Deal Agent, the Backup Servicer, the Collateral Agent and the Secured Parties with respect thereto and with respect to advising the Deal Agent, the Backup Servicer, the Collateral Agent and the Secured Parties as to their respective rights and remedies under this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Deal Agent, the Backup Servicer, the Collateral Agent or the Secured Parties in connection with the enforcement of this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (including any Hedging Agreement).

(b) The Borrower shall pay on demand any and all stamp, sales, excise and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the other Transaction Documents, the other documents to be delivered hereunder or any agreement or other document providing liquidity support, credit enhancement or other similar support to the Lender in connection with this Agreement or the funding or maintenance of any Funding hereunder.

(c) The Borrower shall pay on demand all other costs, expenses and Taxes

(excluding income taxes, imposed on such Person by the jurisdiction under the laws of which such Person is organized) incurred by any Secured Party or any shareholder of such Secured Party ("Other Costs"), including, without limitation, all costs and expenses incurred by the Deal Agent in connection with periodic audits of the Borrower's or the Servicer's books and records and, in the case of the Lender, the cost of rating the Lender's (or its related funding source's) commercial paper with respect to financing any Advance hereunder by independent financial rating agencies.

Section 14.10. No Petition.

(a) Each of the parties hereto (other than the Deal Agent) hereby agrees that it will not institute against, or join any other Person in instituting against the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day since the Collection Date.

Section 14.11. Recourse Against Certain Parties.

(a) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of any Secured Party as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of such Secured Party or any incorporator, affiliate, stockholder, officer, employee or director of such Secured Party or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of such Secured Party contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of such Secured Party, and that no personal liability whatsoever shall attach to or be incurred by any administrator of such Secured Party or any incorporator, stockholder, affiliate, officer, employee or director of such Secured Party or of any such administrator, as such, or any other of them, under or by reason of any of the obligations, covenants or agreements of such Secured Party contained in this Agreement or in any other such instruments, documents or agreements, or that are implied therefrom, and that any and all personal liability of every such administrator of such Secured Party and each incorporator, stockholder, affiliate, officer, employee or director of such Secured Party or of any such administrator, or any of them, for breaches by such Secured Party of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section 14.11 shall survive the termination of this Agreement.

Section 14.12. Protection of Right, Title and Interest in Collateral; Further Action Evidencing the Funding.

(a) Each of the Borrower and Credit Acceptance shall cause this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Collateral Agent, as agent for the Secured Parties and of the Secured Parties to the Collateral to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such

places as may be required by law fully to preserve and protect the right, title and interest of the Collateral Agent, as agent for the Secured Parties hereunder to all property comprising the Collateral. Each of the Borrower and Credit Acceptance shall deliver to the Deal Agent file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Borrower shall cooperate fully with Credit Acceptance in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 14.12(a).

(b) Each of the Borrower and the Servicer agrees that from time to time, at its expense (or if the Backup Servicer becomes the Successor Servicer hereunder, at the expense of the Borrower), it will promptly execute and deliver all instruments and documents, and take all actions, that the Deal Agent may reasonably request in order to perfect, protect or more fully evidence the Funding hereunder, or to enable the Deal Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder or under any Transaction Document.

(c) If the Borrower or the Servicer fails to perform any of its obligations hereunder, the Deal Agent or any Secured Party may (but shall not be required to) perform, or cause performance of, such obligation; and the Deal Agent's or such Secured Party's costs and expenses incurred in connection therewith shall be payable by the Borrower (if the Servicer that fails to so perform is the Borrower or an Affiliate thereof) as provided in Article XI, as applicable. The Borrower irrevocably authorizes the Deal Agent and appoints the Deal Agent as its attorney-in-fact to act on behalf of the Borrower (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Deal Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Collateral and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Deal Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Secured Parties in the Collateral. This appointment is coupled with an interest and is irrevocable.

(d) Without limiting the generality of the foregoing, each of the Borrower and Credit Acceptance will, not earlier than six (6) months and not later than three (3) months prior to the fifth anniversary of the date of filing of the financing statement referred to in Section 3.1 or any other financing statement filed pursuant to this Agreement or in connection with the Funding hereunder, unless the Collection Date shall have occurred:

(xviii) execute and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement;

(xix) deliver or cause to be delivered to the Deal Agent an opinion of the counsel for Borrower and Credit Acceptance, in form and substance reasonably satisfactory to the Deal Agent, with respect to creation and perfection of security interest in the Collateral, which opinion may contain usual and customary assumptions, limitations and exceptions.

Section 14.13. Confidentiality; Tax Treatment Disclosure.

(a) Each of the Deal Agent, the Secured Parties, the Servicer, the Collateral Agent, the Backup Servicer and the Borrower shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement and all information with respect to the other parties, including all information regarding the business of the Borrower and the Servicer hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, attorneys, investors, potential investors and the agents of such Persons ("Excepted Persons"), provided, however, that each Excepted Person shall be advised that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of this Agreement, but not the financial terms hereof, (iii) disclose such information as is required by the Transaction Documents or Applicable Law and (iv) disclose this Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents or any Hedging Agreement for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents or any Hedging Agreement. It is understood that the financial terms that may not be disclosed except in compliance with this Section 14.13(a) include, without limitation, all fees and other pricing terms, and all Termination Events, Servicer Termination Events, and priority of payment provisions

(b) Anything herein to the contrary notwithstanding, each of the Borrower and the Servicer hereby consents to the disclosure of any nonpublic information with respect to it and the Transaction Documents (i) to the Deal Agent, the Collateral Agent, the Backup Servicer or the Secured Parties by each other, (ii) by the Deal Agent or the Lender to any prospective or actual assignee or participant of any of them or (iii) by the Deal Agent, the Collateral Agent or the Lender to any, commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to the Lender and to any officers, directors, members, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information. In addition, the Secured Parties, the Backup Servicer and the Deal Agent may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known or known to any party hereto as a result of disclosure by any third party not bound by any obligation of confidentiality, (ii) disclosure of any and all information (A) if required to do so by any applicable statute, law, rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any respects of the Collateral Agent's, Deal Agent's or Backup Servicer's business or that of their affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Deal Agent, Collateral Agent, Backup Servicer, any Secured Party or an affiliate or an officer, director, employer or shareholder thereof is a party, (D) in any preliminary or final offering circular, registration statement or contract or other document pertaining to the transactions contemplated herein approved in advance by the Borrower or Servicer or (E) to any affiliate, independent or internal auditor, agent, employee or attorney of the Deal Agent, Collateral

Agent, Backup Servicer, any Secured Party having a need to know the same, provided that such Person advises such recipient of the confidential nature of the information being disclosed, or (iii) any other disclosure authorized by the Transaction Documents or the Borrower or Servicer.

(d) Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, that such disclosure may not be made to the extent required to be kept confidential to comply with any applicable federal or state securities laws; and provided further that (to the extent not inconsistent with the foregoing) such disclosure shall be made without disclosing the names or other identifying information of any party.

Section 14.14. Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement and any agreements or letters (including fee letters) executed in connection herewith contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than any fee letter delivered by the Originator to the Deal Agent and the Lender.

Section 14.16. USA Patriot Act. Each of the Lender, the Deal Agent and the Collateral Agent hereby notifies the Borrower, the Servicer and the Custodian that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), the Lender, the Deal Agent and the Collateral Agent may be required to obtain, verify and record information that identifies the Borrower, the Servicer and the Custodian, which information includes the name, address, tax identification number and other information regarding the Seller, the Borrower, the Servicer and the Custodian that will allow the Administrator and the Purchasers to identify the Borrower, the Servicer and the Custodian in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act. Each of the Borrower, the Servicer and the Custodian agrees to provide the Lender, the Deal Agent and/or the Collateral Agent, from time to time, with all documentation and other information required by bank regulatory authorities under "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE BORROWER: CAC WAREHOUSE FUNDING LLC V

By:__ Name: Douglas W. Busk
Title: Senior Vice President and Treasurer

CAC Warehouse Funding LLC V Silver Triangle Building
25505 West Twelve Mile Road Southfield, Michigan 48034-
8339 Attention: Douglas W. Busk Facsimile No. 866-743-
2704
Confirmation No.: 248-353-2700 (ext. 4432)

THE SERVICER: CREDIT ACCEPTANCE CORPORATION

By:__ Name: Douglas W. Busk
Title: Senior Vice President and Treasurer

Silver Triangle Building
25505 West Twelve Mile Road Southfield, Michigan 48034-
8339 Attention: Douglas W. Busk Facsimile No. 866-743-
2704

Confirmation No.: 248-353-2700 (ext. 4432) [SIGNATURES

CONTINUED ON THE FOLLOWING PAGE]

THE LENDER FIFTH THIRD BANK, NATIONAL ASSOCIATION

By:__ Name:__ Title:___

Fifth Third Bank, National Association 38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Steven Maysonet and Joy Rutan Office: 704.688.1121
Email: steven.maysonet@53.com and ABF.Reporting@53.com

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE DEAL AGENT: FIFTH THIRD BANK, NATIONAL ASSOCIATION

By:__ Name:__ Title:___

Fifth Third Bank, National Association 38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Steven Maysonet and Joy Rutan Office: 704.688.1121
Email: steven.maysonet@53.com and ABF.Reporting@53.com

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE COLLATERAL AGENT: FIFTH THIRD BANK, NATIONAL ASSOCIATION, as Collateral Agent

By:__ Name:__ Title:___

Fifth Third Bank, National Association 38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Steven Maysonet and Joy Rutan Office: 704.688.1121
Email: steven.maysonet@53.com and ABF.Reporting@53.com

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE BACKUP SERVICER: SYSTEMS & SERVICES TECHNOLOGIES, INC., as Backup Servicer

By:__ Name:__ Title:___

Systems & Services Technologies, Inc. c/o Alorica Inc.
5 Park Plaza, Suite 1100
Irvine, CA 92614
Attn: Chief Financial Officer

With a copy to :Systems & Services Technologies, Inc.
4315 Pickett Road
St. Joseph, MO 64503

Exhibit A

FORM OF FUNDING NOTICE

Reference is made to the Loan and Security Agreement, dated as of September 15, 2014 (as amended, supplemented or otherwise modified and in effect from time to time, the "*Agreement*"), by and among CAC Warehouse Funding LLC V, as borrower (in such capacity, the "*Borrower*"), Credit Acceptance Corporation, as servicer (in such capacity, the "*Servicer*"), Fifth Third Bank, National Association, as Lender, Deal Agent and Collateral Agent and Systems & Services Technologies, Inc., as the Backup Servicer. Terms defined in the Agreement, or incorporated therein by reference, are used herein as therein defined.

(A) Funding Request. The Borrower hereby requests the Funding pursuant to Section 2.1 and Section 2.3 of the Loan Agreement.

(B) Funding Information. The Funding shall (a) take place on [___] and (b) shall be in an amount equal to $[__].

(C) Representations. The Borrower hereby represents and warrants that (i) all conditions precedent to the Funding described in Article III of the Agreement have been satisfied and (ii) no Termination Event or Unmatured Termination Event shall have occurred. This Funding Notice has been made in accordance with the provisions of Section 2.1(a) and Section 2.3 of the Agreement.

(D) Irrevocable. This Funding Notice shall be irrevocable.

(E) Governing Law. This Funding Notice shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Funding Notice to be duly executed and delivered by its duly authorized officer as of the date first above written.

CAC Warehouse Funding LLC V

By:____ Name:
Title:

Exhibit B

Form of Assignment and Acceptance

Exhibit B

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated___, 20___

Reference is made to the Loan and Security Agreement dated as of September 15, 2014 (as amended or modified from time to time, the "Agreement") among CAC Warehouse Funding LLC V, as borrower (the "Borrower"), Credit Acceptance Corporation, as servicer (the "Servicer"), Fifth Third Bank, National Association, as lender, deal agent collateral agent (the "Leander", "Deal Agent" and "Collateral Agent") and Systems & Services Technologies, Inc., as backup servicer. Terms defined in the Agreement are used herein with the same meaning.

__ (the "Assignor") and___(the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Agreement as of the date hereof which represents the percentage interest specified in Section 1 of Schedule 1 of all outstanding rights and obligations of the Assignor under the Agreement, including, without limitation, such interest in the Commitment of the Assignor and the Advance made by the Assignor. After giving effect to such sale and assignment, the Commitment and the amount of the Capital made by the Assignee will be as set forth in Section 2 of Schedule 1.

2. The Assignor: (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Adverse Claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of itself or the performance or observance by it of any of its obligations under the Agreement or any other instrument or document furnished pursuant thereto; and (iv) confirms that the Assignee is an Eligible Assignee.

3. The Assignee: (i) confirms that it has received a copy of the Agreement, together with copies of such financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Deal Agent, the Collateral Agent or the Assignor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Deal Agent and the Collateral Agent each to take such action as agent on its behalf and to exercise such powers under the Agreement as are delegated to the Deal Agent and the Collateral Agent, respectively, by the terms thereof, together with such powers as are reasonably incidental thereto;
(v) agrees that it will perform in accordance with their terms all of the obligations which by the

terms of the Agreement are required to be performed by it; and (vi) agrees and acknowledges that the Assignee and Secured Party is bound by the confidentiality provisions of Section 14.13 of the Agreement.

1. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to each of the Deal Agent and the Collateral Agent and the related for acceptance and recording by the Deal Agent. The effective date of this Assignment and Acceptance (the "Assignment Date") shall be the date of acceptance thereof by the Deal Agent, unless a later date is specified in Section 3 of Schedule 1.

2. Upon such acceptance by the Deal Agent and the Collateral Agent and upon such recording by the Deal Agent, as of the Assignment Date, (i) the Assignee shall be a party to the Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of the Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Agreement.

3. Upon such recording by the Deal Agent, from and after the Assignment Date, the Deal Agent and the Collateral Agent shall make, or cause to be made, all payments under the Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and Facility Fee with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Agreement for periods prior to the Assignment Date directly between themselves.

4. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

[ASSIGNOR]

By:____ Name:

Title: Address for notices

[Address] [ASSIGNEE]

By:____ Name:

Title: Address for notices

[Address]

Consented and agreed this__day of
__, __

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as Deal Agent and Collateral Agent

By:____ Name:__ Title:__

Schedule 1
to
Assignment and Acceptance
Dated , 20

Section 1.

Percentage Interest %

Section 2.

Assignee's Commitment: $___

Aggregate Outstanding Advance owing to
the Assignee: $___

Section 3.

Assignment Date:___, 20___

Exhibit C

Form of Monthly Report [Attached hereto]

Exhibit D

Form of Take-Out Release

Reference is hereby made to the Loan and Security Agreement, dated as of September 15, 2014 (as amended, supplemented or otherwise modified and in effect from time to time, the "Agreement"), by and among CAC Warehouse Funding LLC V, as borrower (in such capacity, the "Borrower"), Credit Acceptance Corporation, as servicer (in such capacity, the "Servicer"), Fifth Third Bank, National Association, as deal agent (the "Deal Agent"), lender (the "Lender") and collateral agent (the "Collateral Agent"), and System & Services Technologies Inc., as backup servicer.

Capitalized terms not defined herein shall have the meaning given such terms in the Agreement.

Pursuant to Section 2.8(a) of the Agreement, the Borrower requests the Collateral Agent to release all of its right, title and interest, including any security interest and Lien, in and to the Loans and Related Security identified on Schedule 1 hereto (the "Released Loans and the Related Security"). The Take-Out Date is as of **[ ]**.

Pursuant to Section 2.8(a)(ii) of the Agreement, the Servicer and the Borrower hereby certify that the Borrower will have sufficient funds on the Take-Out Date to effect the Take-Out in accordance with the Agreement.

Pursuant to Section 2.8(a)(iii) of the Agreement, the Servicer and the Borrower hereby certify that after giving effect to the Take-Out and the release to the Borrower of the Loans and Related Security on the Take-Out Date, (x) the representations and warranties contained in Sections 4.1 and 4.2 of the Agreement shall continue to be correct in all material respects, except to the extent relating to an earlier date, and (y) neither an Unmatured Termination Event nor a Termination Event has occurred.

Upon receipt in the Collection Account of $**[ ]** in immediately available funds, the Collateral Agent hereby releases all of its right, title and interest, including any security interest and Lien, in and to:

(i) the Released Loans and the Related Security, all monies due or to become due with respect thereto, whether accounts, chattel paper, general intangibles or other property, all monies or remittances on deposit in the Credit Acceptance Payment Account which constitute proceeds of such Released Loans and the Related Security;

(ii) the security interests in the Contracts granted by Obligors pursuant to the related Released Loans and the Related Security;

(iii) all of the Borrower's rights under (x) the Contribution Agreement and (y) each Dealer Agreement, in each case with respect to such Released Loans and the Related Security; and

(i) the proceeds of any and all of the foregoing. [REMAINDER OF PAGE BLANK. SIGNATURE PAGE FOLLOWS.]

Executed as of___.

CREDIT ACCEPTANCE CORPORATION, AS THE SERVICER

CAC WAREHOUSE FUNDING LLC V, as the Borrower

By:__ Name:__ Title: __

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as the Lender, Collateral Agent and Deal Agent

By:__ Name:__ Title: __

Exhibit E

Form of Hedging Agreement [on file with the Deal Agent]

Exhibit F

Form of Officer's Certificate CREDIT ACCEPTANCE CORPORATION
CERTIFICATE OF OFFICER

I, Douglas W. Busk, on this date of [_]_, 2014, hereby certify that I am the duly executed, qualified and acting Treasurer of Credit Acceptance Corporation, a Michigan corporation (the "Company"), and that, as such, I have access to its corporate records and am familiar with the matters certified herein, and I am authorized to execute and deliver this certificate in the name and on behalf of the Company, and that:

1. This certificate is being delivered pursuant to that certain Loan and Security Agreement (the "Loan and Security Agreement"), dated September 15, 2014, by and among the Company, CAC Warehouse Funding LLC V, Fifth Third Bank, National Association and Systems & Services Technologies, Inc. The capitalized terms used in this certificate and not defined herein have the respective meanings specified in the Loan and Security Agreement.

2. The closing conditions set forth in Sections 3.1(a) (other than with respect to the Hedging Agreements), (c) and (d) of the Loan and Security Agreement have been satisfied, including without limitation, the following:

(xx) No Amortization Event, Termination Event or Unmatured Termination Event has occurred; and

(xxi) No Servicer Termination Event or Potential Servicer Termination Event has occurred.

3. The transactions under the Loan and Security Agreement and any other Transaction Document to which the Company is a party do not and will not render the Company not Solvent.

IN WITNESS WHEREOF, I have executed this certificate in the name and on behalf of the Company on the date first written above.

CREDIT ACCEPTANCE CORPORATION

By: ____ Douglas W. Busk
Treasurer

Exhibit G

FORM OF RELEASE

Reference is hereby made to the Loan and Security Agreement, dated as of September 15, 2014, among CAC Warehouse Funding LLC V, as the Borrower, Credit Acceptance Corporation, as the Servicer, Fifth Third Bank, National Association, as the Leander, Deal Agent and Collateral Agent and Systems & Services Technologies, Inc., as the Backup Servicer as it may from time to time be amended, supplemented or otherwise modified in accordance with the terms thereof (the "Agreement").

Capitalized terms not defined herein shall have the meaning given such terms in the Agreement.

Pursuant to Section 2.16(a) of the Agreement, the Borrower requests the Collateral Agent to release all of its right, title and interest, including any security interest and Lien, in and to the Loans and Related Security identified on Schedule 1 hereto (the "Released Loans and the Related Security").

The Servicer and Borrower hereby certify that after giving effect to the release to the Borrower of the Loans and Related Security as provided below, (x) the representations and warranties contained in Article IV of the Agreement shall continue to be correct in all material respects, except to the extent relating to an earlier date, and (y) neither an Unmatured Termination Event nor a Termination Event has occurred.

Upon deposit in the Collection Account of $[___] in immediately available funds, the Collateral Agent hereby releases all of its right, title and interest, including any security interest and Lien, in and to [all of] the Loans and the Related Security identified on Schedule I hereto (the "Released Loans and Related Security"):

(xxii) the Released Loans and the Related Security, all monies due or to become due with respect thereto, whether accounts, chattel paper, general intangibles or other property, all monies or remittances on deposit in the Credit Acceptance Payment Account which constitute proceeds of such Loans and the Loans;

(xxiii) the security interests in the Contracts granted by Obligors pursuant to the related Loan and all security related thereto;

(xxiv) all of the Borrower's rights under the Contribution Agreement and each Dealer Agreement with respect to such Loans and the Related Security;

(xxv) the proceeds of any and all of the foregoing.

[REMAINDER OF PAGE BLANK. SIGNATURE PAGE FOLLOWS.]

Executed as of___.

Credit Acceptance Corporation, as the Servicer

By:__ Name:
Title:

CAC Warehouse Funding LLC V, as the Borrower

By:__ Name:
Title:

Fifth Third Bank, National Association, as the Deal Agent and Collateral Agent

By:__ Name:
Title:

Exhibit H

Form of Contribution Agreement

Exhibit I

FORM OF VARIABLE FUNDING NOTE

Cincinnati, Ohio [___], 2020

FOR VALUE RECEIVED, the undersigned, CAC WAREHOUSE FUNDING LLC V, a Delaware limited liability company (the "Borrower"), promises to pay to the order of Fifth Third Bank, National Association, as Deal Agent, on behalf of the Lender, on the Maturity Date specified in Section 2.1(c) of the Loan and Security Agreement (as hereinafter defined), at Fifth Third Bank, National Association, Asset Securitization, 38 Fountain Square Plaza, MD 109046, Cincinnati, OH 45263; Email: steven.maysonet@53.com and ABF.Reporting@53.com, in lawful money of the United States of America and in immediately available funds, the principal amount of One Hundred Million Dollars ($125,000,000), or, if less, the aggregate unpaid principal amount of the all Advances made by the Lender to the Borrower pursuant to the Loan and Security Agreement, and to pay interest at such office, in like money, from the date hereof on the unpaid principal amount of the Advance from time to time outstanding at the rates and on the dates specified in the Loan and Security Agreement.

The Deal Agent is authorized to record, on the schedules annexed hereto and made a part hereof or on other appropriate records of the Deal Agent, the date and the amount of the Advance made by the Lender, each continuation thereof, the ~~funding period~~Accrual Period for such Advance and the date and amount of each payment or prepayment of principal thereof. Any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided that the failure of the Deal Agent to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower hereunder, under the Loan and Security Agreement in respect of the Advance.

This Variable Funding Note is the Note referred to in the Loan and Security Agreement, dated as of September 15, 2014 (as amended, supplemented, or otherwise modified and in effect from time to time, the "Loan and Security Agreement"), among CAC Warehouse Funding LLC V (the "Borrower"); Credit Acceptance Corporation (the "Servicer"); Fifth Third Bank, as lender (the "Lender"); as deal agent (the "Deal Agent"); and as Collateral Agent (the "Collateral Agent"); and Systems & Services Technologies, Inc. (the "Backup Servicer"). Capitalized terms used herein and defined herein have the meanings given them in the Loan and Security Agreement.

This Variable Funding Note is subject to optional and mandatory prepayment as provided in the Loan and Security Agreement.

Upon the occurrence of a Termination Event, the Secured Parties shall have all of the remedies specified in the Loan and Security Agreement. The Borrower hereby waives presentment, demand, protest, and all notices of any kind.

THIS VARIABLE FUNDING NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

CAC WAREHOUSE FUNDING LLC V,
as Borrower

By:____ Name:
Title:

Schedule 1 to VARIABLE FUNDING NOTE

Principal of the Advances	Interest on the Advances	Prepayment of the Advances	Notation by Date

Exhibit J

Form of Dealer Agreement

Exhibit K

Forms of Contracts

Exhibit L

Form of Backup Servicing Agreement

Exhibit M

Form of Purchase Agreement

Schedule I

[Reserved]

Schedule II [Reserved]

Schedule III

Tradenames, Fictitious Names and “Doing Business As” Name

None

Schedule IV

Location of Records and Contract Files

Credit Acceptance Corporation Silver Triangle Building
25505 W. Twelve Mile Road, Ste. 3000 Southfield, MI 48034

Schedule V

List of Loans, Contracts, Dealer Agreements and Pools
[To be provided in accordance with Section 2.2(a)(iii) or Section 6.15(c)]

Schedule VI [Reserved]

Schedule VII

Forecasted Collections
[To be provided in accordance with Section 2.8(a)(vii) or Section 3.2(e)]

Schedule VIII Commitment Amount of the Lender

Lender	Commitment Amount
Fifth Third Bank	$125,000,000

Schedule IX

Condition Precedent Documents Relating to Closing

CONDITION PRECEDENT DOCUMENTS	RESPONSIBLE PARTY
I. TRANSACTION DOCUMENTS	
A. Loan and Security Agreement	Skadden
Exhibits to Loan and Security Agreement	
Exhibit A Form of Funding Notice	Attached
Exhibit B Form of Assignment and Acceptance	Attached
Exhibit C Form of Monthly Report	Fifth Third
Exhibit D Form of Take-Out Release	Attached
Exhibit E Form of Hedging Agreement (including Schedule and Confirmation)	Credit Acceptance
Exhibit F Form of Officer's Certificate	Attached
Exhibit G Form of Release	Attached
Exhibit H Form of Contribution Agreement	Skadden
Exhibit I Form of Variable Funding Note	Attached
Exhibit J Form of Dealer Agreement	Credit Acceptance
Exhibit K Form of Contracts	Credit Acceptance
Exhibit L Form of Backup Servicing Agreement	Skadden
Exhibit M Form of Purchase Agreement	Attached
Schedules to Loan and Security Agreement	
Schedule I [Reserved]	N/A
Schedule II Credit and Collection Guidelines	Credit Acceptance
Schedule III Tradenames, Fictitious Names and "Doing Business As" Names	Credit Acceptance
Schedule IV Location of Records and Contract Files	Credit Acceptance
Schedule V List of Loans, Contracts, Dealer Agreements and Pools	Credit Acceptance
Schedule VI [Reserved]	N/A
Schedule VII Forecasted Collections	Credit Acceptance
Schedule VIII Commitment Amount of the Lender	Attached
Schedule IX Condition Precedent Documents to the Closing	Attached
B. Contribution Agreement	Skadden
C. Backup Servicing Agreement	Skadden

D. Fee Letter	Fifth Third/Mayer Brown
E. Note in favor of the Lender	Skadden
F. Hedge Agreement	Credit Acceptance/ Fifth Third
G. Payoff Letter with respect to the CAC Warehouse Funding III, LLC securitization facility	Fifth Third/Mayer Brown
II. DOCUMENTS RELATING TO THE BORROWER	
A. Secretary's Certificate with the following items attached: - Resolutions of the Board of Directors of the Borrower - Certificate of Formation of the Borrower - Operating Agreement of the Borrower - Incumbency	Borrower/Skadden
B. On the Closing Date, Officer's Certificate of the Borrower certifying as to the applicable matters set forth in Section 3.1 of the Loan and Security Agreement and the Solvency Certificate described in Section 4.1(i) of the Loan and Security Agreement	Borrower/Skadden
C. On the Funding Date, Officer's Certificate of the Borrower certifying as to the applicable matters set forth in Section 3.1 of the Loan and Security Agreement	Borrower/Skadden
D. Certificate of Formation of the Borrower certified by the Secretary of State of Delaware	Borrower/Skadden
E. Good Standing Certificate issued by the Secretary of State of the State of Delaware with respect Borrower	Borrower/Skadden
F. Copies of the filed financing statement in Delaware on Form UCC-1 naming the Borrower as debtor and the Collateral Agent, for the benefit of the Secured Parties, as secured party	Borrower/Skadden
G. Evidence that the Borrower has been licensed as a "sales finance company" (or similar, as applicable) in the states of Pennsylvania and Maryland.	Borrower/Skadden

III. DOCUMENTS RELATING TO CREDIT ACCEPTANCE	
A. Secretary's Certificate with the following items attached: - Resolutions of the Board of Directors of Credit Acceptance - Certificate of Incorporation of Credit Acceptance - Bylaws of Credit Acceptance - Incumbency	Credit Acceptance/ Skadden
B. On the Closing Date, Officer's Certificate of Credit Acceptance certifying as to the applicable matters set forth in Section 3.1	Credit Acceptance/ Skadden
C. On the Funding Date, Officer's Certificate of Credit Acceptance certifying that no Unmatured Termination Event, Termination Event, Servicer Termination Event or potential Servicer Termination Event shall have occurred	Credit Acceptance/ Skadden
D. Certificate of Incorporation certified by the Secretary of State of the State of Michigan	Credit Acceptance/ Skadden
E. Good Standing Certificate issued by the Secretary of State of the State of Michigan with respect to Credit Acceptance	Credit Acceptance/ Skadden
F. Copies of the filed financing statement in Delaware on Form UCC-1 naming the Originator as debtor/seller, the Borrower as secured party/purchaser, and the Collateral Agent as assignee	Credit Acceptance/ Skadden
IV. OPINIONS OF COUNSEL	
A. Opinion of Skadden as to certain corporate and enforceability matters	Skadden
B. Opinion of Skadden as to non-consolidation matters	Skadden
C. On the date of the Initial Funding, opinion of Skadden as to certain security interest matters	Skadden
D. On the date of the Initial Funding, opinion of Skadden as to true sale matters	Skadden
E. Opinion of Dykema as to certain corporate and enforceability matters under Michigan law	Dykema

V. ADDITIONAL CLOSING DOCUMENTS/ACTIONS	
A. Evidence that (i) the Lender has cancelled all notes and related fee letters executed by CAC Warehouse Funding III, LLC in favor of Fifth Third Bank and delivered the same to the Borrower, (ii) the Amended and Restated Loan and Security Agreement, dated as of June 29, 2012 (as amended), among CAC Warehouse III, LLC, Credit Acceptance, Fifth Third Bank and Systems & Services Technologies, Inc., and the related Contribution Agreement and Backup Servicing Agreement (each, as defined therein), have each been terminated and all collateral thereunder have been released	Lender/Credit Acceptance
B. A certificate of an officer of the Borrower certifying that all of the conditions to funding set forth in Sections 3.1 and 3.2 of the Contribution Agreement have been satisfied	Borrower/Skadden
C. UCC-3 Termination Statements, terminating all UCC financing statements naming Credit Acceptance as debtor/seller, CAC Warehouse Funding III, LLC as secured party/purchaser, and Fifth Third Bank as assignee	Credit Acceptance/Skadden
D. UCC search results (i) for the Borrower in Delaware and (ii) for Credit Acceptance in Michigan	Skadden/Dykema
E. Evidence that the Collection Account and the Reserve Account have been established	Credit Acceptance
F. Evidence that the Structuring Fee and any other fees or amounts due and payable on the Closing Date in accordance with the Fee Letter have been paid in full	Borrower
G. On the date of the Initial Funding, Evidence that the Reserve Account has been funded	Borrower

Key:

Fifth Third	Fifth Third Bank, the Deal Agent or the Collateral Agent
Lender	Fifth Third Bank
Credit Acceptance	Credit Acceptance Corporation
Borrower	CAC Warehouse Funding LLC V
Mayer Brown	Mayer Brown LLP
Dykema	Dykema Gossett PLLC
Skadden	Skadden, Arps, Slate, Meagher & Flom LLP
Backup Servicer	Systems & Services Technologies, Inc.

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT

This SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT, dated as of July 28, 2022 (this "Amendment"), is entered into by and among Credit Acceptance Funding LLC 2021-1, a Delaware limited liability company (the "Borrower"), Credit Acceptance Corporation, a Michigan corporation ("Credit Acceptance", the "Originator", the "Servicer" or the "Custodian"), and Fifth Third Bank, National Association, as the lender (the "Lender"), as the deal agent (the "Deal Agent") and as the collateral agent (the "Collateral Agent").

Reference is hereby made to the Loan and Security Agreement, dated as of January 29, 2021 (as amended by the First Amendment thereto, dated as of March 22, 2021, the "Agreement"), among the Borrower, Credit Acceptance, the Lender, the Deal Agent, the Collateral Agent and Systems & Services Technologies, Inc., a Delaware corporation, as the backup servicer (the "Backup Servicer"). Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

W I T N E S S E T H :

WHEREAS, the Borrower, Credit Acceptance, the Lender, the Deal Agent, the Collateral Agent and the Backup Servicer have previously entered into and are currently party to the Agreement; and

WHEREAS, the Borrower, Credit Acceptance, the Lender, the Deal Agent and the Collateral Agent wish to amend the Agreement pursuant to Section 14.1 thereof in certain respects as provided herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. Amendments. Subject to the conditions to effectiveness set forth in Section 2 below, the Agreement is hereby amended by deleting the stricken text (indicated in the same manner as the following example: ~~stricken text~~) and adding the inserted text (indicated in the same manner as the following example: inserted text) as set forth on the pages of the Agreement attached as Exhibit A hereto.

SECTION 2. Conditions to Effectiveness of Amendment. The effectiveness of this Amendment is subject to the conditions precedent that the Deal Agent shall have received executed counterparts of this Amendment from each party hereto.

SECTION 3. Representations of the Borrower and Credit Acceptance. Each of the Borrower and Credit Acceptance hereby represents and warrants to the other parties hereto that as of the date hereof each of the representations and warranties contained in Article IV of the Agreement and in any other Transaction Document to which it is a party are true and correct as of the date hereof and after giving effect to this Amendment (except to the extent that such representations and warranties relate solely to an earlier date, and then that they are true and correct as of such earlier date) and that no Termination Event has occurred and is continuing as of the date hereof and after giving effect to this Amendment.

SECTION 4. Agreement in Full Force and Effect. Except as expressly set forth herein, all terms and conditions of the Agreement shall remain in full force and effect. Reference to this specific Amendment need not be made in the Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 5. Execution in Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which so executed shall be deemed an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 7. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Loan and Security Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

CREDIT ACCEPTANCE FUNDING LLC 2021-1

By: /s/ Douglas W. Busk Name: Douglas W. Busk
Title: Chief Treasury Officer

CREDIT ACCEPTANCE CORPORATION

By: /s/ Douglas W. Busk Name: Douglas W. Busk
Title: Chief Treasury Officer

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as Lender, Deal Agent and Collateral Agent

By: /s/ Dylan James Name: Dylan James
Title: Officer

Exhibit A [*see attached*]

Conformed Loan and Security Agreement through First Amendment, dated as of March 22, 2021 Second Amendment, dated as of July 28, 2022

U.S. $100,000,000

LOAN AND SECURITY AGREEMENT

Dated as of January 29, 2021 Among
CREDIT ACCEPTANCE FUNDING LLC 2021-1
as the Borrower

CREDIT ACCEPTANCE CORPORATION
as the Originator, Servicer and Custodian

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as a Lender, and the other Lenders from time to time party hereto

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as the Deal Agent

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as the Collateral Agent and
SYSTEMS & SERVICES TECHNOLOGIES, INC.
as the Backup Servicer

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SCHEDULES

THIS LOAN AND SECURITY AGREEMENT (the "Agreement") is made as of January 29, 2021 among:

(1) CREDIT ACCEPTANCE FUNDING LLC 2021-1, a Delaware limited liability company, (the "Borrower");

(2) CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("Credit Acceptance", the "Originator", the "Servicer" or the "Custodian");

(3) FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Lender ("Fifth Third" or a "Lender" and together with the other lenders from time to time party hereto, the "Lenders");

(4) FIFTH THIRD BANK, NATIONAL ASSOCIATION, as deal agent (the "Deal Agent");

(5) FIFTH THIRD BANK, NATIONAL ASSOCIATION, a national banking association, as collateral agent (the "Collateral Agent"); and

(6) SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation ("SST"), as backup servicer (the "Backup Servicer").

WHEREAS, the Borrower was formed for the purpose of taking assignments of, and holding, various assets, including loans to dealers and motor vehicle finance contracts, amounts received on or in respect of such finance contracts and proceeds of the foregoing;

WHEREAS, the Borrower has requested that the Lenders make loans to the Borrower on the Closing Date, the proceeds of which will be used to finance the purchase price of certain dealer loans and motor vehicle finance contracts as described herein; and

WHEREAS, the Lenders have agreed to make such loans to the Borrower upon the terms and subject to the conditions set forth herein;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms.

(a) Certain capitalized terms used throughout this Agreement are defined above or in this Section 1.1.

(b) As used in this Agreement and its schedules, exhibits and other attachments, unless the context requires a different meaning, the following terms shall have the following meanings:

Account Control Agreement: Each agreement, in form and substance satisfactory to the Collateral Agent, among the Borrower, the Collateral Agent and Fifth Third Bank, National Association, that provides the Collateral Agent with control within the meaning of the UCC over the Collection Account and the Reserve Account.

Accrual Period: For any Payment Date, the period from and including the fifteenth (15th) calendar day of the prior calendar month—or, in the case of the first Payment Date, from and including the Closing Date—to but excluding the fifteenth (15th) calendar day of the current calendar month; provided, however, that any Accrual Period that commences before the Final Scheduled Payment Date that would otherwise end after the Final Scheduled Payment Date shall end on the Final Scheduled Payment Date.

Addition Date: (a) With respect to any Dealer Loan, the date on which such Dealer Loan is contributed or otherwise transferred by Credit Acceptance to the Borrower pursuant to the Contribution Agreement; and (b) with respect to any Purchased Loan, the date on which such Purchased Loan is contributed or otherwise transferred by Credit Acceptance to the Borrower pursuant to the Contribution Agreement.

Additional Amount: Defined in Section 2.14(a).

Additional Cut-Off Date: Each date on and after which Collections on an Additional Loan are to be transferred to the Collateral.

Additional Loans: All Loans that become part of the Collateral after the Closing Date.

Adjusted Collateral Amount: On any Payment Date during the Revolving Period, an amount equal to the sum of: (i) the Collateral Amount; and (ii) the amount on deposit in the Principal Collection Account.

~~Adjusted LIBOR Rate: For any Accrual Period, an interest rate per annum equal to a fraction, expressed as a percentage and rounded upwards (if necessary), to the nearest 1/100 of 1%, (i) the numerator of which is equal to the LIBOR Rate for such Accrual Period and (ii) the denominator of which is equal to 100% minus the Eurodollar Reserve Percentage for such Accrual Period.~~

Affected Party: Each of the Lenders, any assignee or participant of any Lender, the Deal Agent, any successor to Fifth Third Bank, National Association as Deal Agent or any sub-agent of the Deal Agent.

Affiliate: With respect to a Person, means any other Person that, directly or indirectly, controls, is controlled by or under common control with such Person, or is a director or officer of such Person. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") when used with respect to any specified Person means the possession, direct or indirect, of the power to vote 5% or more of the voting securities of such Person or to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Aggregate Outstanding Eligible Loan Balance: On any date of determination, the sum of the Outstanding Balances of all Eligible Loans on such day.

Aggregate Unpaids: At any time, an amount, equal to the sum of all accrued and unpaid Capital, Interest, Yield, Hedge Costs, fees, indemnities and all other amounts owed by the Borrower hereunder or under any other Transaction Document or by the Borrower or any other Person under any fee letter delivered in connection with the transactions contemplated by this Agreement (whether due or accrued) and any unpaid fees, expenses and indemnities due to the Collateral Agent and to the Backup Servicer hereunder, both before and after the Assumption Date.

Amendment No. 1 Effective Date: March 22, 2021.

Amortization Event: The occurrence of any of the following events: (i) on any Payment Date after giving effect to all purchases of Additional Loans (or the funding of any additional Dealer Loan Contracts allocated to an open pool of Dealer Loan Contracts securing a Dealer Loan) on such date, the amount on deposit in the Principal Collection Account is greater than 5.0% of the Adjusted Collateral Amount for two (2) or more Business Days; (ii) on any Payment Date after giving effect to all purchases of Additional Loans, the Adjusted Collateral Amount is less than the Minimum Collateral Amount and such deficiency continues for two (2) or more Business Days;
(iii) a Reserve Advance is made, except if on the date of such Reserve Advance, the Capital is zero;
(iv) cumulative Collections through the end of the related Collection Period, expressed as a percentage of the cumulative Forecasted Collections though the end of the related Collection Period, are less than 90.0% for any three (3) consecutive Collection Periods; (v) on any Payment Date, the Weighted Average Spread Rate is less than the Minimum Weighted Average Spread Rate; (vi) the Borrower fails to make a payment or deposit when required under this Agreement or within any applicable grace or cure period; or (vii) the Commitment Termination Date.

Amortization Period: With respect to each Lender, the period beginning on the earlier of:
(i) the occurrence of an Amortization Event and (ii) the occurrence or declaration of the Termination Date, and ending on the Collection Date.

Anti-Corruption Laws: (a) The U.S. Foreign Corrupt Practices Act of 1977, as amended;
(b) the U.K. Bribery Act 2010, as amended; and (c) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which the Borrower or any member of the Borrowing Group is located or doing business.

Anti-Money Laundering Laws: The applicable laws or regulations in any jurisdiction in which the Borrower or any member of the Borrowing Group is located or doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

Applicable Law: For any Person, all existing and future applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including, without limitation, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve ystem), and applicable judgments, decrees, injunctions, writs, orders, or action of any court, arbitrator or other
administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

Assignment and Acceptance: An assignment and acceptance entered into by a Lender and an assignee, and accepted by the Deal Agent, in substantially the form of Exhibit B hereto.

Assumption Date: Defined in the Backup Servicing Agreement.

Authoritative Electronic Copy: With respect to any Contract stored in an electronic medium, the single electronic "authoritative copy" (within the meaning of Section 9-105 of the UCC) of such Contract (i) that constitutes the single authoritative copy of the record or records comprising the related chattel paper which is unique, identifiable and, except as otherwise provided in clauses (iv), (v) and (vi) below, unalterable, (ii) that identifies Credit Acceptance as the sole assignee thereof, (iii) that is communicated to and maintained by Credit Acceptance, (iv) copies or revisions to which that add or change an identified assignee thereof can only be made with the participation of Credit Acceptance, (v) for which any copy thereof is readily identifiable as a copy that is not the authoritative copy and (vi) for which any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

Available Funds: With respect to any Payment Date: (i) all amounts deposited in the Collection Account and Principal Collection Account during the Collection Period (other than Dealer Collections and Repossession Expenses) that ended on the last day of the calendar month immediately preceding the calendar month in which such Payment Date occurs and investment earnings thereon; (ii) all Reserve Advances (which shall be applied in accordance with Section 2.7(b) hereof); (iii) all amounts paid by the Borrower pursuant to Section 4.5 hereof with respect to the prior Collection Period in respect of Ineligible Loans; (iv) all amounts paid under any Dealer Agreement; and (v) any other funds on deposit in the Collection Account on such date (other than Dealer Collections and Repossession Expenses).

Available Tenor: As of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of "Accrual Period" pursuant to Section 2.17(c).

Backup Servicer: SST or any Person designated as a successor backup servicer following SST's removal or resignation as Backup Servicer pursuant to the terms of the Backup Servicing Agreement.

Backup Servicing Agreement: The Backup Servicing Agreement, dated as of January 29, 2021, among the Backup Servicer, the Servicer, the Deal Agent, the Collateral Agent and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

Backup Servicing Fee: The fee payable by the Borrower to the Backup Servicer pursuant to the Backup Servicing Agreement and Section 7.3 hereof.

Bankruptcy Code: The United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

Base Rate: On any date, a fluctuating interest rate per annum equal to the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 2.0%, and (c) the Benchmark, provided that if the Base Rate as determined above shall ever be less than the Floor, then the Base Rate shall be deemed to be the Floor.

Base Rate Capital: Capital that accrue interest at a rate based on the Base Rate. Benchmark: ~~The Adjusted LIBOR Rate except~~Initially, Term SOFR; provided that if a Benchmark Transition Event has occurred with respect to Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that ~~(i) the Benchmark is required to be the Base Rate pursuant to Section 2.17(a) or (ii) a~~such Benchmark Replacement has ~~been selected in accordance with~~replaced such prior benchmark rate pursuant to Section 2.17 hereof.

Benchmark Capital: Capital which bears interest at the Benchmark, other than pursuant to clause (~~b~~c) of the definition of Base Rate.

Benchmark Determination Date: With respect to any Accrual Period, the date that is two Business Days before the first day of such Accrual Period.

Benchmark Replacement: means, with respect to any Benchmark Transition Event, the sum of: (i) the alternate benchmark rate that has been selected by the Deal Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment; provided that if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents.

Benchmark Replacement Adjustment: With respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Deal Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

Benchmark Replacement Date: The earliest to occur of the following events with respect to

the then-current Benchmark:

(A) in the case of clause (A) or (B) of the definition of "Benchmark Transition Event," the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(B) in the case of clause (C) of the definition of "Benchmark Transition Event," the first date on which all Available Tenors of such Benchmark (or the published component used in the calculation thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (C) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (A) or (B) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

Benchmark Transition Event: The occurrence of one or more of the following events with respect to the then-current Benchmark:

(A) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(B) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(C) a public statement or publication of information by the regulatory

supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

Benchmark Unavailability Period: The period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.17 hereof and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.17 hereof.

Beneficial Ownership Certification: A certification regarding beneficial ownership to the extent required by the Beneficial Ownership Regulation.

Beneficial Ownership Regulation: 31 C.F.R. § 1010.230.

Benefit Plan: Any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate of the Borrower is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

Borrower: Credit Acceptance Funding LLC 2021-1, a Delaware limited liability company.

Borrowing Group: (a) The Borrower, (b) the parent of the Borrower, (c) any affiliate or subsidiary of the Borrower, (d) the owner of any collateral securing any part of the credit or this Agreement and (e) any officer, director or agent acting on behalf of any of the parties referred to in items (a) through (c) with respect to the credit, this Agreement or any other Transaction Document.

Breakage Costs: Any amount or amounts as shall compensate the Lender for any loss, cost or expense incurred by the Lender (as determined by the Lender in the Lender's sole discretion) as a result of a prepayment by the Borrower of Capital or Interest or the failure of any Payment Date with respect to any loan or advance hereunder to occur on the maturity date of the applicable source of funds, the proceeds of which were used to fund or maintain such loan or advance (or portion thereof).

Business Day: Any day other than a Saturday or a Sunday on which ~~(a)~~ banks are not required or authorized to be closed in New York City, New York, Delaware, Cincinnati, Ohio, Detroit, Michigan, or if the Backup Servicer becomes the Servicer, Missouri~~, and (b) if the term "Business Day" is used in connection with the determination of the LIBOR Rate, dealings in United States dollar deposits are carried on in the London interbank market~~.

Capital: The amounts advanced to the Borrower by the Lenders pursuant to Section 2.1(a), reduced from time to time by Collections distributed on account of such Capital pursuant to Section 2.7; provided, however, if such Capital shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any

reason, such Capital shall be increased by the amount of such rescinded or returned distribution, as though it had not been made.

Capped Servicing Fee: With respect to any Collection Period when the Backup Servicer has become the Servicer, the greater of (x) an amount equal to the product of (i) 10.00% and (ii) Collections received during such Collection Period (exclusive of amounts received under any Hedging Agreement) and (y) $5,000.

Carrying Costs: With respect to any Payment Date, the sum of amounts payable under Section 2.7(a)(iii)(A)–(C).

Certificate of Title: With regard to each Financed Vehicle (i) the original certificate of title relating thereto, or copies of correspondence and application made in accordance with applicable law to the appropriate state title registration agency, and all enclosures thereto, for issuance of its original certificate of title or (ii) if the appropriate state title registration agency issues a letter or other form of evidence of Lien (whether in paper or electronic) in lieu of a certificate of title, the original lien entry letter or form or copies of correspondence and application made in accordance with applicable law to such state title registration agency, and all enclosures thereto, for issuance of the original lien entry letter or form.

Change-in-Control: Any of the following:

(a) the creation or imposition of any Lien on any limited liability company interests of the Borrower; or

(b) the failure by the Originator to own all of the issued and outstanding limited liability company interests of the Borrower.

Closed Pool: With respect to any Dealer Loan, a Pool as to which, pursuant to the terms of the related Dealer Agreement, no additional Dealer Loan Contracts may be allocated.

Closing Date: January 29, 2021.

Code: The Internal Revenue Code of 1986, as amended from time to time. Collateral: Defined in Section 2.2(a).
Collateral Agent: Fifth Third, and its successors and assigns in such capacity.

Collateral Amount: On any Payment Date, an amount equal to the Aggregate Outstanding Eligible Loan Balance less the aggregate of the Overconcentration Loan Amounts and the aggregate of the Loan Excess Advance Amounts, if any, after giving effect to all purchases of Loans on such date. Solely for purposes of calculating the “Collateral Amount,” the determination of whether a Loan is an “Eligible Loan” shall be made as if such Loan were sold on the date of such calculation; provided, however, that a Dealer Loan relating to a Dealer that, to the knowledge of the Servicer, has become insolvent after the sale of such Dealer Loan to the Borrower shall

continue to constitute an "Eligible Dealer Loan" (assuming that such Dealer Loan would otherwise be an "Eligible Dealer Loan" on such date of determination if the applicable Dealer had not become insolvent) for purposes of calculating the "Collateral Amount" so long as (i) the characterization of such Dealer Loan as an "Eligible Dealer Loan" would not cause the percentage of the aggregate Outstanding Balance of all Dealer Loans relating to Dealers who are insolvent to exceed 2.5% of the Aggregate Outstanding Eligible Loan Balance and (ii) no bankruptcy court has entered an order (whether or not final), which order has not been vacated or overturned, stating that a person other than the Borrower (or the Servicer on the Borrower's behalf) is entitled to receive any collections on that Dealer Loan or the Contracts relating thereto.

Collection Account: The account number xxxxxx1541 in the name of the Borrower at Fifth Third Bank, National Association, subject to an Account Control Agreement and established pursuant to Section 6.7(a).

Collection Date: The date on which the Aggregate Unpaids have been reduced to zero and indefeasibly paid in full.

Collection Guidelines: With respect to Credit Acceptance, the policies and procedures of the Servicer relating to the collection of amounts due on contracts for the sale of automobiles and/or light-duty trucks, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents or as required by Applicable Law, and with respect to the Backup Servicer, as Successor Servicer, the customary servicing policies and procedures set forth in the Backup Servicing Agreement.

Collection Period: Each calendar month, except in the case of the first Collection Period, the period beginning on the Cut-Off Date to and including the last day of the calendar month in which the Closing Date occurs.

Collections: All payments (including recoveries on Defaulted Contracts, credit-related insurance proceeds and proceeds of Related Security and so long as Credit Acceptance is the Servicer, excluding certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements) received by the Servicer, Credit Acceptance or the Borrower on or after the Cut-Off Date in respect of the Loans in the form of cash, checks, wire transfers or other form of payment in accordance with the Loans and the Dealer Agreements and all net amounts received under any Hedging Agreement.

Commitment: For each Lender, the commitment of such Lender to make a loan to the Borrower in an amount set forth opposite such Lender's name on Schedule VIII to this Agreement.

Commitment Termination Date: With respect to each Lender, the close of business on the February 2023 Payment Date.

Conforming Changes: With respect to either the use or administration of Term or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day", the definition of "Accrual Period" or any similar or analogous definition (or the addition of a concept of "interest period"), the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the

applicability and length of lookback periods, the applicability of Breakage Costs, and other technical, administrative or operational matters) that the Deal Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Deal Agent in a manner substantially consistent with market practice (or, if the Deal Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Deal Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Deal Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

Contract: Any Dealer Loan Contract or Purchased Loan Contract.

Contract Files: With respect to each Contract, the fully executed original counterpart of the Contract or, in the case of any Contract constituting electronic chattel paper, the Authoritative Electronic Copy of the Contract (in each case, for UCC purposes), the Certificate of Title with respect to the related financed vehicle or other evidence of lien, all original or electronic instruments modifying the terms and conditions of such Contract and the original or electronic endorsements or assignments of such Contract.

Contribution Agreement: The Sale and Contribution Agreement, dated as of January 29, 2021, substantially in the form of Exhibit H hereto, between Credit Acceptance and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

Contractual Obligation: With respect to any Person, means any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or is subject.

Credit Acceptance: Credit Acceptance Corporation, a Michigan corporation, and its successors and permitted assigns.

Credit Acceptance Payment Account: The clearinghouse account number xxxxxx5068 maintained by Credit Acceptance at Comerica Bank, where payments received in respect of all loans and contracts are deposited or paid.

Credit Agreement: That certain Sixth Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 23, 2014, with Comerica Bank, as administrative agent and collateral agent, Credit Acceptance, as borrower, and the banks signatory thereto, as amended from time to time.

Credit Guidelines: The policies of Credit Acceptance, relating to the extension of credit to automobile and light-duty truck dealers and consumers in respect of retail installment contracts for the sale of automobiles and/or light-duty trucks, including, without limitation, the policies for determining the creditworthiness of such dealers and consumers and, relating to this extension of credit to such dealers and consumers, the maintenance of installment sale contracts, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents or as required by Applicable Law, attached hereto as Schedule II.

Custodian: Credit Acceptance, or any person appointed as Custodian pursuant to Section 6.2(d).

Cut-Off Date: With respect to the Loans transferred to the Borrower on the Closing Date, December 31, 2020, and with respect to the Loans transferred to the Borrower on each Addition Date, the related Additional Cut-Off Date

Date of Processing: With respect to any transaction relating to a Loan or a Contract, the date on which such transaction is first recorded on the Servicer's master servicing file (without regard to the effective date of such recordation).

Deal Agent: Defined in the preamble of the Agreement.

Dealer: Any new or used automobile and/or light-duty truck dealer who has entered into a Dealer Agreement or a Purchase Agreement with Credit Acceptance.

Dealer Agreement: Each agreement between Credit Acceptance and any Dealer, in substantially the form attached hereto as Exhibit J.

Dealer Collections: Defined in Section 2.9(d).

Dealer Collections Purchase: Defined in Section 6.15(a).

Dealer Collections Purchase Agreement: Defined in Section 6.15(a).

Dealer Collections Purchase Price: Defined in Section 6.15(b).

Dealer Concentration Limit: With respect to the Eligible Dealer Loans and with respect to any Dealer (measured by the Aggregate Outstanding Eligible Loan Balance of each such Dealer), an amount equal to: (A) with respect to the Closing Date, 1.5% of the Aggregate Outstanding Eligible Loan Balance of Dealer Loans as of the initial Cut-Off Date; and (B) with respect to each Addition Date during the Revolving Period on which Dealer Loans are purchased by the Borrower, 1.5% of the Aggregate Outstanding Eligible Loan Balance of Dealer Loans as of such Addition Date, after giving effect to all Collections from the related Collection Period and the purchase of Dealer Loans on such Addition Date; provided however, that after giving effect to the foregoing, the sum of the aggregate of the Outstanding Balances of the Eligible Dealer Loans of the top twenty Dealers (measured by the Aggregate Outstanding Eligible Loan Balance of each such Dealer) shall not exceed 20.0% of the Aggregate Outstanding Eligible Loan Balance of all Dealer Loans on the initial Cut-Off Date or each Addition Date during the Revolving Period on which Dealer Loans are purchased by the Borrower, as the case may be.

Dealer Loan: A group of advances made by the Originator to a Dealer in respect of an identified group of Dealer Loan Contracts, all of which secure repayment thereof, plus revenue accrued with respect to such Dealer Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020), plus the amount of monies paid to the Dealer under the related Dealer Agreement (including any portfolio profit express payment), less Collections on the related Contracts securing such Dealer Loan applied to the reduction of the balance of such Dealer Loan; provided, however, that the term “Dealer Loan” shall, for the

purposes of this Agreement, include only those Dealer Loans identified from time to time on Schedule V hereto, as amended or supplemented from time to time in accordance with the terms of this Agreement.

Dealer Loan Contract: Each retail installment sales contract, in substantially one of the forms attached hereto as Exhibit L, relating to the sale of an automobile or light-duty truck originated by a Dealer and in which Credit Acceptance shall have been granted a security interest and shall have acquired certain other rights under a related Dealer Agreement to secure the related dealer's obligation to repay one or more related Dealer Loans.

Defaulted Contract: A Contract shall be deemed a Defaulted Contract no later than the earlier of (x) the day it becomes 90 days delinquent, based on the date the last payment thereon was received by the Servicer and (y) the day on which an auction check is posted to the relevant account.

Determination Date: The fourth (4th) Business Day prior to the related Payment Date. Eligible Contract: Each Eligible Dealer Loan Contract and each Eligible Purchased Loan Contract.

Eligible Dealer Agreement: Each Dealer Agreement:

(a) which was originated by the Originator in material compliance with all applicable requirements of law and which complies in all material respects with all applicable requirements of law;

(b) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower, Credit Acceptance or the Servicer in connection with the origination of such Dealer Agreement or the execution, delivery and performance by the Borrower, Credit Acceptance or the Servicer of such Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(c) as to which at the time of the transfer of rights thereunder to the Collateral Agent and the Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens;

(d) the Borrower's rights under which have been the subject of a valid grant by the Borrower of a first priority perfected security interest in such rights and in the proceeds thereof in favor of the Collateral Agent;

(e) which will at all times be the legal, valid and binding obligation of the Dealer party thereto (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Dealer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such

enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(f) which constitutes either a "general intangible" or "tangible chattel paper" under and as defined in Article 9 of the UCC;

(g) which, at the time of the pledge of the rights to payment thereunder to the Collateral Agent for the benefit of the Secured Parties, no right to payment thereunder has been waived or modified;

(h) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(i) as to which Credit Acceptance, the Servicer and the Borrower have satisfied in all material respects all obligations to be fulfilled at the time the rights to payment thereunder are pledged to the Collateral Agent for the benefit of the Secured Parties;

(j) as to which the related Dealer has not asserted that such agreement is void or unenforceable in any legal proceedings not being contested in good faith;

(k) as to which the related Dealer is not known to be bankrupt or insolvent, subject to the proviso related to the definition of "Collateral Amount" with respect to bankruptcy and insolvency of Dealers;

(l) as to which the related Dealer is not an Affiliate of or an executive of Credit Acceptance or an Affiliate of Credit Acceptance;

(m) as to which the related Dealer is located in the United States; and

(n) as to which none of Credit Acceptance, the Servicer or the Borrower has done anything, at the time of its pledge to the Collateral Agent for the benefit of the Secured Parties, to materially impair the rights of the Collateral Agent or the other Secured Parties therein.

Eligible Dealer Loan Contract: Each Dealer Loan Contract which at the time of its pledge by the applicable Dealer to the Originator, satisfied the requirements for "Qualifying Receivable" set forth in the related Dealer Agreement; provided, however, that an Eligible Dealer Loan Contract that has become subject to the payment of a Release Price pursuant to Section 4.5(a) hereof (regardless of whether such payment is actually paid) shall not constitute an "Eligible Contract."

Eligible Dealer Loans: Each Dealer Loan, at the time of its transfer to the Borrower under the Contribution Agreement:

(a) which has arisen under a Dealer Agreement that, on the day the Dealer Loan was created, qualified as an Eligible Dealer Agreement;

(b) which was created in material compliance with all applicable requirements of law and pursuant to an Eligible Dealer Agreement which complies in all material respects with all applicable requirements of law;

(c) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower, in connection with the creation of such Dealer Loan or the execution, delivery and performance by the Borrower, of the related Eligible Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(d) as to which at the time of the pledge of such Dealer Loan to the Collateral Agent for the benefit of the Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens;

(e) as to which a valid first priority perfected security interest in such Dealer Loan, related security and in the Proceeds thereof has been granted by the Originator in favor of the Borrower and by the Borrower in favor of the Collateral Agent;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which constitutes a “general intangible” under and as defined in Article 9 of the UCC as in effect in the relevant State;

(h) [reserved];

(i) which is denominated and payable in United States dollars;

(j) which, at the time of its pledge to the Collateral Agent for the benefit of the Secured Parties, has not been waived or modified;

(k) which is not subject to any right of rescission (subject to the rights of the related Dealer to repay the outstanding balance of the Dealer Loan and terminate the related Dealer Agreement), setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(l) as to which Credit Acceptance, the Servicer and the Borrower have satisfied all material obligations to be fulfilled at the time it is pledged to the Collateral Agent for the benefit of the Secured Parties;

(m) as to which the related Dealer has not asserted that the related Dealer Agreement is void or unenforceable in any legal proceeding not being contested in good faith;

(n) as to which the related Dealer is not known to be bankrupt or insolvent, subject to the proviso related to the definition of "Collateral Amount" with respect to bankruptcy and insolvency of Dealers;

(o) as to which none of Credit Acceptance, the Servicer or the Borrower has done anything, at the time of its pledge to the Collateral Agent for the benefit of the Secured Parties, to impair the rights of the Collateral Agent or the other Secured Parties;

(p) the proceeds of which were used to finance the purchases of new or used automobiles and/or light-duty trucks and related products;

(q) if any Dealer Loan Contract securing such Dealer Loan is an electronic contract, such electronic contract constitutes "electronic chattel paper" and there is only a single "authoritative copy" (as such terms are used in Section 9-105 of the UCC) of such electronic contract and such "authoritative copy" constitutes an Authoritative Electronic Copy; and

(r) if any Dealer Loan Contract securing such Dealer Loan constitutes electronic chattel paper, Credit Acceptance shall have "control" of such electronic chattel paper within the meaning of Section 9-105 of the UCC.

Eligible Hedge Transaction: Each Hedge Transaction governed by an Eligible Hedging Agreement.

Eligible Hedging Agreement: Any of the following: (i) that certain ISDA Master Agreement and the Schedule thereto, each dated as of December 23, 2020, and entered into between the Borrower and Fifth Third, as amended, supplemented or otherwise modified and in effect on the date hereof and as may be further amended, supplemented or otherwise modified with the written consent of the Deal Agent, or (ii) any other Hedging Agreement approved by the Deal Agent in writing with respect to a Hedge Transaction.

Eligible Loans: The Eligible Dealer Loans and Eligible Purchased Loans.

Eligible Purchased Loan Contract: Each Purchased Loan Contract which at the time of its purchase from the applicable Dealer by the Originator, evidenced an Eligible Purchased Loan; provided, however, that an Eligible Purchased Loan Contract that has become subject to the payment of a Release Price pursuant to Section 4.5(a) hereof (regardless of whether such payment is actually paid) shall not constitute an "Eligible Contract."

Eligible Purchased Loans: Each Purchased Loan, at the time of its transfer to the Borrower under the Contribution Agreement:

(a) which has been originated in the United States by a Dealer for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business and is evidenced by

a fully and properly executed Purchased Loan Contract of which there is only one original executed copy (or, if such Purchased Loan Contract is an electronic contract, there is only a single "authoritative copy" (as such term is used in Section 9-105 of the UCC) of such electronic contract and such "authoritative copy" constitutes an Authoritative Electronic Copy);

(b) which creates a valid, subsisting, and enforceable first priority security interest for the benefit of the Originator in the Financed Vehicle, which security interest has been, in turn, assigned by the Originator to the Borrower, and by the Borrower to the Collateral Agent;

(c) which contains customary and enforceable provisions such that the rights and remedies of the holder thereof shall be adequate for realization against the collateral of the benefits of the security;

(d) which provides for, in the event that such Purchased Loan is prepaid in full, a prepayment that fully pays the Outstanding Balance of such Purchased Loan (net of all rebates for the unused portion of any ancillary products and net of all unearned finance charges);

(e) which was created in material compliance with all applicable requirements of law;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(h) with respect to which the Obligor thereon is not the United States, any State or any agency, department, or instrumentality of the United States or any State;

(i) with respect to which the Obligor thereon is a natural person;

(j) with respect to which, to the best of the Originator's knowledge, no liens or claims have been filed for work, labor, materials, taxes or liens that arise out of operation of law relating to the applicable Financed Vehicle that are prior to, or equal with, the security interest in the Financed Vehicle granted by the related Purchased Loan Contract;

(k) with respect to which, to the best of the Originator's knowledge, there was no material misrepresentation by the Obligor thereon on such Obligor's credit application;

(l) which has not been originated in, and is not subject to the laws of, any jurisdiction under which the sale, transfer and assignment of such Purchased Loan under this Agreement or pursuant to the transfer of the related Purchased Loan Contract shall be unlawful, void or voidable;

(m) which (i) constitutes either "tangible chattel paper," "electronic chattel paper" or a "payment intangible" each as defined in the UCC in the relevant State, (ii) if "tangible chattel paper," shall be maintained in its original "tangible" form, unless the Deal Agent has consented in writing to such chattel paper being maintained in another form or medium, and (iii) if "electronic chattel paper," there is only a single "authoritative copy" (as such term is used in Section 9-105 of the UCC) and such "authoritative copy" constitutes an Authoritative Electronic Copy;

(n) [reserved];

(o) which is payable in United States dollars and the Obligor thereon is an individual who is a United States resident;

(p) which satisfies in all material respects the requirements under the Credit Guidelines;

(q) with respect to which the collection practices used with respect thereto have complied in all material respects with the Collection Guidelines;

(r) with respect to which there are no proceedings pending, or to the best of the Originator's knowledge, threatened, wherein the Obligor thereon or any governmental agency has alleged that such Purchased Loan is illegal or unenforceable;

(s) with respect to which the Originator has duly fulfilled all material obligations to be fulfilled on the lender's part under or in connection with the origination, acquisition and assignment of such Purchased Loan, including, without limitation, giving any notices or consents necessary to effect the acquisition of such Purchased Loan by the Borrower, and has done nothing to materially impair the rights of the Borrower, or the Secured Parties in payments with respect thereto;

(t) which was purchased by the Originator from a Dealer pursuant to a Purchase Agreement or, in the case of any Purchased Loan Contract that previously secured a Dealer Loan, another agreement with the applicable Dealer;

(u) with respect to which the Dealer from whom the Originator purchased such Purchased Loan has not engaged in any conduct constituting fraud or material misrepresentation with respect to such Purchased Loan to the best of the Originator's knowledge;

(v) with respect to which, at the time such Purchased Loan was originated the proceeds thereof were fully disbursed and there is no requirement for future advances thereunder, and all fees and expenses in connection with the origination of such Purchased Loan have been paid;

(w) with respect to which, if applicable State law requires or permits the Servicer to hold the certificate of title in respect of a Financed Vehicle financed by a Purchased Loan Contract, the Servicer holds the certificate of title (or if an electronic certificate of title is issued in lieu of a paper certificate of title by the relevant governmental department or agency, Credit Acceptance is listed as lienholder on such electronic certificate of title) or the application for a certificate of title for the related Financed Vehicle as of the date on which the related Purchased Loan Contract is sold to the Borrower and will obtain within 180 days of such date a certificate of title (or ensure that an electronic certificate of title is issued in lieu of a paper certificate of title by the relevant governmental department or agency on which Credit Acceptance is listed as lienholder) with respect to such Financed Vehicle as to which the Servicer holds only such application;

(x) with respect to which the related Purchased Loan Contract has not been extended or rewritten and is not subject to any forbearance, or any other modified payment plan, in each case, other than in accordance with the Credit Guidelines or the Collection Guidelines or otherwise in accordance with Applicable Law; and

(y) if the related Purchased Loan Contract constitutes electronic chattel paper, with respect to which Credit Acceptance shall have "control" of such electronic chattel paper within the meaning of Section 9-105 of the UCC.

ERISA: The United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

ERISA Affiliate: (a) Any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in clause (a) above or any trade or business described in clause (b) above.

~~Eurocurrency Liabilities: Defined in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.~~

~~Eurodollar Reserve Percentage: Of any Reference Bank for any period, for Capital means the percentage applicable during such period (or, if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Reference Bank with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term of one month.~~

Excess Reserve Amount: With respect to any Payment Date, the excess, if any, of the amount on deposit in the Reserve Account over the Required Reserve Account Amount.

Excluded Dealer Agreement Rights: With respect to any Dealer Agreement, the rights of Credit Acceptance thereunderrelated to loans made to the related Dealer which are not Dealer

Loans pledged by the Borrower to the Collateral Agent hereunder, including rights of set-off and rights of indemnification, related to such Dealer Loans.

FATCA: Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

Federal Funds Rate: For any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the federal funds rates as quoted by Fifth Third and confirmed in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by Fifth Third (or, if such day is not a Business Day, for the next preceding Business Day), or, if, for any reason, such rate is not available on any day, the rate determined, in the sole opinion of Fifth Third, to be the rate at which federal funds are being offered for sale in the national federal funds market at 9:00 a.m. Cincinnati, Ohio time.

Fifth Third: Defined in the preamble to this Agreement. Final Scheduled Payment Date:
January 15, 2031.
Final Score: The final output from the Originator's proprietary credit scoring process.

Financed Vehicle: With respect to a Contract, any new or used automobile, light-duty truck, minivan or sport utility vehicle, together with all accessories thereto, securing the related Obligor's indebtedness thereunder.

Floor: The rate per annum of interest equal to 0.00%.

Forecasted Collections: The expected amount of Collections to be received with respect to the Aggregate Outstanding Eligible Loan Balance each month as determined by Credit Acceptance in accordance with its forecasting model submitted to Fifth Third prior to the Closing Date and attached hereto as Schedule VII.

GAAP: Generally accepted accounting principles as in effect from time to time in the United States.

Governmental Authority: Any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person, and any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

Hedge Costs: For any Hedging Agreement, any amount payable by the Borrower with respect thereto, including any swap payments, any breakage payments, any termination payments,
any notional reduction payments and any other amounts due to the Hedge Counterparty.

Hedge Counterparty: (I) Any entity that (a) on the date of entering into any Hedge Transaction (i) is an interest rate swap dealer that is either the Lender or an Affiliate of the Lender, or has been approved in writing by the Deal Agent (which approval shall be in the sole discretion of the Deal Agent), and (ii) unless otherwise agreed to by the Deal Agent, has a long-term unsecured debt rating of not less than "A" by S&P and not less than "A2" by Moody's ("Long-term Rating Requirement") and a short-term unsecured debt rating of not less than "A-1" by S&P and not less than "P-1" by Moody's ("Short-term Rating Requirement"), and (b) in a Hedging Agreement (i) consents to the assignment of the Borrower's rights under the Hedging Agreement to the Deal Agent pursuant to Section 2.2(a) and (ii) agrees that in the event that Moody's or S&P reduces its long-term unsecured debt rating below the Long-term Rating Requirement, or reduces its short-term unsecured debt rating below the Short-term Rating Requirement, it shall transfer its rights and obligations under each Hedging Agreement to another entity that meets the requirements of clause (a) and (b) hereof and has entered into a Hedging Agreement with the Borrower on or prior to the date of such transfer, or (II) any entity that (a) on the date of entering into any Hedge Transaction (i) is a bank signatory to the Credit Agreement and (ii) unless otherwise agreed to by the Deal Agent, has a short- and long-term unsecured debt rating of not less than investment grade by S&P and by Moody's, and (b) in a Hedging Agreement (i) consents to the assignment of the Borrower's rights under the Hedging Agreement to the Deal Agent pursuant to Section 2.2(a) (except in the case of an interest rate cap where such consent is not required) and (ii) agrees that in the event that it no longer has a short- and long-term unsecured debt rating of not less than investment grade by S&P and by Moody's, it shall transfer its rights and obligations under each Hedging Agreement to another entity that meets the requirements of clauses (I)(a) and (I)(b) or clauses (II)(a) and (II)(b) hereof and has entered into a Hedging Agreement with the Borrower on or prior to the date of such transfer (except in the case of an interest rate cap where such transfer is not required).

Hedge Transaction: Each interest rate swap, interest rate cap or other interest rate protection transaction between the Borrower and a Hedge Counterparty that is entered into pursuant to Section 5.3 hereof and is governed by a Hedging Agreement.

Hedging Agreement: Each agreement between the Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into pursuant to Section 5.3 hereof, and each "Confirmation" thereunder confirming the specific terms of each such Hedge Transaction.

Increased Costs: Any amounts required to be paid by the Borrower to an Affected Party pursuant to Section 2.13.

Independent Director: Defined in Section 5.2(o)(xxvii).

Ineligible Contract: Each Contract other than an Eligible Contract.

Ineligible Loan: Each Loan other than an Eligible Loan.

Indemnified Amounts: Defined in Section 11.1(a).

Indemnified Parties: Defined in Section 11.1(a).

Initial Loan Amount: With respect to Fifth Third, $100,000,000.

Insolvency Event: With respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

Insolvency Laws: The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

Insolvency Proceeding: Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

Instrument: Any “instrument” (as defined in Article 9 of the UCC), other than an instrument that constitutes part of chattel paper.

Intercreditor Agreement: The Amended and Restated Intercreditor Agreement, dated as of January 29, 2021, among the Borrower, Credit Acceptance, the Collateral Agent, the other signatories thereto and each other person who becomes a party thereto after the date thereof, as further amended, amended and restated, or otherwise modified from time to time in accordance with its terms.

Interest: With respect to each Lender and its portion of Capital, with respect to any Accrual Period, the sum of the products (for each day during such Accrual Period) of:

$$IR \times C \times \frac{1}{360}$$

where: and

C = the outstanding principal amount of the Capital of such Lender;

IR = the Interest Rate for such Lender applicable on such day;

Interest Cap: With respect to the Lender and the Capital, with respect to any Accrual Period, the amount of Interest payable for such Accrual Period determined based on an Interest

Rate for each day during such Accrual Period equal to the ~~Adjusted LIBOR Rate~~Benchmark plus 0.10%.

Interest Cap Carryover: With respect to the Lender and any Accrual Period, an amount equal to the sum of (a) the positive excess if any of (i) Interest payable on such Payment Date to the Lender without giving effect to the Interest Cap, over (ii) the amount of Interest actually paid on such Payment Date to the Lender pursuant to Section 2.7(a)(iii), plus (b) any previously unpaid Interest Cap Carryover with respect to the Lender.

Interest Rate: For any Accrual Period and for the aggregate principal amount of the Capital allocated to such Accrual Period, a per annum rate corresponding to the Benchmark then in effect.

~~Investment: With respect to any Person, any direct or indirect loan, advance or investment by such Person in any other Person, whether by means of share purchase, capital contribution, loan or otherwise, excluding the acquisition of assets pursuant to the Contribution Agreement and excluding commission, travel and similar advances to officers, employees and directors made in the ordinary course of business.~~

Investment Company Act: The United States Investment Company Act of 1940, as amended.

Late Fees: If the Backup Servicer has become the Successor Servicer, any late fees collected with respect to any Contract in accordance with the Collection Guidelines.

Lenders: Fifth Third and any other Person who becomes a Lender as provided in Section 13.1(a).

LIBOR Determination Date: With respect to any Accrual Period, the date that is two ~~Business Days before the first day of such Accrual Period.~~

~~LIBOR Rate: For any portion of Capital on any day during any Accrual Period, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the rate for deposits in United States Dollars for a period equal to such Accrual Period, which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London, England time) on the related LIBOR Determination Date. If Thomson Reuters no longer reports such rate or if such index no longer exists or if Reuters Screen LIBOR01 Page no longer exists, the Deal Agent may select a replacement index or replacement page, as the case may be, consistent with market practices at the time. In the event that any rate set forth above shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. The LIBOR Rate shall be adjusted for each Accrual Period after the initial Accrual Period, as of the first day of each such Accrual Period, and as of the effective day of any change in the maximum reserve requirement.~~

Lien: With respect to any Loan, Dealer Agreement or Contract, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind (other than any Permitted Lien, mechanics' liens, liens of collection attorneys or agents collecting the property subject to such Permitted Lien or mechanics' lien and any liens which attach thereto by operation of law).

Loan: Any Dealer Loan or Purchased Loan.

Loan Excess Advance Amount: With respect to any Eligible Loan on any Payment Date during the Revolving Period, the amount by which the Outstanding Balance of such Eligible Loan, on the date it was originated, exceeds 70% of the sum of payments due under the related Eligible Contracts on their date of origination.

Material Adverse Effect: With respect to any event or circumstance, means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Originator, the Servicer or the Borrower, (b) the validity, enforceability or collectibility of this Agreement or any other Transaction Document or the validity, enforceability or collectibility of the Loans, (c) the rights and remedies of the Deal Agent, the Collateral Agent or the Secured Parties, (d) the ability of the Borrower, the Originator or the Servicer to perform its obligations under this Agreement or any other Transaction Document, or
(e) the status, existence, perfection, priority or enforceability of the Collateral Agent's or any Secured Party's interest in the Collateral.

Material Debt: Defined in Section 6.11(h).

Minimum Collateral Amount: On any Payment Date during the Revolving Period, an amount equal to the Capital divided by the Net Advance Rate.

Minimum Weighted Average Spread Rate: ~~25.0~~22.0%. Monthly Report: Defined in Section 6.5(a).
Moody's: Moody's Investors Service, Inc., and any successor thereto.

Multiemployer Plan: A “multiemployer plan” as defined in Section 4001(a)(3) of ERISA that is or was at any time during the current year or the immediately preceding five years contributed to by the Borrower or any ERISA Affiliate on behalf of its employees.

Net Advance Rate: 80%.

Nonconforming Contract: Defined in Section 6.2(c)(ii).

Notes: Any Notes of the Borrower, issued to the Lenders pursuant to Section 2.1 hereof substantially in the form of Exhibit I hereto.

Obligor: With respect to any Loan, Dealer Agreement or Contract, the Person or Persons obligated to make payments with respect to such Loan, Dealer Agreement or Contract, respectively, including any guarantor thereof.

OFAC: The U.S. Department of the Treasury's Office of Foreign Assets Control.

Officer's Certificate: A certificate signed by any officer of the Borrower or the Servicer, as the case may be, and delivered to the Collateral Agent or the Backup Servicer.

Open Pool: With respect to any Dealer Loan, a Pool as to which, pursuant to the terms of the related Dealer Agreement, additional Dealer Loan Contracts may be allocated.

Opinion of Counsel: An opinion of counsel, which opinion and counsel are reasonably acceptable to the recipient thereof.

Original Advance Rate: With respect to any Dealer, the ratio, expressed as a percentage, where the numerator is equal to the sum of the Outstanding Balance of all Eligible Loans of such Dealer on the dates such Eligible Loans were originated and the denominator is equal to the sum of payments due under all Eligible Contracts related to such Dealer on their dates of origination.

Originator: Defined in the preamble of this Agreement. Outstanding Balance:

(i) With respect to any Contract on any date of determination, all amounts owing under such Contract (whether considered principal or as finance charges) on such date of determination. The Outstanding Balance with respect to a Contract shall be deemed to have been created at the end of the day on the Date of Processing of such Contract; which shall be greater than or equal to zero (except in the case of a Contract as to which the final payment on such Contract is in excess of the amount owed on such Contract on the date of such final payment);

(ii) with respect to any Dealer Loan on any date of determination, the aggregate amount advanced under such Dealer Loan plus revenue accrued with respect to such Dealer Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) and the payment of monies to a Dealer under the related Dealer Agreement, less Collections on the related Dealer Loan Contracts applied through such date of determination in accordance with the related Dealer Agreement to the reduction of the balance of such Dealer Loan;

(iii) with respect to any Purchased Loan (other than any Purchased Loan arising from a Dealer Collections Purchase Agreement) on any date of determination, the aggregate amount advanced under such Purchased Loan plus revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) less Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan; and

(iv) with respect to any Purchased Loan arising from a Dealer Collections Purchase Agreement on any date of determination, (A) such Purchased Loan's pro rata share of the sum of
(x) the Outstanding Balance of the related Dealer Loan as of the date of the related Dealer Collections Purchase and (y) the Dealer Collections Purchase Price with respect to such Dealer Loan (such pro rata share determined based on such Purchased Loan's pro rata share of the forecasted collections on the pool of Purchased Loans which previously constituted Dealer Loan Contracts securing such Dealer Loan), plus following the acquisition of such Purchased Loan (B) revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's adjusted accounting policies (as in effect as of January 1, 2020) less (C) Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchased Loan.

Overconcentration Loan Amount: With respect to any Dealer (or the 20 largest Dealers (measured by the Aggregate Outstanding Eligible Loan Balance of each such Dealer) in the aggregate), the amount by which the Outstanding Balance of such Dealer's Eligible Dealer Loans

(or the 20 largest Dealers' (measured by the Aggregate Outstanding Eligible Loan Balance of each such Dealer) Eligible Dealer Loans in the aggregate), as of the Closing Date or any Addition Date during the Revolving Period on which the Borrower purchases one or more Dealer Loans, as the case may be, exceeds the applicable Dealer Concentration Limit.

Participant Register: Defined in Section 13.1(e) of this Agreement.

Patriot Act: Defined in Section 4.1(z) of this Agreement.

Payment Date: The fifteenth (15th) day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day, beginning on February 15, 2021.

Permitted Investments: Any one or more of the following types of investments:

(a) marketable obligations of the United States, the full and timely payment of which are backed by the full faith and credit of the United States of America and that have a maturity of not more than 270 days from the date of acquisition;

(b) marketable obligations, the full and timely payment of which are directly and fully guaranteed by the full faith and credit of the United States and that have a maturity of not more than 270 days from the date of acquisition;

(c) bankers' acceptances and certificates of deposit and other interest-bearing obligations (in each case having a maturity of not more than 270 days from the date of acquisition) denominated in dollars and issued by any bank with capital, surplus and undivided profits aggregating at least $100,000,000, the short-term obligations of which are rated at least A-1 by S&P and P-1 by Moody's;

(d) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (a), (b) and (c) above entered into with any bank of the type described in clause (c) above;

(e) commercial paper rated at least A-1 by S&P and P-1 by Moody's;

(f) demand deposits, time deposits or certificates of deposit (having original maturities of no more than 365 days) of depository institutions or trust companies incorporated under the laws of the United States of America or any state thereof (or domestic branches of any foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities; provided, however that at the time such investment, or the commitment to make such investment, is entered into, the short-term debt rating of such depository institution or trust company shall be at least A-1 by S&P and P-1 by Moody's; and

(g) money market mutual funds (including funds for which the Collateral Agent may act as a sponsor or advisor or for which the Collateral Agent may receive fee income) having a rating, at the time of such investment, from S&P or Moody's in the highest investment category granted thereby.

Each of the Permitted Investments may be purchased by the Borrower (or, following its assumption of exclusive control of the Collection Account and/or the Reserve Account, the Collateral Agent or through an Affiliate of the Collateral Agent).

Permitted Liens: Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable and Liens granted pursuant to the Transaction Documents and with respect to the Dealer Loan Contracts, the second priority lien of the related Dealer therein as set forth in the related Dealer Agreement.

Person: An individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

Pool: An identifiable group of Dealer Loan Contracts related to a particular Dealer Agreement identified on Schedule V hereto, which, for the avoidance of doubt, may take the form of an Open Pool or Closed Pool at the time it is pledged hereunder.

Principal Collection Account: The account number xxxxxx1871 in the name of the Borrower at Fifth Third Bank, National Association and established pursuant to Section 6.7(a).

Principal Distributable Amount: With respect to any Payment Date during the Amortization Period, the lesser of: (i) Capital as of the immediately preceding Payment Date (after giving effect to all payments in reduction of principal on such Payment Date); and (ii) Available Funds remaining after distribution of amounts described in Section 2.7(a)(ii) through (iv).

Prime Rate: The rate announced by Fifth Third from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Fifth Third in connection with extensions of credit to debtors.

Proceeds: With respect to any portion of the Collateral, all “proceeds” as such term is defined in Article 9 of the UCC, including, whatever is receivable or received when such portion of Collateral is sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating thereto.

Purchase Agreement: Each agreement between Credit Acceptance and any Dealer in substantially the form attached hereto as Exhibit P, together with any Dealer Collections Purchase Agreement.

Purchase Amount: With respect to the Loans and any optional purchase pursuant to Section 2.16, an amount equal to the product of (x) the aggregate Outstanding Balance of such Loans as of the last day of the related Collection Period and (y) the Net Advance Rate in effect on the date of such payment.

Purchased Loan: A motor vehicle retail installment loan relating to the sale of an automobile or light-duty truck originated by a Dealer, purchased by the Originator from such

Dealer and evidenced by a Purchased Loan Contract; provided, however, that the term "Purchased Loan" shall, for purposes of this Agreement, include only those Purchased Loans identified from time to time on Schedule V hereto.

Purchased Loan Contract: Each motor vehicle retail installment sales contract, in substantially one of the forms attached hereto as Exhibit L, relating to a Purchased Loan.

Records: The Dealer Agreements, Contracts, Contract Files and all other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related contracts, records and other media for storage of information) in each case whether tangible or electronic that are maintained with respect to the Loans and the Contracts and the related Obligors.

~~Reference Bank: Any bank that furnishes information for purposes of determining the Adjusted LIBOR Rate.~~

Register: Defined in Section 13.1(c).

Related Security: With respect to any Loan, all of Credit Acceptance's and the Borrower's interest in:

(i) the Dealer Agreements (other than Excluded Dealer Agreement Rights, but including Credit Acceptance's rights to service the Loans and the related Contracts and receive the related collection fee and receive reimbursement of certain repossession and recovery expenses, in accordance with the terms of the Dealer Agreements) and Contracts securing payment of such Loan;

(ii) all security interests or liens purporting to secure payment of such Loan, whether pursuant to such Loan, the related Dealer Agreement or otherwise, together with all financing statements signed by the related Obligor describing any collateral securing such Loan and all other property obtained upon foreclosure of any security interest securing payment of such Loan or any related Contract;

(iii) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of each Contract whether pursuant to such Contract or otherwise, including any of the foregoing relating to any Contract securing payment of such Loan;

(iv) all of the Borrower's interest in all Records, documents and writing evidencing or related to such Loan;

(v) all rights of recovery of the Borrower against the Originator;

(vi) all Collections (other than Dealer Collections), the Collection Account, the Reserve Account, and all amounts on deposit therein and investments thereof;

(vii) all of the Borrower's right, title and interest in and to (but not its obligations under) any Hedging Agreement and any payment from time to time due thereunder;

(viii) all of the Borrower's right, title and interest in and to the Contribution Agreement and the assignment to the Collateral Agent of all UCC financing statements filed by the Borrower against the Originator under or in connection with the Contribution Agreement; and

(ix) the Proceeds of each of the foregoing.

For the avoidance of doubt, the term "Related Security" with respect to any Dealer Loan includes all rights arising under such Dealer Loan which rights are attributable to advances made under such Dealer Loan as the result of such Dealer Loan being secured by an Open Pool on the date such Dealer Loan was sold and Dealer Loan Contracts being added to such Open Pool.

Release Date: As defined in Section 4.5(b).

Release Price: As defined in Section 4.5(a).

Relevant Governmental Body: The Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

Repossession Expenses: For any Collection Period, any expenses payable pursuant to the terms of this Agreement, incurred by the Backup Servicer, if it has become the Successor Servicer, in connection with the liquidation or repossession of any Financed Vehicle, in an aggregate amount not to exceed the cash proceeds received by the Backup Servicer, if it has become the Successor Servicer, from the disposition of the Financed Vehicles.

Required Lenders: At a particular time, Lenders with Commitments in excess of 66-2/3% of the Capital.

Required Reserve Account Amount: With respect to any Payment Date, an amount equal to the lesser of (a) 2.0% of the Initial Loan Amount and (b) the outstanding Capital on such Payment Date, after giving effect to the payment of principal on such Payment Date.

Reserve Account: The account number xxxxxx1558 in the name of the Borrower at Fifth Third Bank, National Association, subject to an Account Control Agreement and established pursuant to Section 6.7(a).

Reserve Advance: Defined in Section 2.7(b)(i).

Responsible Officer: As to any Person any officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Retransfer Amount: Defined in Section 4.5(b).

Revolving Period: The period commencing on the Closing Date and ending upon the commencement of the Amortization Period.

S&P: S&P Global Ratings, and any successor thereto.

Sanction or Sanctions: Any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future statute or Executive Order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom or (e) any other governmental authority with jurisdiction over Borrower or any member of the Borrowing Group.

Sanctioned Country: Any country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs, or as otherwise published from time to time.

Sanctioned Person: (i) a Person named on the list of "Specially Designated Nationals" or "Blocked Persons" maintained by OFAC available at http://www.treas.gov/offices/enforcement/ ofac/sdn, or as otherwise published from time to time, or (ii) (a) an agency of the government of a Sanctioned Country, (b) an organization controlled by a Sanctioned Country or (c) a Person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

Sanctioned Target: Any target of Sanctions, including: (a) Persons on any list of targets identified or designated pursuant to any Sanctions, (b) Persons, countries or territories that are the target of any territorial or country-based Sanctions program, (c) Persons that are a target of Sanctions due to their ownership or control by any Sanctioned Target(s) or (d) otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

Secured Parties: (i) The Collateral Agent, the Deal Agent and each Lender and (ii) each Hedge Counterparty that is either the Lender or an Affiliate of the Lender if that Affiliate that is a Hedge Counterparty executes a counterpart of this Agreement agreeing to be bound by the terms of this Agreement applicable to a Secured Party.

SEC: The United States Securities and Exchange Commission. Securities Act: The United States Securities Act of 1933, as amended.
Securities Exchange Act: The United States Securities Exchange Act of 1934, as amended.

Servicer: Credit Acceptance, the Backup Servicer, if it has become the Successor Servicer, or any other Successor Servicer, appointed in accordance with the terms hereof as the Servicer of the Loans and Contracts.

Servicer Termination Event: Defined in Section 6.11.

Servicer Termination Notice: Defined in Section 6.11.

Servicer Expenses: Any expenses incurred by the Backup Servicer, if it has become the Successor Servicer hereunder, other than Repossession Expenses or Transition Expenses.

Servicing Fee: For each Payment Date, a fee payable to the Servicer for services rendered during the related Collection Period, equal to: (i) so long as Credit Acceptance is the Servicer, the product of (A) 6.00% and (B) the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement) and (ii) if the Backup Servicer is the Servicer, the sum of (1) the greatest of: (a) the product of 10.0% and the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement), (b) the actual costs incurred by the Backup Servicer as Successor Servicer, and (c) the product of (x) $30.00 and
(y) the aggregate number of Contracts serviced by it during the related Collection Period, plus (2) without duplication, Late Fees and Servicer Expenses; provided, however, with respect to each Payment Date on which the Backup Servicer is the Servicer, the Servicing Fee shall be at least equal to $5,000.

SOFR: A rate equal to the secured overnight financing rate administered by the SOFR Administrator.

SOFR Administrator: The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

Solvent: As to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair salable value of the property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital.

Subsidiary: A corporation of which the Originator and/or its Subsidiaries own, directly or indirectly, such number of outstanding shares as have more than 50% of the ordinary voting power for the election of directors.

Successor Servicer: Defined in Section 6.12(a).

Taxes: Any present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), charges, assessments or fees of any nature (including interest, penalties, and additions thereto) that are imposed by any Governmental Authority.

Term SOFR: For any calculation with respect to:

(a) any Benchmark Capital at any time when Term SOFR is the applicable
Benchmark, the Term SOFR Reference Rate for a tenor comparable to the applicable Accrual Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Accrual

Period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; or

(b) any Base Rate Capital on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Base Rate Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day;

provided, if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

Term SOFR Administrator: CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Deal Agent in its reasonable discretion).

Term SOFR Reference Rate: The forward-looking term rate based on SOFR.

Termination Date: With respect to each Lender, the date of the occurrence or declaration of the Termination Date pursuant to Section 10.2.

Termination Event: Defined in Section 10.1.

Transaction Documents: This Agreement, the Contribution Agreement, the Backup Servicing Agreement, the Intercreditor Agreement, each Hedging Agreement, the Account Control Agreements and any additional document the execution of which is necessary or incidental to carrying out the terms of the foregoing documents.

Transition Expenses: If the Backup Servicer has become the Successor Servicer, the sum of: (i) reasonable costs and expenses incurred by the Backup Servicer in connection with its assumption of the servicing obligations hereunder, related to travel, Obligor welcome letters, freight and file shipping plus (ii) a boarding fee equal to the product of $7.50 and the number of Contracts to be serviced.

UCC: The Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

Unadjusted Benchmark Replacement: The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

United States or U.S.: The United States of America.

Unmatured Termination Event: Any event that, with the giving of notice or the lapse of time, or both, would become a Termination Event.

Unsatisfactory Audit: The occurrence of any audit exceptions resulting from any audit, inspection or review pursuant to Section 6.1(c), Section 6.2(e) or Section 6.9, which, in the reasonable judgment of the Deal Agent, would have a material adverse effect on the ability of the Servicer to identify and allocate Collections.

Upfront Fee: An amount payable to each Lender equal to the product of (i) 0.50% and (ii) the amount of such Lender's Capital on the Closing Date.

U.S. Government Securities Business Day: Any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Weighted Average Final Score: With respect to each Payment Date during the Revolving Period, the ratio, expressed as a percentage, where (i) the numerator is equal to the aggregate for all Dealers of the product of (a) the Final Score of each Dealer and (b) the aggregate Outstanding Balance of all Eligible Loans for such Dealer and (ii) the denominator is equal to the Aggregate Outstanding Eligible Loan Balance.

Weighted Average Original Advance Rate: With respect to each Payment Date during the Revolving Period, the ratio, expressed as a percentage, where (i) the numerator is equal to the aggregate for all Dealers of the product of (a) the Original Advance Rate of each Dealer and (b) the aggregate Outstanding Balance of all Eligible Loans for such Dealer and (ii) the denominator is equal to the Aggregate Outstanding Eligible Loan Balance.

Weighted Average Spread Rate: With respect to each Payment Date during the Revolving Period, one minus the Weighted Average Original Advance Rate divided by the Weighted Average Final Score (expressed as a percentage).

Yield: With respect to each Lender and its portion of the Capital, with respect to any Accrual Period, the sum of the products (for each day during such Accrual Period) of:

$$\text{YR} \times \text{C} \times \frac{1}{360}$$

where:

C = the outstanding principal amount of the Capital of such Lender; and
YR = the Yield Rate applicable on such day;

Yield Rate: An interest rate *per annum* equal to (i) at all times prior to the Amendment No. 1 Effective Date, 2.00% and (ii) on and after the Amendment No. 1 Effective Date, ~~1.985~~2.085%; provided, however, that if the Servicer does not exercise its option to reacquire the Dealer Loans, the Purchase Loans and the related Collateral on the Commitment Termination Date pursuant to Section 2.16, the Yield Rate shall be equal to 2.50% for each day from and including the Commitment Termination Date.

Section 1.2 Other Terms. All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3 Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.4 Interpretation. In each Transaction Document, unless a contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor; and

(v) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification,

codification, replacement or reenactment of such section or other provision.

ARTICLE II
THE LOAN FACILITY

Section 2.1 Funding of the Initial Loan Amount.

(h) On the Closing Date, each Lender shall, upon satisfaction of the applicable conditions set forth in this Agreement and the other Transaction Documents (including the conditions precedent set forth in Article III), make available to the Borrower in same day funds, at such bank or other location reasonably designated by Borrower, an amount equal to the Initial Loan Amount.

(i) The Loans.

(i) Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender. The Deal Agent shall maintain the Register in accordance with Section 13.1(c). The entries made in the records maintained pursuant to this clause (i) shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of any Lender or the Deal Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrower under this Agreement and the other Transaction Documents. In the event of any conflict between the records maintained by any Lender and the records maintained by the Deal Agent in such matters, the records of the Deal Agent shall control in the absence of manifest error.

(ii) Upon the request of any Lender made through the Deal Agent, the Borrower shall prepare, execute and deliver to such Lender a promissory note of the Borrower payable to such Lender (each, a "Note"). Any such Note shall be substantially in the form of Exhibit I hereto, with blanks appropriately completed in conformity with the terms hereof and shall evidence the Borrower's obligation to pay the principal of and interest on all amounts advanced by such Lender in addition to the records described in the preceding clause (i). Any such Note shall be enforceable with respect to the Borrower's obligation to pay the principal thereof only to the extent of the unpaid principal amount of the Capital outstanding thereunder at the time such enforcement shall be sought.

Section 2.2 Grant of Security Interest; Acceptance by Collateral Agent.

(a) (i) As security for the prompt and complete payment of Capital (including any Interest and Yield accrued thereon) and the performance of all of the Borrower's other obligations under this Agreement and the other Transaction Documents, the Borrower hereby grants to the Collateral Agent, for the benefit of the Secured Parties, without recourse except as provided herein, a security interest in and continuing Lien on all assets and personal property of the Borrower, including but not limited to, all of the Borrower's accounts, chattel paper, goods, deposit accounts (including, for the avoidance of doubt, the Collection Account, the Reserve Account and the Principal Collection Account), documents, general intangibles, instruments, investment property, letter of credit rights, money and supporting obligations and all proceeds of the foregoing (as each such term is defined in the UCC, collectively, the "Collateral") now owned

or hereafter acquired. The foregoing pledge does not constitute an assumption by the Collateral Agent of any obligations of the Borrower to Obligors or any other Person in connection with the Collateral or under any agreement or instrument relating to the Collateral, including, without limitation, any obligation to make future advances to or on behalf of such Obligors.

(ii) In connection with such grant, the Borrower agrees to record and file, at its own expense, financing statements with respect to the Collateral now existing and hereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the first priority security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, and to deliver a file-stamped copy of such financing statements or other evidence of such filing to the Collateral Agent, each Lender and the Deal Agent promptly following receipt thereof. In addition, the Borrower and the Servicer agree to clearly and unambiguously mark their respective general ledgers and all accounting records and documents and all computer tapes and records to show that the Collateral, including that portion of the Collateral consisting of the Dealer Agreements listed on Schedule V hereto (and each addendum thereto), the Loans and the related Contracts and the rights to payment under the related Dealer Agreements, has been pledged to the Collateral Agent for the benefit of the Secured Parties hereunder.

(iii) In connection with such pledge, the Borrower agrees to deliver to the Collateral Agent on the Closing Date and any Addition Date on which new Pools or Purchased Loans are pledged to the Collateral Agent, as the case may be, one or more computer files containing true and complete lists of all applicable Dealer Agreements, Pools and Loans securing the payment of Capital (including any Interest and Yield accrued thereon) and any other amounts due under the Transaction Documents and all of the Borrower's other obligations in respect of Capital and the Transaction Documents as of such date, and all Contracts securing all such Loans, identified by, as applicable, account number, dealer number and pool number as of the end of the Collection Period immediately preceding the Addition Date. Such file shall be marked as Schedule V hereto or as an addendum thereto, shall be delivered to the Collateral Agent as confidential and proprietary, and such Schedule V and each addendum thereto are hereby incorporated into and made a part of this Agreement. Such Schedule V shall be supplemented and updated on each Addition Date in the Revolving Period to include all Loans and Contracts pledged on the date of each such date so that, on each such date, the Collateral Agent will have a Schedule V that describes all Loans pledged by the Borrower to the Collateral Agent hereunder on or prior to said Addition Date, any related Dealer Agreements, Purchase Agreements and all Contracts securing or evidencing such Loans (other than those that have been released from the Collateral and those Dealer Loans that have been deemed to be extinguished pursuant to Section 6.15(b) hereto). Such updated Schedule V shall be deemed to replace any existing Schedule V as of the date such updated Schedule V is provided in accordance with this Section 2.2(a)(iii). Furthermore, Schedule V hereto shall be deemed to be supplemented on each date of Dealer Collections Purchase by the list set forth under Section 6.15(c).

(iv) In connection with such pledge, each of the Borrower, Credit Acceptance and the Servicer also agrees, within 180 days of the Closing Date or the

Addition Date, as the case may be, to clearly mark at least 98% of the Contracts or Contract folders securing a Loan with the following legend: "THIS AGREEMENT HAS BEEN PLEDGED TO FIFTH THIRD BANK, NATIONAL ASSOCIATION AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN SECURED PARTIES."

(b) The Collateral Agent hereby acknowledges its acceptance, on behalf of the Secured Parties, of the pledge by the Borrower of the Loans and all other Collateral. The Collateral Agent further acknowledges that, prior to or simultaneously with the execution and delivery of this Agreement, the Borrower delivered to the Collateral Agent the computer file represented by the Borrower to be the computer file described in Section 2.2(a)(iii).

(c) The Collateral Agent hereby agrees not to disclose to any Person (including any Secured Party) any of the account numbers or other information contained in the computer files delivered to the Collateral Agent by the Borrower pursuant to Section 2.2(a)(iii), except as is required in connection with the performance of its duties hereunder or in enforcing the rights of the Secured Parties or to a Successor Servicer; provided, however, that notwithstanding anything to the contrary in this Agreement, the Collateral Agent may reply to a request from any Person for a list of Loans, Dealer Agreements, Contracts or other information referred to in any financing statement. The Collateral Agent agrees to take such measures as shall be necessary or reasonably requested by the Borrower to protect and maintain the security and confidentiality of such information. The Collateral Agent shall provide the Borrower with written notice five Business Days prior to any disclosure pursuant to this Section 2.2(c), to the extent reasonably practical.

Section 2.3 [Reserved].

Section 2.4 Determination of Benchmark; Determination of Yield; Maximum Interest and Yield.

(a) On each ~~Benchmark~~Periodic Term SOFR Determination Date, the Deal Agent shall determine and deliver to the Servicer the applicable ~~Interest Rate~~ Benchmark with respect to the related Accrual Period.

(b) Each Lender shall initially determine (i) the applicable Yield (including unpaid Yield, if any, due and payable on a prior Payment Date) to be paid by the Borrower with respect to the Capital on each Payment Date for the related Accrual Period and (ii) the Increased Costs and Additional Amounts due in respect of such Payment Date (including any such amounts unpaid from any prior Payment Date), and shall advise the Servicer and the Backup Servicer thereof on or before the fifth Business Day prior to such Payment Date.

(c) No provision of this Agreement shall require the payment or permit the collection of Interest and Yield that exceeds the maximum rate permitted by Applicable Law and
(ii) neither Interest nor Yield shall be considered paid by any distribution if at any time such distribution is rescinded or must otherwise be returned for any reason.

Section 2.5 [Reserved].

Section 2.6 [Reserved].

Section 2.7 Settlement Procedures. (a) As set forth in the Monthly Report, on each Payment Date, the Borrower (or, following its assumption of exclusive control of the Collection Account, the Collateral Agent) shall withdraw Available Funds and any Excess Reserve Amount and investment earnings on amounts on deposit in the Collection Account from the Collection Account and allocate and distribute such amounts to the applicable Person in the following order of priority:

(i) FIRST, to the Hedge Counterparty, an amount equal to any Hedge Costs (exclusive of termination payments) and any such Hedge Costs (exclusive of termination payments) unpaid from any prior Payment Date.

(ii) SECOND, pari passu, (A) to the Servicer, an amount equal to any accrued and unpaid Servicing Fees due in respect of such Payment Date and any Servicing Fees unpaid from any prior Payment Date; provided, however, if the Servicer has been replaced pursuant to Section 6.12 such amount shall not exceed the Capped Servicing Fee;
(B) to the Backup Servicer, if it has become the Successor Servicer, any Transition Expenses; (C) to the Backup Servicer, so long as it has not become the Successor Servicer hereunder, an amount equal to any accrued and unpaid Backup Servicing Fee due in respect of such Payment Date, any unpaid Backup Servicing Fee from any prior Payment Date, any reasonable out-of-pocket expenses incurred by the Backup Servicer up to
$17,000 monthly; and (D) any accrued and unpaid Indemnified Amounts owed to the Backup Servicer (including in its capacity as Successor Servicer) up to $17,000 monthly;

(iii) THIRD, to the Lenders, pro rata, an amount equal to the sum of any accrued and unpaid (A) Interest (up to an amount not exceeding the Interest Cap), (B) Yield, and (C) any Increased Costs and any Additional Amounts due in respect of such Payment Date and any such amounts unpaid from any prior Payment Date;

(iv) FOURTH, to the Lenders, pro rata based upon the portion of such amounts owed to each such party, any Indemnified Amounts;

(v) FIFTH, (A) during the Revolving Period, to the Principal Collection Account for application by the Borrower to purchase additional Loans (or to fund additional Dealer Loan Contracts allocated to the Open Pool of Dealer Loan Contracts securing a Dealer Loan) from the Originator, the amount needed to cause the Collateral Amount to at least equal the Minimum Collateral Amount, and if the Minimum Collateral Amount cannot be reached due to an insufficient amount of Loans for purchase by the Borrower, the amount needed to cause the Adjusted Collateral Amount to equal the Minimum Collateral Amount; and (B) during the Amortization Period, to the Lenders, pro rata, the Principal Distributable Amount, until Capital has been reduced to zero;

(vi) SIXTH, to the Deal Agent for the account of the Lender, an amount equal to, without double counting, any Interest Cap Carryover.

(vii) SEVENTH, during the Revolving Period, to the Reserve Account,
(A) an amount equal to any outstanding Reserve Advances and (B) the amount necessary to cause the amount on deposit in the Reserve Account to equal the Required Reserve

Account Amount (after giving effect to any deposits made in subclause (A));

(viii) EIGHTH, pari passu, (A) to the Backup Servicer, any amounts owed to the Backup Servicer, to the extent not paid pursuant to clause (ii)(A), (C) and (D) due to the cap specified in each such clause and (B) to the Collateral Agent, any accrued fees, reasonable out-of-pocket expenses or Indemnified Amounts;

(ix) NINTH, to the Lenders for the account of any other applicable Person, all remaining amounts up to all Aggregate Unpaids (during the Revolving Period, other than Capital) until paid in full;

(x) TENTH, to the Borrower any remaining amounts.

(b) (i) If on any Payment Date the amount paid pursuant to Section 2.7(a)(iii) and (v) is insufficient to cover all amounts due thereunder on such Payment Date the Borrower (or, following its assumption of exclusive control of the Reserve Account, the Collateral Agent) shall withdraw from the Reserve Account an amount equal to the lesser of such shortfall and the amount of funds on deposit in the Reserve Account (such withdrawal, a "Reserve Advance") and deposit such amount to the Collection Account. The Borrower (or, following its assumption of exclusive control of the Collection Account, the Collateral Agent) shall pay such amount to the Lenders.

(ii) If on any Payment Date during the Amortization Period, the amount paid pursuant to Section 2.7(a)(v) is insufficient to reduce Capital to zero, the Deal Agent, acting at the direction of the Required Lenders, may direct the Borrower (or, following its assumption of exclusive control of the Reserve Account, the Collateral Agent) in writing to withdraw any or all of the amount on deposit in the Reserve Account, and pay such amount to the Lenders.

(c) With respect to any payments made by the Collateral Agent to the Lenders, the Collateral Agent shall be entitled to rely conclusively on the Monthly Report for purposes of determining the identity of such Lenders.

Section 2.8 [Reserved].

Section 2.9 Collections and Allocations.

(a) Collections. The Servicer shall transfer, or cause to be transferred, all Collections on deposit in the form of available funds in the Credit Acceptance Payment Account to the Collection Account by the close of business on the second Business Day after such Collections are received therein. The Servicer shall promptly (but in no event later than the second Business Day after the receipt thereof) deposit all Collections received directly by it in the Collection Account. The Servicer shall make such deposits or payments on the date indicated therein by wire transfer in immediately available funds or by automated clearing house (ACH).

(b) Initial Deposits. On the Closing Date and any other Addition Date, the Servicer will deposit (in immediately available funds) into the Collection Account all Collections received on and after the applicable Cut-Off Date and through and including the day that is two days immediately preceding the Closing Date or such other Addition Date, in respect of the Loans.

(c) Investment of Funds. (i) Until the occurrence of a Termination Event or Unmatured Termination Event, to the extent there are uninvested amounts on deposit in the Collection Account, the Principal Collection Account and the Reserve Account, all amounts shall be invested as set forth in Section 6.7(c).

(ii) On the date on which Capital is reduced to zero and all Aggregate Unpaids have been indefeasibly paid in full, all Collateral is released from the Lien of this Agreement, and this Agreement is terminated, any amounts on deposit in the Reserve Account shall be released to the Borrower.

(d) Allocation of Collections. The Servicer will allocate Collections monthly in accordance with the actual amount of Collections received. The Servicer shall determine each month the amount of Collections received during such month which constitutes amounts which, pursuant to the terms of any Dealer Agreement, are required to be remitted to the applicable Dealer (such collections, "Dealer Collections"). Notwithstanding any other provision hereof, the Collateral Agent, pursuant to the written direction of the Servicer set forth on each Monthly Report, shall distribute on each Payment Date: (i) to the Borrower, an amount equal to the aggregate amount of Dealer Collections received during or with respect to the prior Collection Period and (ii) to the Backup Servicer, if it has become the Successor Servicer, an amount equal to any Repossession Expenses related to the prior Collection Period prior to the distribution of Available Funds pursuant to Section 2.7.

Section 2.10 Payments, Computations, Etc.

(a) The Borrower shall pay Interest and Yield on the outstanding Capital for the period from the Closing Date until the Collection Date. Interest and Yield shall accrue during each Accrual Period and be payable on each Payment Date in accordance with Section 2.7.

(b) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Borrower or the Servicer hereunder shall be paid or deposited in accordance with the terms hereof no later than 11:00 a.m. (New York time) on the day when due in lawful money of the United States in immediately available funds to the Persons entitled thereto, in accordance with wiring instructions provided to each of the Borrower, Servicer and Collateral Agent, in writing, by each Lender. Such wiring instructions may be updated from time to time upon written notice by the applicable Lender. Any amounts received by such Persons after 11:00 a.m. (New York time) shall be deemed to be received on the next subsequent Business Day. All computations of Interest, Yield, and other fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last) elapsed.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of Interest, Yield, or any fee payable hereunder, as the case may be.

Section 2.11 [Reserved].

Section 2.12 Interest; Yield; Fees.

(a) The Borrower shall pay to each Lender from the Collection Account on each Payment Date, monthly in arrears, the Interest and Yield for each Lender.

(b) The Servicer shall be entitled to receive the Servicing Fee, monthly in arrears in accordance with Section 2.7(a).

(c) The Backup Servicer shall be entitled to receive the Backup Servicing Fee, expenses and indemnities in accordance with Section 2.7(a).

(d) The Borrower shall pay to each Lender, on the Closing Date, the Upfront Fee and reasonable out-of-pocket expenses (including, without limitation, reasonable fees and out-of-pocket expenses incurred by the Lenders, in connection with the preparation and execution of this Agreement and the other Transaction Documents and the carrying out of the transactions contemplated hereby and thereby) in immediately available funds after delivery of a detailed invoice.

(e) The Collateral Agent shall be entitled to receive expenses and indemnities in accordance with Section 2.7(a).

(f) The Borrower shall pay to Chapman and Cutler LLP, as counsel to Fifth Third, its reasonable fees and out-of-pocket expenses after delivery of a detailed invoice.

Section 2.13 Increased Costs; Capital Adequacy~~; Illegality~~.

(a) If either (i) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any law or regulation or (ii) the compliance by an Affected Party with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), shall (A) subject an Affected Party to any Tax (except for Taxes on the overall net income of such Affected Party), duty or other charge with respect to the Capital, or any right to make the funding hereunder, or on any payment made hereunder, (B) impose, modify or deem applicable any reserve requirement (including, without limitation, any reserve requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve requirement, if any, included in the determination of Interest), special deposit or similar requirement against assets of, deposits with or for the amount of, or credit extended by, any Affected Party, or (C) impose any other condition affecting the Capital or a Lender's rights hereunder, the result of which is to increase the cost to any Affected Party or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, then within ten days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered.

(b) If either (i) the introduction of or any change in or in the interpretation of any law, guideline, rule, regulation, directive or request or (ii) the compliance by any Affected Party with any law, guideline, rule, regulation, directive or request from any central bank or other governmental authority or agency (whether or not having the force of law), including, without limitation, compliance by an Affected Party with any request or directive regarding capital

adequacy, has or would have the effect of reducing the rate of return on the capital of any Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such introduction, change or compliance (taking into consideration the policies of such Affected Party with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time, within ten days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction. For avoidance of doubt, any interpretation of Accounting Research Bulletin No. 51 by the Financial Accounting Standards Board shall constitute an adoption, change, request or directive subject to this Section 2.13(b).

(c) If as a result of any event or circumstance similar to those described in clause (a) or (b) of this Section, any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of the Capital, then within ten days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts payable or paid by it.

(d) In determining any amount provided for in this Section, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this Section shall submit to the Servicer a written description as to such additional or increased cost or reduction and the calculation thereof, which written description shall be conclusive absent demonstrable error.

Section 2.14 Taxes.

(a) All payments made by an Obligor in respect of each Loan and each Contract and all payments made by or on account of any obligation of the Borrower or the Servicer under this Agreement will be made free and clear of and without deduction or withholding for or on account of any Taxes, except as required by Applicable Law. If Applicable Law (as determined in the good faith discretion of the applicable withholding agent) requires any Taxes to be deducted or withheld from any amounts payable to any Secured Party, then the amount payable to such Person will be increased (such increase, the "Additional Amount") such that every net payment made under this Agreement after deducting or withholding for or on account of any Taxes (including, without limitation, any Taxes on such increase) is not less than the amount that would have been paid had no such deduction or withholding been deducted or withheld. The foregoing obligation to pay Additional Amounts, however, will not apply with respect to net income or franchise taxes imposed on a Lender with respect to payments required to be made by the Borrower or the Servicer under this Agreement by a taxing jurisdiction in which such Lender is organized, conducts business or is paying taxes as of the Closing Date (as the case may be).

(b) The Borrower will indemnify each Affected Party for the full amount of Taxes payable by such Person in respect of Additional Amounts and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. All

payments in respect of this indemnification shall be made within ten days from the date a written invoice, which shall be conclusive absent manifest error, therefor is delivered to the Borrower.

(c) Each Lender shall indemnify the Deal Agent, within 10 days after demand therefor, for (i) any Taxes in respect of Additional Amounts attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Deal Agent for such Taxes and without limiting the obligation of the Borrower to do so) and (ii) any Taxes referred to in the last sentence of Section 2.14(a) attributable to such Lender, in each case, that are payable or paid by the Deal Agent in connection with this Agreement, and any reasonable and documented expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Lender hereby authorizes the Deal Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or otherwise payable by the Deal Agent to the Lender from any other source against any amount due to the Deal Agent under this Section 2.14(c).

(d) As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.14, the Borrower shall deliver to the Deal Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Deal Agent.

(e) The Borrower will notify each Lender on an annual basis of any payments by the Borrower in respect of any Taxes, not including those Taxes paid by Credit Acceptance on a consolidated basis.

(f) If a Lender is created or organized under the laws of the United States or a political subdivision thereof, such Lender shall deliver to the Borrower, with a copy to the Deal Agent on or prior to the date on which such Lender becomes a Lender hereunder, two (or such other number as may from time to time be prescribed by Applicable Law) duly completed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax.

(g) If a Lender is not created or organized under the laws of the United States or a political subdivision thereof, such Lender shall deliver to the Borrower, with a copy to the Deal Agent, (i) on or prior to the date hereof, or, if such Lender becomes a Lender after the Closing Date, the date on which such Lender becomes a Lender hereunder, two (or such other number as may from time to time be prescribed by Applicable Laws) duly completed copies of IRS Form W-8BEN-E, Form W-8BEN, Form W-8ECI or Form W-8IMY (or any successor forms or other certificates or statements that may be required from time to time by the relevant United States taxing authorities or Applicable Laws), as appropriate, to permit the Borrower to make payments hereunder for the account of such Lender, as the case may be, without (or at a reduced rate of) deduction or withholding of United States federal income or similar Taxes and (ii) upon the obsolescence of or after the occurrence of any event requiring a change in, any form or certificate previously delivered pursuant to this Section 2.14(g), copies (in such numbers as may from time to time be prescribed by Applicable Laws or regulations) of such additional, amended or successor forms, certificates or statements as may be required under Applicable Laws or regulations to permit the Borrower to make payments hereunder for the account of such Lender, without (or at a reduced rate of) deduction or withholding of United States federal income or similar Taxes.

(h) If a payment made to a Lender under this Agreement would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Deal Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower and the Deal Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Deal Agent as may be necessary for the Borrower and the Deal Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (h), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(v) If, in connection with an agreement or other document providing liquidity support, credit enhancement or other similar support to the Lenders in connection with this Agreement or the funding or maintenance of the funding hereunder, the Lenders are required to compensate a bank or other financial institution in respect of Taxes under circumstances similar to those described in this Section then within 10 days after demand by the Lenders, the Borrower shall pay to the Lenders such additional amount or amounts as may be necessary to reimburse the Lenders for any amounts paid by them.

(j) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this section shall survive the termination of this Agreement.

(k) The Deal Agent and each Lender shall be required to deliver to the Collateral Agent and the Borrower prior to the first Payment Date and at any time or times required by applicable law, (i) a correct, complete and properly executed U.S. Internal Revenue Service Form W-9, W-8BEN, W-8BEN-E, W-8ECI, W-8IMY or W-8EXP (with appropriate attachments), as applicable and (ii) any documentation that is required under FATCA or is otherwise necessary (in the sole determination of the Borrower, the Collateral Agent, or other agent of the Borrower, as applicable) to enable the Borrower, the Collateral Agent and any other agent of the Borrower to determine their duties and liabilities with respect to any taxes they may be required to withhold pursuant to such Code sections. In addition, the Deal Agent, each Lender and any other party receiving a payment hereunder will be deemed to understand that the Collateral Agent has the right to withhold on amounts payable (without any corresponding gross-up unless otherwise required under this Section 2.14), if required. The Borrower hereby covenants with the Collateral Agent that the Borrower will provide the Collateral Agent with sufficient information so as to enable the Collateral Agent to determine whether or not the Collateral Agent is obliged to make any withholding tax in respect of any payments (and if applicable, to provide the necessary detailed information to effectuate the withholding tax, such as setting forth applicable amounts to be withheld).

Section 2.15 Assignment of the Contribution Agreement and Hedging Agreement. The Borrower hereby assigns to the Collateral Agent, for the ratable benefit of the Secured Parties hereunder, all of the Borrower's right, title and interest in and to, but none of its obligations under, the Contribution Agreement and the Hedging Agreement. The Borrower confirms that the

Collateral Agent on behalf of the Secured Parties shall have the sole right to, at the written direction of the Deal Agent, enforce the Borrower's rights and remedies under the Contribution Agreement and the Hedging Agreement for the benefit of the Secured Parties.

Section 2.16 Optional Purchase. On and after the Commitment Termination Date, the Servicer shall have the option, upon no less than 10 days' prior written notice (or such lesser number of days reasonably acceptable to the Deal Agent) to the Borrower, the Collateral Agent, the Lenders and the Deal Agent, to reacquire the Dealer Loans, the Purchase Loans and the related Collateral in whole but not in part. To exercise such option, the Servicer shall deposit in an account designated by the Deal Agent an amount equal to: (x) the aggregate Purchase Amount for the Loans, plus (y) the fair market value of any other Collateral, plus (z) sufficient funds to pay interest on the outstanding Capital through the date of redemption after giving effect to the application of Available Funds on such date. Notwithstanding the foregoing, the Servicer shall not exercise such option unless the purchase price paid by the Servicer and other funds held by the Borrower are sufficient to pay all Aggregate Unpaids under the Transaction Documents. Upon such deposit the Servicer shall succeed to all interests in and to the Collateral.

Section 2.17 ~~LIBOR Inability~~Benchmark Replacement Setting.

~~(a) Temporary Inability: In the event, prior to commencement of any Accrual Period relating to Capital in respect of which Interest accrues at the Adjusted LIBOR Rate, the Deal Agent shall determine that:~~

~~(i) deposits in U.S. Dollars (in the applicable amounts) are not being offered to it in the London Interbank Offered Rate market for such Accrual Period;~~

~~(ii) by reason of circumstances affecting the London Interbank Offered Rate market, adequate and reasonable methods do not exist for ascertaining the LIBOR Rate;~~

~~(iii) the LIBOR Rate as determined by the Deal Agent will not adequately and fairly reflect the cost to the Lender of funding Capital in respect of which Interest accrues at the Adjusted LIBOR Rate for such Accrual Period; or~~

~~(iv) the making or funding of Capital in respect of which Interest accrues at the Adjusted LIBOR Rate becomes impracticable;~~

~~then, the Deal Agent shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower), and (x) any request for Capital in respect of which Interest accrues at the Adjusted LIBOR Rate or for a conversion to or continuation of Capital in respect of which Interest accrues at the Adjusted LIBOR Rate shall be automatically withdrawn and shall be deemed a request for Capital in respect of which Interest accrues at the Base Rate, (y) Capital in respect of which Interest accrues at the Adjusted LIBOR Rate will automatically, on the last day of the then current Accrual Period relating thereto, become Capital in respect of which Interest accrues at the Base Rate, and (z) the obligations of Lender to provide Capital in respect of which Interest accrues at the Adjusted LIBOR Rate shall be suspended until the Deal Agent determines that the circumstances giving rise to such suspension no longer exist, in which event the Deal Agent shall so notify Borrower; provided, that, in each case, to the extent applicable, the~~

Deal Agent is taking substantially consistent action with respect to similarly situated counterparties with similar assets in similar facilities.

(b) Permanent Inability:

(v) In the event the Deal Agent shall determine (which determination shall be deemed presumptively correct absent manifest error) that:

(A) the circumstances set forth in Section 2.17(a) have arisen and such circumstances are unlikely to be temporary;

(B) a public statement or publication of information has been made (1) by or on behalf of the administrator of the London Interbank Offered Rate ("LIBOR"); or by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, stating that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR, (2) by the administrator of LIBOR that it has invoked or will invoke, permanently or indefinitely, its insufficient submissions policy, or (3) by the regulatory supervisor for the administrator of LIBOR or any Governmental Authority having jurisdiction over the Deal Agent or the Lender announcing that LIBOR is no longer representative or may no longer be used;

(C) LIBOR is not published by the administrator of LIBOR for five consecutive Business Days and such failure is not the result of a temporary moratorium, embargo or disruption declared by the administrator of LIBOR or by the regulatory supervisor for the administrator of LIBOR; or

(D) a new index rate has become a widely-recognized replacement benchmark rate for LIBOR in newly originated or amended loans denominated in U.S. Dollars in the U.S. market;

then the Deal Agent may in its sole discretion, amend this Agreement as described below to replace LIBOR with an alternative replacement index and to modify the applicable margins (the new index and margin together, the "Benchmark Replacement"), in each case, (x) giving due consideration to any evolving or then existing convention for similar US dollar denominated credit facilities and any selection, endorsement or recommendation made by a relevant governmental body with respect to such facilities and (y) resulting in the Deal Agent having taken action hereunder that is, to the extent applicable and administratively feasible, substantially consistent with action taken with respect to similarly situated counterparties with similar assets in similar facilities. The Deal Agent may also from time to time, in the Deal Agent's sole discretion, make other related amendments ("Conforming Changes"), including but not limited to increasing or decreasing the "floor" applicable to the replacement index and/or Benchmark Replacement, to

~~permit the administration thereof by the Deal Agent in an administratively and operationally~~ ~~practicable manner and in a manner substantially consistent with market practice with respect to~~ ~~similarly situated counterparties with similar assets in similar facilities.~~

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lender without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Deal Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lender comprising the Required Lender. No Hedging Agreement shall constitute a "Transaction Document" for purposes of this Section 2.17.

(b) ~~(ii) The Deal Agent shall provide notice to Borrower of an amendment of this Agreement to reflect the~~ Benchmark Replacement ~~and~~ Conforming Changes. ~~Notwithstanding~~In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Deal Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in ~~this Agreement or the~~any other Transaction ~~Documents (including, without limitation, this Section 2.17), such amendment shall~~Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement ~~upon delivery of notice to Borrower~~or any other Transaction Document.

~~(iii) For the avoidance of doubt, following the date when a determination is made pursuant to clause (b)(i), above, and until a Benchmark Replacement has been selected and implemented in accordance with the terms and conditions of clause (b)(i) and (ii), at the Deal Agent's election, all Loans shall accrue Interest at the Base Rate.~~

~~(iv) Subject to any Conforming Changes, if at any time the replacement index is less than zero, then at such times, such index shall be deemed to be zero for purposes of this Agreement; provided, however, even if the replacement index is greater than zero, if due to a negative margin the Benchmark Replacement would be zero, the Benchmark Replacement shall be deemed to be zero.~~

~~(c) In the event that circumstances similar to those set out in clause (b)(i)(A)-(D) occur in relation to an index selected to replace LIBOR (or another index previously selected pursuant to this provision) or if the Deal Agent determines a replacement index is~~

~~administratively or operationally impracticable, the terms governing replacement of LIBOR set forth in clauses (ii) and (iii) shall govern replacement of the replacement index.~~Notices; Standards for Decisions and Determinations. The Deal Agent will promptly notify the Borrower and the Lender of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Deal Agent will promptly notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to this Section 2.17 and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Deal Agent or, if applicable, the Lender pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 2.17.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement) (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Deal Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Deal Agent may modify the definition of "Accrual Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Deal Agent may modify the definition of "Accrual Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, any outstanding affected Benchmark Capital will be deemed to have been converted to Base Rate Capitals at the end of the applicable Accrual Period. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

Section 2.18 Inability to Determine Rates. Subject to Section 2.17, if, on or prior to the first day of any Accrual Period for any Benchmark Capital, the Deal Agent determines (which determination shall be conclusive and binding absent manifest error) that the Benchmark then in effect cannot be determined pursuant to the terms of this Agreement, the Deal Agent will promptly notify the Borrower and each Lender.

Upon receipt of such notice, any outstanding affected Benchmark Capital will be deemed to have been converted into Base Rate Capital at the end of the applicable Accrual Period. Upon any such conversion, the Borrower shall also pay any additional amounts required pursuant to this Agreement. Subject to Section 2.17, if the Deal Agent determines (which determination shall be conclusive and binding absent manifest error) that the Benchmark cannot be determined pursuant to the terms of this Agreement on any given day, the interest rate on the Base Rate Capital shall be determined by the Deal Agent without reference to clause (c) of the definition of the "Base Rate" until Deal Agent revokes such determination.

ARTICLE III CONDITIONS TO THE CLOSING

Section 3.1 Conditions to Effectiveness of this Loan and Security Agreement. This Loan and Security Agreement shall not become effective until:

(a) Each document specified in the Schedule of Condition Precedent Documents attached hereto as Schedule X has been duly executed by, and delivered to, the parties hereto and thereto and the Deal Agent has received all such executed documents.

(b) The Borrower shall have paid all fees or other amounts required to be paid by it on the Closing Date.

(c) The Deal Agent and Lenders have received such other approvals, opinions or documents as the Deal Agent or its counsel may reasonably require.

(d) The Borrower shall have deposited to the Reserve Account an amount equal to 2.0% of the aggregate Initial Loan Amount.

(e) The Borrower shall have deposited into the Collection Account an amount equal to all Collections received on or in respect of the Contracts since the Cut-Off Date.

(f) An Eligible Hedging Agreement shall be in effect.

Section 3.2 Conditions Precedent to the Pledge of Additional Loans. Each pledge of Additional Loans shall be subject to the further conditions precedent:

(a) With respect to any such pledge, the Borrower shall have delivered to the Deal Agent and the Lenders, on or prior to the date of such pledge in form and substance satisfactory to the Deal Agent, Exhibit A to the Contribution Agreement, including the Schedule of Loans and Contracts attached thereto, dated within two (2) Business Days prior to the date of such pledge and containing such additional information as may be reasonably requested by the Deal Agent or any Lender.

(b) On the date of such pledge the following statements shall be true and the Borrower shall be deemed to have certified that, after giving effect to the pledge of Additional Loans:

(i) The representations and warranties contained in Sections 4.1, 4.2

and 4.3 are true and correct on and as of such day as though made on and as of such day and shall be deemed to have been made on such day;

(ii) On and as of such day, the Borrower, the Originator and the Servicer each has performed all of the agreements contained in this Agreement and the other Transaction Documents to which it is a party to be performed by such person at or prior to such day; and

(iii) No law or regulation shall prohibit, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of the loans by the Lenders in accordance with the provisions hereof.

(c) The Borrower shall have delivered to the Collateral Agent the information described in Section 2.2(a)(iii).

(d) All financing statements necessary to perfect the Collateral Agent's first priority security interest in the Collateral shall have been filed in the appropriate filing offices.

(e) Forecasted Collections for the Aggregate Outstanding Eligible Loan Balance shall be greater than or equal to Capital.

(f) All conditions required to be satisfied in the Contribution Agreement shall have been satisfied.

(g) No Amortization Event, Termination Event or Unmatured Termination Event shall have occurred.

(h) No Servicer Termination Event or any event, that with the giving of notice or the lapse of time, or both, would become a Servicer Termination Event shall have occurred.

(i) No materially adverse selection procedures were used by the Borrower with respect to the Loans, Contracts or Dealer Agreements; provided, for the avoidance of doubt, that during the Revolving Period, the Borrower in its sole discretion may elect to pledge Dealer Loans secured by either Open Pools or Closed Pools.

(j) The amount on deposit in the Reserve Account shall not be less than the Required Reserve Account Amount.

(k) An Eligible Hedging Agreement shall be in effect.

(l) [Reserved].

(m) The Deal Agent and Lenders shall have received such other approvals, opinions or documents as the Deal Agent or its counsel may reasonably require.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Borrower. The Borrower represents and warrants to the Collateral Agent, the Deal Agent, the other Secured Parties and the Backup Servicer on the Closing Date and as of each Addition Date, as follows:

(a) Organization and Good Standing. The Borrower has been duly organized, and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with all requisite power and authority to own or lease its properties and conduct its business as such business is presently conducted, and the Borrower had at all relevant times, and now has all necessary power, authority and legal right to acquire, own and pledge the Collateral and perform its obligations under this Agreement.

(b) Due Qualification. The Borrower is duly qualified to do business and is in good standing as a limited liability company and has obtained all material necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification, licenses or approvals.

(c) Power and Authority; Due Authorization. The Borrower: (i) has all necessary power, authority and legal right to: (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of the Transaction Documents to which it is a party, and (C) transfer and assign each Loan, Related Security and all other Collateral on the terms and conditions herein provided and (ii) has duly authorized by all necessary action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transfer and assignment of the Loans, Related Security and all other Collateral on the terms and conditions herein provided. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by it.

(d) Binding Obligation. This Agreement and each other Transaction Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower, each enforceable against the Borrower in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditor's rights generally and to general principles of equity.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Borrower's limited liability company agreement or any Contractual Obligation of the Borrower,
(i) result in the creation or imposition of any Lien upon any of the Borrower's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the best knowledge of the Borrower, threatened against the Borrower, before any

Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower is a party or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(g) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Borrower of this Agreement and any other Transaction Document to which the Borrower is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

(h) Bulk Sales. The execution, delivery and performance of this Agreement do not require compliance with any "bulk sales" act or similar law by Borrower.

(i) Solvency. The transactions under this Agreement and any other Transaction Document to which the Borrower is a party do not and will not render the Borrower not Solvent and the Borrower shall deliver to the Deal Agent on the Closing Date a certification in the form of Exhibit F. The Originator has confirmed in writing to the Borrower that, so long as the Borrower is Solvent, the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other Insolvency Laws.

(j) Selection Procedures. No procedures believed by the Borrower to be materially adverse to the interests of the Collateral Agent or the Lenders were utilized by the Borrower in identifying and/or selecting Loans or Dealer Agreements; provided, for the avoidance of doubt, that during the Revolving Period, the Borrower in its sole discretion may elect to pledge Dealer Loans secured by either Open Pools or Closed Pools. In addition, each Loan shall have been underwritten in accordance with and satisfy, in each case in all material respects, the standards of any Credit Guidelines that have been established by the Borrower or the Originator and are then in effect.

(k) Taxes. The Borrower has filed or caused to be filed all tax returns that are required to be filed by it. The Borrower has paid all Taxes, assessments, fees and other governmental charges levied or imposed upon it or any of its property, income or assets due and payable (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower), and no tax lien has been filed and, to the Borrower's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein (including, without limitation, the use of the proceeds from the pledge of the Collateral) will violate or result in a violation of Section 7 of the Securities Exchange Act or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the pledge of the Collateral will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend"purchase credit" within the meaning of Regulation U.

(m) Quality of Title. Each Loan, together with the Related Security related thereto, shall, at all times, be owned by the Borrower free and clear of any Lien except as provided in Section 4.2(a)(iii), and upon each funding, the Collateral Agent as agent for the Secured Parties shall acquire a valid and perfected first priority security interest in such Loan, the Related Security related thereto and all Collections then existing or thereafter arising, free and clear of any Lien, except as provided in Section 4.2(a)(iii). No effective financing statement or other instrument similar in effect covering any Loan or Dealer Agreement shall at any time be on file in any recording office except such as may be filed (i) in favor of the Borrower in accordance with the Contribution Agreement or (ii) in favor of the Collateral Agent in accordance with this Agreement.

(n) Security Interest. The Borrower has granted a security interest (as defined in the UCC) to the Collateral Agent, as agent for the Secured Parties, in the Collateral, which is enforceable in accordance with applicable law upon execution and delivery of this Agreement. Upon the filing of UCC-1 financing statements naming the Collateral Agent as secured party and the Borrower as debtor, or upon the Collateral Agent obtaining control, in the case of that portion of the Collateral which constitutes electronic chattel paper, or possession, in the case of that portion of the Collateral which constitutes tangible chattel paper, the Collateral Agent, as agent for the Secured Parties, shall have a first priority perfected security interest in the Collateral. All filings (including, without limitation, such UCC filings) as are necessary in any jurisdiction to perfect the interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral have been made. The Collateral Agent has “control” (as defined in Section 9-104 of the UCC) over the Collection Account, the Reserve Account and the Principal Collection Account.

(o) Accuracy of Information. All information heretofore furnished by the Borrower (including without limitation, the Monthly Report and Credit Acceptance's financial statements) to the Deal Agent, the Collateral Agent, the Backup Servicer or any Lender for purposes of or in connection with this Agreement or any other Transaction Document, or any transaction contemplated hereby or thereby, will be true, correct, complete and accurate in every material respect, on the date such information is stated or certified.

(p) Location of Offices. The principal place of business and chief executive office of the Borrower and the office where the Borrower keeps all the Records (other than the Certificates of Title) are located at the address of the Borrower referred to in Section 14.2 hereof and the office where the Borrower keeps all the Certificates of Title is located at 25300-25330 Telegraph Road, Southfield, Michigan 48033 (or, in each case, at such other locations as to which the notice and other requirements specified in Section 5.2(g) shall have been satisfied); provided, that, Credit Acceptance may temporarily (or permanently, solely in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(q) OFAC. None of the Borrower, any Subsidiary or any Affiliate of the Borrower (i) is a Sanctioned Person, (ii) has more than 10% of its assets in Sanctioned Countries or
(ii) derives more than 10% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. The proceeds of any funding will not be used and have not been used to fund any operations in, finance any investments or activities in or make any

payments to, a Sanctioned Person or a Sanctioned Country.

(r) Tradenames; Place of Business; Correct Legal Name. (i) Except as described in Schedule III, the Borrower has no trade names, fictitious names, assumed names or "doing business as" names or other names under which it has done or is doing business; (ii) the principal place of business and chief executive office of the Borrower are located at the address of the Borrower set forth on the signature pages hereto; and (iii) "Credit Acceptance Funding LLC 2021-1" is the correct legal name of the Borrower indicated on the public records of the Borrower's jurisdiction of organization.

(s) Contribution Agreement. The Contribution Agreement is the only agreement pursuant to which the Borrower purchases Loans from the Originator.

(t) Value Given. The Borrower shall have given reasonably equivalent value to the Originator in consideration for the transfer to the Borrower of the Loans and Related Security under the Contribution Agreement, no such transfer shall have been made for or on account of an antecedent debt owed by the Originator to the Borrower, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(u) Accounting. The Borrower accounts for the transfers to it from the Originator of Loans and Related Security under the Contribution Agreement as sales or contributions to capital of such Loans and Related Security in its books, records and financial statements, in each case consistent with GAAP and with the requirements set forth herein.

(v) Special Purpose Entity. The Borrower is in compliance with Section 5.2(o) hereof.

(w) Confirmation from the Originator. The Borrower has received in writing from the Originator confirmation that, so long as the Borrower is not "insolvent" within the meaning of the Bankruptcy Code, the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other bankruptcy or insolvency laws. Each of the Borrower and the Originator is aware that in light of the circumstances described in the preceding sentence and other relevant facts, the filing of a voluntary petition under the Bankruptcy Code for the purpose of making any Loan or any other assets of the Borrower available to satisfy claims of the creditors of the Originator would not result in making such assets available to satisfy such creditors under the Bankruptcy Code.

(x) Investment Company Act. The Borrower is not, and will not, as a result of the execution and delivery of this Agreement and the consummation of the transactions contemplated herein, be required to be registered as an "investment company" as defined in the Investment Company Act. In determining that the Borrower is not an "investment company," the Borrower is entitled to rely on the exclusion from the definition of "investment company" set forth in Section 3(c)(5) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Borrower. The Borrower is not a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule."

(y) ERISA. The present value of all benefits vested under all "employee pension benefit plans," as such term is defined in Section 3 of ERISA, maintained by the Borrower, or in which employees of the Borrower are entitled to participate, as from time to time

in effect (herein called the "Pension Plans"), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the last annual violation date). No prohibited transactions, accumulated funding deficiencies, withdrawals or reportable events have occurred with respect to any Pension Plans that, in the aggregate, could subject the Borrower to any material tax, penalty or other liability. No notice of intent to terminate a Pension Plan has been filed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(z) Patriot Act. To the extent applicable, each of the Borrower, the Originator and their Affiliates is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of any funding made hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(aa) Representations and Warranties in Contribution Agreement. The representations and warranties made by the Originator to the Borrower in the Contribution Agreement are hereby remade by the Borrower on each date to which they speak in the Contribution Agreement as if such representations and warranties were set forth herein. For purposes of this Section 4.1(aa), such representations and warranties are incorporated herein by reference as if made by the Borrower to the Deal Agent, the Collateral Agent and each of the other Secured Parties under the terms hereof mutatis mutandis.

(bb) Amount of Loans and Contracts; Computer File. When new Pools or Purchased Loans are pledged to the Collateral Agent, Credit Acceptance shall provide the Collateral Agent with information regarding (A) the aggregate Outstanding Balance of the Contracts to be pledged to the Collateral Agent on the related Addition Date; and (B) the Aggregate Outstanding Eligible Loan Balance, each as of the applicable Cut-Off Date and as reported in Credit Acceptance's loan servicing system. The computer file delivered pursuant to Section 2.2(a)(iii) hereof is complete and accurately reflects the information regarding the Loans, applicable Dealer Agreements and Contracts in all material respects.

(cc) Use of Proceeds. Amounts received by the Borrower pursuant to this Agreement will be used by the Borrower to purchase the Loans and related Collateral from the Originator pursuant to the Contribution Agreement; provided, however, that nothing in this Agreement shall be deemed to limit the Borrower's right to use amounts received by it pursuant to Section 2.7(a)(ix) in any manner, including to make distributions to Credit Acceptance.

(dd) Subsidiaries. The Borrower does not have any Subsidiaries.

(ee) Equity in Borrower. The Borrower has neither sold nor pledged any of its limited liability company interests to any entity other than Credit Acceptance.

(ff) Sanctions. The Borrower represents and warrants continuously throughout the term of this Agreement that: (a) no member of the Borrowing Group is a Sanctioned Target; (b) no member of the Borrowing Group is owned or controlled by, or is acting or purporting to act for or on behalf of, directly or indirectly, a Sanctioned Target; (c) each member of the Borrowing Group has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Sanctions; and (d) to the best of the Borrower's knowledge, after due care and inquiry, no member of the Borrowing Group is under investigation for an alleged violation of Sanction(s) by a governmental authority that enforces Sanctions. Borrower shall notify Lender in writing not more than three (3) Business Days after first becoming aware of any breach of this section.

(gg) Anti-Money Laundering and Anti-Corruption Laws. The Borrower represents and warrants continuously throughout the term of this Agreement that: (a) each member of the Borrowing Group has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Anti-Money Laundering Laws and Anti-Corruption Laws; and (b) to the best of the Borrower's knowledge, after due care and inquiry, no member of the Borrowing Group is under investigation for an alleged violation of Anti-Money Laundering Laws or Anti-Corruption Laws by a governmental authority that enforces such laws.

(hh) Beneficial Ownership Certification. As of the date hereof and as of each Addition Date, the information included in the Beneficial Ownership Certification (to the extent required) is true and correct in all respects.

(ii) Tax Treatment. The Borrower is an entity disregarded as separate from the Originator for U.S. federal income tax purposes.

The representations and warranties set forth in this Section 4.1 shall survive the Borrower's pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Borrower, the Servicer or Credit Acceptance, or upon written notice or actual knowledge by a Responsible Officer of the Collateral Agent, of a breach of any of the representations and warranties set forth herein, the party discovering, receiving notice of or having actual knowledge, as applicable, of such breach shall give prompt written notice to the other parties of such breach.

Section 4.2 Representations and Warranties of the Borrower Relating to the Loans and the Related Contracts.

(a) Eligibility of Loans. The Borrower hereby represents and warrants to the Deal Agent, the Collateral Agent, the other Secured Parties and the Backup Servicer as of the Closing Date and as of each Addition Date, with respect to the Dealer Agreements, Loans, Contracts and Related Security pledged to the Collateral Agent on such date that:

(i) (x) except as permitted by the definition of Collateral Amount, each

Loan classified as an "Eligible Dealer Loan" (or included in any aggregation of balances of "Eligible Dealer Loans") or as an "Eligible Purchased Loan" (or included in any aggregation of balances of "Eligible Purchased Loans") by the Borrower or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan or Eligible Purchased Loan, as applicable, on the date so delivered; and (y) except as permitted by the definition of Collateral Amount, each Contract classified as an "Eligible Dealer Loan Contract" or "Eligible Purchased Loan Contract" (or included in any aggregation of balances of "Eligible Dealer Loan Contracts" or "Eligible Purchased Loan Contracts") by the Borrower or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan Contract or Eligible Purchased Loan Contract on the date so delivered;

(ii) all information with respect to the Dealer Agreements, Purchase Agreements and the Loans and the Contracts and the other Collateral provided to the Collateral Agent, the Backup Servicer, any Lender or the Deal Agent by the Borrower or the Servicer was true and correct in all material respects as of the date such information was provided to the Collateral Agent, the Backup Servicer, such Lender or the Deal Agent (or such earlier time as specifically set forth in such information), as applicable;

(iii) each Loan and all other Collateral has been pledged to the Collateral Agent free and clear of any Lien of any Person (other than, with respect to the Dealer Loan Contracts, the second priority Lien of the related Dealer therein as set forth in the related Dealer Agreement) and in compliance, in all material respects, with all Applicable Laws;

(iv) with respect to each Dealer Agreement, Purchase Agreement, Loan, Contract and all other Collateral, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Borrower, in connection with the pledge of such Dealer Agreement, Purchase Agreement, Loan, Contract or other Collateral to the Collateral Agent have been duly obtained, effected or given and are in full force and effect;

(v) Schedule V to this Agreement, which may be supplemented and updated from time to time, is and will be accurate and complete listings of all Loans, Contracts and Dealer Agreements in all material respects on the date each such Loan, Contract or Dealer Agreement was pledged to the Collateral Agent hereunder, and the information contained therein is and will be true and correct in all material respects as of such date;

(vi) each Contract and Purchased Loan constitutes tangible or electronic chattel paper; and

(vii) no selection procedure believed by the Borrower to be materially adverse to the interests of the Secured Parties has been or will be used in selecting the Dealer Agreements, Loans or Contracts; provided that for the avoidance of doubt, during the Revolving Period, Credit Acceptance in its sole discretion may elect to sell to the Borrower Dealer Loans secured by either Open Pools or Closed Pools.

(b) Notice of Breach. The representations and warranties set forth in this Section 4.2 shall survive the pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Borrower, the Servicer or Credit Acceptance, or upon written notice or actual knowledge by a Responsible Officer of the Collateral Agent or the Backup Servicer, of a breach of any of the representations and warranties set forth herein, the party discovering, receiving notice of or having actual knowledge, as applicable, of such breach shall give prompt written notice to the other parties of such breach.

Section 4.3 Representations and Warranties of the Servicer. The initial Servicer represents and warrants as follows on the Closing Date and as of each Addition Date:

(a) Organization and Good Standing. The Servicer has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with all requisite corporate power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement and the other Transaction Documents to which it is a party.

(b) Due Qualification. The Servicer is duly qualified to do business as a corporation and is in good standing as a corporation, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of its property and or the conduct of its business requires such qualification, licenses or approvals.

(c) Power and Authority; Due Authorization. The Servicer (i) has all necessary power, authority and legal right to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party and (B) carry out the terms of this Agreement and the other Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by the Servicer.

(d) Binding Obligation. This Agreement and each other Transaction Document to which the Servicer is a party constitutes a legal, valid and binding obligation of the Servicer, each enforceable against the Servicer in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Servicer's articles of incorporation, bylaws or any Contractual Obligation of the Servicer, (ii) result in the creation or imposition of any Lien upon any of the Servicer's properties pursuant to the terms of any such Contractual Obligation, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the best knowledge of the Servicer, threatened against the Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction

Document to which the Servicer is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Servicer is a party or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(g) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Servicer of this Agreement and any other Transaction Document to which the Servicer is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

(h) Reports Accurate. All Monthly Reports and other written and electronic information, exhibits, financial statements, documents, books, records or reports furnished by the Servicer to the Deal Agent, the Backup Servicer, the Collateral Agent or any Lender in connection with this Agreement are accurate, true, complete and correct in all material respects as of the date delivered.

(i) Servicer's Performance. The Servicer has the knowledge, the experience and the systems, financial and operational capacity available to timely perform each of its obligations hereunder and under each other Transaction Document to which it is a party.

(j) Compliance With Credit Guidelines and Collection Guidelines. The Servicer has, with respect to the Loans and Contracts, complied in all material respects with the Credit Guidelines and the Collection Guidelines or otherwise as required by Applicable Law.

Section 4.4 Representations and Warranties of the Backup Servicer. The Backup Servicer represents and warrants as follows:

(a) Organization and Good Standing. The Backup Servicer has been duly organized, and is validly existing as a corporation and in good standing under the laws of the State of Delaware, with all requisite power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement and each other Transaction Document to which it is a party.

(b) Binding Obligation. This Agreement and each other Transaction Document to which it is a party constitutes a legal, valid and binding obligation of the Backup Servicer, each enforceable against the Backup Servicer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) Backup Servicing Agreement. The Backup Servicer hereby remakes the representations and warranties made by it under the Backup Servicing Agreement.

Section 4.5 Breach of Representations and Warranties.

(a) Payment in respect of an Ineligible Loan or an Ineligible Contract. If a

Loan or a Contract is an Ineligible Loan or Ineligible Contract, no later than the earlier of (i) knowledge by the Borrower of such Loan or Contract being an Ineligible Loan or Ineligible Contract and (ii) receipt by the Borrower from the Deal Agent, the Collateral Agent, the Backup Servicer or the Servicer of written notice thereof in accordance with Section 4.2(b) hereof, the Borrower shall, by the last day of the first full Collection Period following the discovery or notice thereof, make a payment to the Collection Account in respect of each such Loan or Contract in an amount equal to the related Release Price. Any such Loan or Contract shall for all purposes of this Agreement be deemed to be an Ineligible Loan or Ineligible Contract. The Borrower shall make a deposit to the Collection Account (for allocation pursuant to Section 2.7) in immediately available funds of an amount (the "Release Price") equal to (i) (A) in the case of an Ineligible Loan, the product of (x) the Outstanding Balance related to such Loan as of the last day of the related Collection Period and (y) the Net Advance Rate in effect on the date of such payment; and (B) in the case of an Ineligible Contract, the product of (x) the Outstanding Balance related to such Contract as of the last day of the related Collection Period and (y) a ratio the numerator of which is the outstanding Capital as of the date of such payment and the denominator of which is the Outstanding Balance of all Contracts as of the last day of the related Collection Period, plus (ii) all Hedge Costs due to the relevant Hedge Counterparties for any termination in whole or in part of one or more transactions related to the relevant Hedging Agreement, as required by the terms such Hedging Agreement. Notwithstanding the foregoing, with respect to any Ineligible Contracts, the Borrower may repurchase the Loans related thereto in lieu of such Ineligible Contracts and deposit into the Collection Account the Release Price of such Loans (as if such Loans were Ineligible Loans). Each Loan or Contract which is subject to a payment in accordance with this Section 4.5(a) shall, upon payment in full of the related Release Price, be released from the lien created pursuant to this Agreement and shall no longer constitute Collateral. The Collateral Agent as agent for the Secured Parties shall, at the sole expense of the Servicer, execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by the Servicer on behalf of the Borrower to vest in the Borrower, or its designee or assignee, all right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans or Contract subject to a payment in accordance with this Section 4.5(a).

(b) Retransfer of All of the Loans. In the event of a breach of any representation or warranty set forth in Section 4.2 hereof which breach could reasonably be expected to have a Material Adverse Effect, by notice then given in writing to the Borrower, the Deal Agent may direct the Borrower to accept the release by the Collateral Agent of all of the Loans (as directed in writing by the Deal Agent), in which case the Borrower shall be obligated to accept the release of such Loans on a Payment Date specified by the Deal Agent (such date, the "Release Date"); provided, however, that no such release shall be given effect unless Borrower has complied with the terms of any Hedging Agreement requiring that any derivative transaction related thereto be terminated in whole or in part and the Borrower has paid all Hedge Costs due with respect to such termination. The Borrower shall deposit in the Collection Account on the Release Date an amount equal to: (A) the Aggregate Unpaids minus (B) the amount, if any, available in the Collection Account and the Reserve Account on such Payment Date (the "Retransfer Amount") for allocation and distribution in accordance with Section 2.7. On the Release Date, provided that the full Retransfer Amount has been deposited into the Collection Account, the Loans and Related Security related thereto shall be transferred to the Borrower; and the Collateral Agent as agent for the Secured Parties shall, at the sole expense of the Servicer,

execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by the Servicer on behalf of the Borrower to vest in the Borrower, or its designee or assignee, all right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans.

(c) Except as expressly set forth in this Section 4.5, neither the Collateral Agent nor the Backup Servicer shall have any enforcement obligation with respect to breaches of representations or warranties pursuant to the Transaction Documents. Neither the Collateral Agent nor the Backup Servicer shall have any duty to conduct an affirmative investigation as to the occurrence of any condition requiring the repurchase of any Loan pursuant to this Agreement or the eligibility of any Loan for purposes of the Transaction Documents.

(d) Remedy for Breach. Notwithstanding anything to the contrary contained in Sections 10.1(g) and 10.2, the parties hereto agree that the sole remedy for the breach by the Borrower of the representations and warranties set forth in Section 4.2 hereof with respect to the eligibility of a Loan or Contract shall be set forth in this Section 4.5 and Section 6.2(c)(ii).

(e) Application. Amounts paid in accordance with Section 4.5(a) and (b) shall be distributed on the next succeeding Payment Date in accordance with Section 2.7.

(f) Notwithstanding anything herein to the contrary, payments required under Sections 4.5(a) and (b) and 6.2(c)(ii) shall not be required (i) during the Revolving Period, if the Collateral Amount is greater than the Minimum Collateral Amount and (ii) during the Amortization Period: (x) with respect to any Loan, so long as the aggregate Outstanding Balance of all Loans which would be Ineligible Loans as a result of being subject to the foregoing payment obligations during the Amortization Period is less than the sum of: (1) the product of (i) the aggregate Outstanding Balance of all Eligible Loans sold to the Borrower during the Amortization Period and (ii) the Net Advance Rate; and (2) all amounts payable under Section 4.5(a) which have been previously paid during the Amortization Period in respect of Ineligible Loans; and (y) with respect to any Contract, so long as the aggregate Outstanding Balance of all Contracts which would be Ineligible Contracts as a result of being subject to the foregoing payment obligations or the payment obligations under Section 6.2(c)(ii) during the Amortization Period is less than the sum of: (1) the product of (i) the aggregate Outstanding Balance of all Eligible Contracts an interest in which is sold to the Borrower during the Amortization Period and (ii) a fraction, the numerator of which is equal to the aggregate Capital and the denominator of which is equal to the Outstanding Balance of all Eligible Contracts; and (2) all amounts payable under Sections 4.5(a) and 6.2(c)(ii) which have been previously paid during the Amortization Period in respect of Ineligible Contracts.

ARTICLE V GENERAL COVENANTS

Section 5.1 Affirmative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) Compliance with Laws. The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Loans and Dealer Agreements.

(b) Preservation of Limited Liability Company Existence; Conduct of Business. The Borrower will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign limited liability company in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect. The Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly organized, validly existing and in good standing as a domestic limited liability company in the jurisdiction of its formation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(c) Performance and Compliance with Loans, Dealer Agreements and Contracts. The Borrower will, at its expense, timely and fully perform and comply (or cause the Originator to perform and comply pursuant to the Contribution Agreement) with all provisions, covenants and other promises required to be observed by it under the Loans, Dealer Agreements and Contracts and all other agreements related thereto in all material respects.

(d) Keeping of Records and Books of Account. The Borrower will maintain or cause to be maintained and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Loans in the event of the destruction of the originals thereof), and keep and maintain or cause to be kept and maintained all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) Originator Assets. With respect to each Loan acquired by the Borrower, the Borrower will: (i) acquire such Loan pursuant to and in accordance with the terms of the Contribution Agreement; (ii) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Loan, including, without limitation, (A) filing and maintaining effective financing statements (Form UCC-1) against the Originator in all necessary or appropriate filing offices, and filing continuation statements, amendments or assignments with respect thereto in such filing offices, and (B) executing or causing to be executed such other instruments or notices as may be necessary or appropriate; and (iii) take all additional action that the Deal Agent or the Collateral Agent may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(f) Delivery of Collections. Subject to Section 2.9(d) hereof, the Borrower will deposit or cause to be deposited to the Collection Account promptly (but in no event later than two
(2) Business Days after receipt) all Collections received by the Borrower in respect of the Loans or the Contracts.

(g) Separate Corporate Existence. The Borrower shall be in compliance with the requirements set forth in Section 5.2(o).

(h) Credit Guidelines and Collection Guidelines. The Borrower will comply in all material respects with the Credit Guidelines and the Collection Guidelines with respect to each Loan and Contract unless otherwise required by Applicable Law.

(i) Taxes. The Borrower will file and pay any and all Taxes imposed upon it or any of its property, income or assets (other than any amount of Tax the validity of which is being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower).

(j) Use of Proceeds. The Borrower will use the amounts advanced by the Lenders pursuant hereto only to acquire Loans and related Collateral pursuant to the Contribution Agreement or to make distributions to Credit Acceptance.

(k) Reporting. The Borrower will maintain for itself a system of accounting established and administered in a manner consistent with GAAP and furnish or cause to be furnished to the Deal Agent and each Lender the following information:

(i) [Reserved];

(ii) Annual Reporting. Within 120 days after the close of Credit Acceptance's fiscal years (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Annual Report on 10-K for such fiscal year with the SEC, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or
(ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), audited financial statements for Credit Acceptance and all of its Subsidiaries, accompanied by an unqualified audit report certified by independent certified public accountants, prepared in accordance with GAAP on a consolidated basis and any management letter prepared by said accountants, and acceptable to the Deal Agent;

(iii) Quarterly Reporting. Within 60 days after the close of the first three quarterly periods of Credit Acceptance's fiscal years (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Quarterly Report on 10-Q for such fiscal quarter with the SEC, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or (ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), for Credit Acceptance and its Subsidiaries, consolidated unaudited balance sheets as at the close of each such period and consolidated related statements of operations, shareholder's equity and cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer or chief treasury officer as true, accurate and complete in all material respects;

(iv) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate signed by Credit Acceptance's chief financial officer or chief treasury officer stating that (x) the attached financial statements have been

prepared in accordance with GAAP and accurately reflect the financial condition of Credit Acceptance and (y) to the best of such Person's knowledge, no Termination Event or Unmatured Termination Event exists, or if any Termination Event or Unmatured Termination Event exists, stating the nature and status thereof;

(v) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the members or shareholders of the Borrower or Credit Acceptance, copies of all financial statements, reports and proxy statements so furnished, to the extent such information has not been provided pursuant to another clause of this Section 5.1(k);

(vi) SEC Filings. Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Credit Acceptance or any subsidiary files with the SEC;

(vii) Notice of Termination Events or Unmatured Termination Events. As soon as possible and in any event within two (2) days after the occurrence of each Termination Event or each Unmatured Termination Event, a statement of the chief financial officer or chief treasury officer of the Borrower setting forth details of such Termination Event or Unmatured Termination Event and the action which the Borrower proposes to take with respect thereto;

(viii) [Reserved].

(ix) Collection Guidelines. CAC will deliver a complete copy of the most current Collection Guidelines to the Lenders prior to the Closing Date;

(x) ERISA. Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any Reportable Event (as defined in Article IV of ERISA) which the Borrower, Credit Acceptance or any ERISA Affiliate of the Borrower or Credit Acceptance files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which the Borrower, Credit Acceptance or any ERISA Affiliates of the Borrower or Credit Acceptance receives from the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor;

(xi) Proceedings. As soon as possible and in any event within two (2) Business Days after any executive officer of the Borrower receives notice or obtains knowledge thereof, any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy litigation, action, suit or proceeding (in each case, of a material nature), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any of its Affiliates;

(xii) Notice of Material Events. Promptly upon becoming aware thereof, notice of any other event or circumstances that, in the reasonable judgment of the Borrower, is likely to have a Material Adverse Effect; and

(xiii) Other Information. Such other information, documents, records or

reports (including non-financial information) as the Deal Agent, each Lender or the Collateral Agent may from time to time reasonably request with respect to Credit Acceptance, the Borrower, the Servicer or any Subsidiary of any of the foregoing.

(l) Compliance with Applicable Law. The Borrower shall duly satisfy in all material respects its obligations under or in connection with each Loan and Contract, will maintain in effect all material qualifications required under all Applicable Law, and will comply in all material respects with all other Applicable Law in connection with each Loan and Contract the failure to comply with which would have a material adverse effect on the interests of the Secured Parties in the Collateral.

(m) Furnishing of Information and Inspection of Records. The Borrower will furnish to the Deal Agent, each Lender, the Backup Servicer and the Collateral Agent, from time to time, such information with respect to the Loans and Contracts as may be reasonably requested, including, without limitation, a computer file or other list identifying each Loan and Contract by pool number, account number and dealer number and by the Outstanding Balance and identifying the Obligor on such Loan or Contract. The Borrower will, at any time and from time to time during regular business hours, upon reasonable notice, permit the Deal Agent, each Lender, the Backup Servicer and the Collateral Agent, or its agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of the Borrower for the purpose of examining such Records, and to discuss matters relating to the Loans or Contracts or the Borrower's performance hereunder and under the other Transaction Documents with any of the officers, directors, employees or independent public accountants of the Borrower having knowledge of such matters; provided, however, that the Deal Agent, each Lender and the Collateral Agent each acknowledges that in exercising the rights and privileges conferred in this Section 5.1(m) it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Borrower has a proprietary interest. The Deal Agent, each Lender and the Collateral Agent each agrees that all such information, practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall retain in strict confidence and shall use its reasonable efforts to ensure that its agents and representatives retain in strict confidence, and will not disclose without the prior written consent of the Borrower, any such information, practices, books, correspondence and records furnished to them except that it may disclose such information: (i) to its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives (provided that such Persons are informed of the confidential nature of such information); (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Deal Agent, any Lender, the Collateral Agent or its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives; (iii) to the extent such information was available to the Deal Agent, any Lender or the Collateral Agent on a non-confidential basis prior to its disclosure hereunder;
(iv) to the extent the Deal Agent, any Lender or the Collateral Agent should be (A) required under the Transaction Documents or in connection with any legal or regulatory proceeding or (B) requested by any bank regulatory authority to disclose such information; or (v) to any Lender or prospective assignee or Lender; provided, that the relevant Lender shall notify such prospective assignee or Lender of the confidentiality provisions of this Section 5.1(m).

(n) Keeping of Records and Books of Account. The Borrower will maintain

and implement or cause to be maintained and implemented administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due under the Loans and Contracts (including, without limitation, records adequate to permit adjustments to amounts due under each existing Loan and Contract). The Borrower will give the Deal Agent and each Lender notice of any material change in the administrative and operating procedures of the Borrower referred to in the previous sentence.

(o) Notice of Liens. The Borrower will advise the Deal Agent, each Lender and the Collateral Agent promptly, in reasonable detail of: (i) any Lien asserted by a Person against any of the Loans or Contracts or other Collateral; (ii) any breach by the Borrower, the Originator or the Servicer of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and (iii) the occurrence of any other event which would have a Material Adverse Effect.

(p) Protection of Interest in Collateral. The Borrower shall file or cause to be filed such continuation statements and any other documents reasonably requested by the Deal Agent or any Lender or which may be required by law to fully preserve and protect the interest of the Collateral Agent and the Secured Parties in and to the Loans, the Contracts and the other Collateral.

(q) Contribution Agreement. The Borrower will at all times enforce the covenants and agreements of Credit Acceptance in the Contribution Agreement (including, without limitation, the rights and remedies against the Dealers).

(r) Notice of Delegation of Servicer's Duties. The Borrower promptly shall notify the Collateral Agent of any delegation by the Servicer of any of the Servicer's duties under this Agreement which is not in the ordinary course of business of the Servicer.

(s) Organizational Documents. The Borrower shall only amend, alter, change or repeal its limited liability company agreement with the prior written consent of the Deal Agent.

(t) Compliance. The Borrower shall, and the Borrower shall ensure that each member of the Borrowing Group will, comply with Sanctions, Anti-Money Laundering Laws and Anti-Corruption Laws.

(u) Beneficial Ownership Certification. The Borrower will notify Lender of any change in the information provided in any Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification.

Section 5.2 Negative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) Other Business. Borrower will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents; (ii) incur any indebtedness, obligation, liability or contingent obligation of any kind other than pursuant to the Transaction

Documents; or (iii) form any Subsidiary or make any Investments in any other Person without the prior written consent of each Lender.

(b) Loans Not to be Evidenced by Instruments. The Borrower will take no action to cause any Loan that is not, as of the Closing Date, evidenced by an Instrument, to be so evidenced except in connection with the enforcement or collection of such Loan.

(c) Security Interests. The Borrower will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on any Loan, Contract, Related Security or any other Collateral, whether now existing or hereafter transferred hereunder, or any interest therein, and the Borrower will not sell, pledge, assign or suffer to exist any Lien on its interest, if any, hereunder. The Borrower will promptly notify the Deal Agent of the existence of any Lien on any Loan, Contract, Related Security or any other Collateral and the Borrower shall defend the right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans, Contracts, Related Security and other Collateral, against all claims of third parties.

(d) Mergers, Acquisitions, Sales, etc. The Borrower will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, or, sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign with or without recourse any Loan, Contracts, Related Security or other Collateral or any interest therein (other than pursuant to and in accordance with the Transaction Documents).

(e) [Reserved].

(f) [Reserved].

(g) Change of Name or Location of Records Files. The Borrower shall not (x) change its name or state of organization, move the location of its principal place of business and chief executive office, and the offices where it keeps the Records from the locations referred to in Sections 4.1(p) and 14.2 or (y) move, or consent to the Custodian or Servicer moving, the Records/Contract Files from the location thereof on the Closing Date, unless the Borrower has given at least 30 days' written notice to the Deal Agent and the Collateral Agent and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral; provided, that, Credit Acceptance may temporarily (or permanently, solely in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(h) Accounting of the Contribution Agreement. The Borrower will not account for or treat (whether in financial statements or otherwise) the transaction contemplated by the Contribution Agreement in any manner other than as a contribution, or absolute assignment, of the Loans and related assets by the Originator to the Borrower.

(i) ERISA Matters. The Borrower will not: (i) engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the United States Department of Labor; (ii) permit to exist any

accumulated funding deficiency, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (iii) fail to make any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (iv) terminate any Benefit Plan so as to result in any liability; or (v) permit to exist any occurrence of any reportable event described in Title IV of ERISA.

(j) Contribution Agreement. The Borrower will not amend, modify, waive or terminate any provision of the Contribution Agreement unless the Deal Agent shall have consented to such change in writing and has received duly executed copies of all documentation related thereto. The Borrower will not take any action under the Contribution Agreement which would have a Material Adverse Effect.

(k) Changes in Payment Instructions to Obligors. The Borrower will not make any change, or permit the Servicer to make any change, in its instructions to Obligors regarding where payments in respect of Contracts are to be made to the Borrower or the Servicer, unless the Required Lenders shall have consented to such change in writing and have received duly executed copies of all documentation related thereto.

(l) Extension or Amendment. The Borrower will not, except as otherwise permitted hereunder or by law, extend, amend or otherwise modify, or permit the Servicer to extend, amend or otherwise modify, the terms of any Dealer Agreement, Loan or Contract; provided, however, the Dealer Agreements may be amended in connection with the closing of or opening of a Pool.

(m) Collection Guidelines. The Borrower will not permit the amendment, modification, restatement or replacement, in whole or in part, of the Collection Guidelines of the initial Servicer, which change would materially impair the collectibility of any Loan or Contract or otherwise materially adversely affect the interests or the remedies of the Deal Agent, the Collateral Agent or the other Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Required Lenders other than if required by Applicable Law.

(n) No Assignments. The Borrower will not assign or delegate, or grant any interest in, or permit any Lien to exist upon, any of its rights, obligations or duties under this Agreement without the prior written consent of the Lenders.

(o) Special Purpose Entity. The Borrower has not and shall not:

(iii) engage in any business or activity other than the purchase and receipt of Loans and related assets from the Originator under the Contribution Agreement, the pledge of Loans and related assets under the Transaction Documents and such other activities as are incidental thereto;

(iv) acquire or own any material assets other than (A) the Loans and related assets from the Originator under the Contribution Agreement and (B) incidental property as may be necessary for the operation of the Borrower;

(v) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case first obtaining the consent of each Lender;

(vi) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, or without the prior written consent of the Deal Agent, amend, modify, terminate, fail to comply with the provisions of its limited liability company agreement, or fail to observe limited liability company formalities;

(vii) own any subsidiary or make any investment in any Person without the consent of each Lender;

(viii) commingle its assets or funds with the assets or funds of any of its Affiliates, or of any other Person, except for (A) Dealer Collections, (B) erroneous deposits or (C) prior to the identification and separation of such funds or assets by the Servicer in accordance with the Servicer's normal and customary business practices;

(ix) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (A) indebtedness to the Lenders hereunder or in conjunction with a repayment of Aggregate Unpaids owed to the Lenders, (B) indebtedness to the Originator under the Contribution Agreement in respect of the purchase of Loans (which indebtedness, if any, shall be subordinate to the indebtedness arising hereunder), and (C) trade payables in the ordinary course of its business, provided that such debt is not evidenced by a note and paid when due;

(x) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due;

(xi) fail to maintain its records, books of account and bank accounts separate and apart from those of its principal and Affiliates, and any other Person;

(xii) enter into any contract or agreement with any of its principals or Affiliates or any other Person, except upon terms and conditions that are commercially reasonable and intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any principal or Affiliates;

(xiii) seek its dissolution or winding up in whole or in part;

(xiv) fail to correct any known misunderstandings regarding the separate identity of the Borrower or an Affiliate thereof or any other Person;

(xv) guarantee, become obligated for, or hold itself out to be responsible for the debt of another Person;

(xvi) make any loan or advances to any third party, including any Affiliate, or hold evidence of indebtedness issued by any other Person (other than cash and

investment-grade securities);

(xvii) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name in order not
(A) to mislead others as to the identity with which such other party is transacting business, or (B) to suggest that it is responsible for the debts of any third party (including any of its Affiliates);

(i) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(ii) file or consent to the filing or any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(iii) share any common logo with or hold itself out as or be considered as a department or division of (A) any of its Affiliates or (B) any other Person;

(iv) permit any transfer (whether in any one or more transactions) of any direct or indirect ownership interest in the Borrower;

(v) fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person, or have its assets listed on the financial statement of any other Person (for the avoidance of doubt, except its parent in accordance with GAAP);

(vi) fail to pay its own liabilities and expenses only out of its own funds;

(vii) fail to pay the salaries of its own employees in light of its contemplated business operations;

(viii) acquire the obligations or securities of its Affiliates or members;

(ix) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(x) to the extent it has invoices or checks, fail to use separate invoices or checks bearing its own name;

(xi) pledge its assets for the benefit of any other Person, other than with respect to payment of the indebtedness to the Lenders hereunder;

(xii) fail at any time to have at least two (2) independent directors (each, an "Independent Director") on its board of directors that (A) is not and has not been for at least five (5) years a director, officer, employee, trade creditor or shareholder (or spouse, parent, sibling or child of the foregoing) of (I) the Servicer, (II) the Borrower, or (III) any

Affiliate of the Servicer or the Borrower; provided, however, such Independent Director may be an independent director or manager of another special purpose entity affiliated with the Servicer, and (B) has, (I) prior experience as an Independent Director for a corporation or limited liability company whose charter documents required the unanimous consent of all Independent Directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (II) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to borrowers or issuers of securitization or structured finance instruments, agreements or securities;

(xiii) fail to provide that the unanimous consent of all directors (including the consent of the Independent Directors) is required for the Borrower to (A) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (B) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (C) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (D) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (E) make any assignment for the benefit of the Borrower's creditors, (F) admit in writing its inability to pay its debts generally as they become due, or (G) take any action in furtherance of any of the foregoing; and

(xiv) take or refrain from taking, as applicable, each of the activities specified in the non-consolidation opinion of Skadden, Arps, Slate, Meagher & Flom LLP, delivered on the Closing Date, upon which the conclusions expressed therein are based.

(p) Use of Proceeds.

(xv) Sanctions. The Borrower shall not, and shall ensure that each member of the Borrowing Group will not, directly or indirectly use any of the credit to fund, finance or facilitate any activities, business or transactions (a) that are prohibited by Sanctions or (b) that would be prohibited by Sanctions if conducted by the Lender or any other party hereto. The Borrower shall notify the Lender in writing not more than three (3) Business Days after first becoming aware of any breach of this section.

(xvi) Anti-Money Laundering/Anti-Corruption Laws. The Borrower shall not, and shall ensure that each member of the Borrowing Group will not, directly or indirectly use any of the credit to fund, finance or facilitate any activities, business or transactions that would be prohibited by Anti-Money Laundering Laws or Anti-Corruption Laws.

(q) Source of Repayment and Collateral. The Borrower shall not fund any repayment of the credit with proceeds, or provide as collateral any property, that is directly or indirectly derived from any transaction or activity that is prohibited by Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws, or that could otherwise cause the Lender or any other party to this agreement to be in violation of Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws.

(r) Tax Treatment. The Borrower will not file an election or take any other action that would cause the Borrower to be treated as other than an entity disregarded as separate from the Originator for U.S. federal income tax purposes.

Section 5.3 Covenant of the Borrower Relating to the Hedging Agreement. At all times until the Collection Date, when any amount of Capital is outstanding hereunder, an Eligible Hedging Agreement shall be in place. In addition, the Borrower hereby covenants and agrees that at all times following the date on which the Initial Loan Amount is extended through the Commitment Termination Date, it shall cause the aggregate notional amount of all Eligible Hedging Transactions to at all times at least equal 100% of the Initial Loan Amount at such time and the notional amount of any Eligible Hedging Transaction shall amortize according to a schedule approved in writing by the Deal Agent.

Section 5.4 Affirmative Covenants of the Servicer. From the date hereof until the Collection Date:

(a) Compliance with Law. The Servicer will comply in all material respects with all Applicable Laws, including those with respect to the Contracts, the Loans and the Dealer Agreements or any part thereof.

(b) Preservation of Existence. The Servicer will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Obligations and Compliance with Loans and Contracts. The Servicer (i) will duly fulfill and comply with all material obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each Loan and each Contract and (ii) will do nothing to impair the rights of the Collateral Agent as agent for the Secured Parties or of the Secured Parties in, to and under the Collateral; provided, that, no such impairment of such rights with respect to the Collateral shall be deemed to have occurred so long as the Borrower has fulfilled all of its payment obligations under Section 4.5.

(d) Keeping of Records and Books of Account. The Servicer will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) Preservation of Security Interest. The Servicer will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the security interest of the Collateral Agent as agent for the Secured Parties in, to and under the Collateral. In its capacity as Custodian, it will maintain possession of, or control over, the Contract Files and Records, as Custodian for the Secured Parties, as set forth in Section 6.2(c).

(f) Collection Guidelines. (i) The Servicer will comply in all material respects with the Collection Guidelines or with Applicable Law in regard to each Loan and Contract.

(ii) The initial Servicer will not agree to or otherwise permit to occur any change in the Collection Guidelines, which change would materially impair the collectibility of any Loan or Contract or otherwise materially adversely affect the interests or remedies of the Deal Agent, the Collateral Agent or the other Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Required Lenders other than if required by Applicable Law.

(g) Amortization Events and Termination Events. The Servicer will furnish to the Deal Agent and each Lender, as soon as possible and in any event within two (2) Business Days after the occurrence of each Amortization Event, each Termination Event and each Unmatured Termination Event, a written statement of the chief financial officer or chief treasury officer of the Servicer setting forth the details of such event and the action that the Servicer purposes to take with respect thereto.

(h) Other. The Servicer will furnish to the Deal Agent, any Lender, the Backup Servicer or the Collateral Agent, as applicable, promptly, from time to time, such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of Borrower or the Servicer as the Deal Agent, any Lender, the Backup Servicer or the Collateral Agent may from time to time reasonably request in order to protect the interests of the Collateral Agent or the Secured Parties under or as contemplated by this Agreement.

(i) Losses, Etc. In any suit, proceeding or action brought by the Deal Agent, the Backup Servicer, the Collateral Agent or any Secured Party for any sum owing thereto, the Servicer shall save, indemnify and keep the Deal Agent, the Backup Servicer, the Collateral Agent and the Secured Parties harmless from and against all expense, loss or damage (including reasonable and documented attorneys' fees and expenses, including, without limitation, any reasonable and documented legal fees, costs and expenses incurred in connection with any enforcement (including any action, claim or suit brought) by the Backup Servicer or the Collateral Agent of any indemnification or other obligation of the Servicer) suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the Obligor under a Loan or Contract, arising out of a breach by the Servicer of any obligation under the related Loan or Contract or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Obligor or its successor from the Servicer, and all such obligations of the Servicer shall be and remain enforceable against and only against the Servicer and shall not be enforceable against the Deal Agent, the Backup Servicer, the Collateral Agent or any Secured Party.

(j) Notice of Liens The Servicer shall advise the Backup Servicer, the Collateral Agent, each Lender and the Deal Agent promptly, in reasonable detail of: (i) any Lien asserted or claim made against any portion of the Collateral; (ii) the occurrence of any breach by the Servicer of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and (iii) the occurrence of any other event which would have a Material Adverse Effect.

(k) Realization on Loans or Contracts. In the event that the Servicer realizes upon any Loan or Contract, the methods utilized by the Servicer to realize upon such Loan or Contract or otherwise enforce any provisions of such Loan or Contract will not subject the Servicer, the Borrower, any Secured Party, the Deal Agent or the Collateral Agent to liability under any federal, state or local law, and such enforcement by the Servicer will be conducted in all material respects in accordance with the provisions of the Credit Guidelines (unless the Backup Servicer is then the Successor Servicer), the Collection Guidelines, Applicable Law and, in the case of Credit Acceptance, this Agreement, and in the case of the Backup Servicer if it has become the Servicer, the Backup Servicing Agreement.

(l) Backup Servicing Agreement. The Servicer shall provide the Backup Servicer with all information, data and reports as required by the terms of the Backup Servicing Agreement.

(m) [Reserved].

(n) Monthly Reports. Not later than the Determination Date preceding each Payment Date, the Servicer will furnish to the Deal Agent, each Lender, the Collateral Agent and the Backup Servicer a Monthly Report relating to the immediately preceding Collection Period.

Section 5.5 Negative Covenants of the Servicer. From the date hereof until the Collection Date.

(a) Mergers, Acquisition, Sales, etc. The Servicer (unless the Backup Servicer is then the Successor Servicer) will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless the Servicer is the surviving entity and unless:

(i) the Servicer has delivered to the Deal Agent, the Collateral Agent and the Backup Servicer an Officer's Certificate and an Opinion of Counsel each stating that any consolidation, merger, conveyance or transfer and any related supplemental agreement comply with this Section 5.5 and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to the Servicer and such other matters as the Deal Agent may reasonably request;

(ii) the Servicer shall have delivered notice of such consolidation, merger, conveyance or transfer to the Deal Agent, the Collateral Agent and the Backup Servicer; and

(iii) after giving effect thereto, no Termination Event, Unmatured Termination Event or Servicer Termination Event or event that with notice or lapse of time, or both, would constitute a Termination Event or Servicer Termination Event shall have occurred.

(b) Change of Name or Location of Records. The Servicer shall not (x) change its name or its state of organization, move the location of its principal place of business and chief executive office, and the offices where it keeps records concerning the Loans from the locations

referred to in Sections 4.1(p) and 14.2 or (y) move, or consent to the Custodian moving, the Records from the location thereof on the Closing Date, unless the Servicer has given at least 30 days' written notice to the Deal Agent and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent as agent for the Secured Parties in the Collateral; provided, that, Credit Acceptance may temporarily (or permanently, solely in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer individual Contract Files or Records, or any portion thereof without notice in accordance with Section 6.2(c)(iii).

(c) Change in Payment Instructions to Obligors. The Servicer will not make any change in its instructions to Obligors regarding where payments in respect of Contracts are to be made, unless the Required Lenders have consented to such change and have received duly executed documentation related thereto.

(d) [Reserved].

(e) No Instruments. The Servicer shall take no action to cause any Loan to be evidenced by any instrument (as defined in the UCC as in effect in the relevant State) except for instruments obtained with respect to defaulted Loans.

(f) No Liens. The Servicer shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on the Collateral or any interest therein; the Servicer will notify the Collateral Agent and the Deal Agent of the existence of any Lien on any portion of the Collateral immediately upon discovery thereof, and the Servicer shall defend the right, title and interest of the Collateral Agent on behalf of the Secured Parties in, to and under the Collateral against all claims of third parties claiming through or under the Servicer.

(g) Information. The Servicer shall, within two (2) Business Days of its receipt thereof, respond to reasonable written directions or written requests for information that the Backup Servicer, the Borrower, the Deal Agent, any Lender or the Collateral Agent might have with respect to the administration of the Loans.

(h) Consent. The Servicer will promptly advise the Borrower, the Backup Servicer, the Deal Agent and the Collateral Agent of any inquiry received from an Obligor which requires the consent of the Borrower, the Backup Servicer, the Deal Agent or the Collateral Agent.

(i) Credit Guidelines and Collection Guidelines. The initial Servicer will not amend, modify, restate or replace in any way the Credit Guidelines or the Collection Guidelines, which change would materially impair the collectibility of any Loan or Contract or otherwise materially adversely affect the interests or the remedies of the Deal Agent, Collateral Agent or the other Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Required Lenders in the case of the Credit Guidelines or without the prior written consent of the Deal Agent and the Required Lenders with respect to the Collection Guidelines, in each case unless required by Applicable Law.

Section 5.6 Negative Covenants of the Backup Servicer. From the date hereof until the Collection Date:

(a) No Changes in Backup Servicing Fee. The Backup Servicer will not make any changes to the Backup Servicing Fee without the prior written approval of the Deal Agent.

ARTICLE VI
ADMINISTRATION AND SERVICING OF CONTRACTS

Section 6.1 Servicing. (a) The Borrower, the Deal Agent and the Collateral Agent hereby appoint Credit Acceptance as servicer hereunder and Credit Acceptance hereby accepts such appointment and agrees to manage, collect and administer each of the Loans and Contracts as Servicer; provided, however, that the Collateral Agent shall have no liability with respect to such appointment. In the event of a Servicer Termination Event, the Deal Agent shall have the right to terminate Credit Acceptance as servicer hereunder. Upon termination of Credit Acceptance as servicer of the Loans pursuant to Section 6.11 hereof, the Deal Agent shall have the right to appoint a Successor Servicer and enter into a servicing agreement with such Successor Servicer at such time and exercise all of its rights under Section 6.3 hereof. Such servicing agreement shall specify the duties and obligations of such Successor Servicer, and all references herein to the Servicer shall be deemed to refer to such Successor Servicer.

(b) The Borrower shall cause the Servicer to deposit all Collections to the Collection Account no later than two (2) Business Days after receipt. The Servicer agrees to deposit all Collections to the Collection Account no later than two (2) Business Days after receipt.

(c) On or before 120 days after the end of each fiscal year of the Servicer, beginning with the fiscal year ending December 31, 2021, the Servicer shall cause a firm of independent public accountants (who may also render other services to the Servicer or the Borrower) to furnish a report to the Collateral Agent, the Deal Agent and the Secured Parties to the effect that such firm (i) compared the information contained in the Monthly Reports delivered during such fiscal year, based on a sample size provided by the Deal Agent, with the information contained in the Loans, the Contracts and the Servicer's records and computer systems for such period, and that, on the basis of such agreed-upon procedures, such firm is of the opinion that the information contained in the Monthly Reports reconciles with the information contained in the Loans and the Contracts and the Servicer's records and computer system and that the servicing of the Loans and the Contracts has been conducted in compliance with this Agreement, and (ii) verified the Aggregate Outstanding Eligible Loan Balance as of the end of each Collection Period during such fiscal year, except, in each case, for (a) such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated) and (b) such other exceptions as shall be set forth in such statement. In the event such independent public accountants require the Collateral Agent to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 6.1(c), the Servicer shall direct the Collateral Agent in writing to so agree; it being understood and agreed that the Collateral Agent will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Collateral Agent has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures. The Collateral Agent shall not be liable for any claims, liabilities or expenses relating to such accountants' engagement or any report issued in connection with such engagement, and the dissemination of any such report is subject to the written consent of the accountants.

Section 6.2 Duties of the Servicer and Custodian.

(a) The Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Loans and Contracts from time to time, all in material accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in material accordance with the Collection Guidelines and Credit Guidelines, it being understood that there shall be no recourse to the Servicer with regard to the Loans and Contracts except as otherwise provided herein and in the other Transaction Documents. In performing its duties as initial Servicer, the initial Servicer shall use the same degree of care and attention it employs with respect to similar contracts and loans which it services for itself or others. Each of the Borrower, the Deal Agent, the Collateral Agent and the Secured Parties hereby appoints as its agent the Servicer, from time to time designated pursuant to Section 6.1 hereof, to enforce its respective rights and interests in and under the Collateral; provided, however, that the Collateral Agent shall have no liability with respect to such appointment. If the Servicer shall commence a legal proceeding to enforce a Loan or a Contract (for purposes of collection or otherwise), or if in any enforcement or other legal proceeding it shall be held that the Servicer may not enforce a Loan or a Contract, on the grounds that it shall not be a real party in interest or a holder entitled to enforce the Loan or Contract or on similar grounds, the Collateral Agent shall thereupon be deemed to have automatically assigned to the Servicer, solely for the purpose of enforcement, such Loan or Contract. Without limiting the foregoing, the Collateral Agent (and each Lender, if applicable) shall furnish the Servicer with an affidavit prepared by the Servicer that the Servicer may use in any such legal proceedings confirming the Servicer's power and authority to sue and otherwise enforce the Loans and Contracts in its own name, consistent with this Section 6.2, and any powers of attorney or other documents prepared by the Servicer reasonably necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder. The Servicer shall hold in trust for the Secured Parties all Records and any amounts it receives in respect of the Collateral. In the event that a Successor Servicer is appointed, the outgoing Servicer shall deliver to the Successor Servicer and the Successor Servicer shall hold in trust for the Borrower and the Secured Parties all records which evidence or relate to all or any part of the Collateral.

(b) The Servicer, if other than Credit Acceptance, shall as soon as practicable upon demand, deliver to the Borrower all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Loan or a Contract.

(c) (i) The Borrower, the Deal Agent and the Collateral Agent hereby revocably appoint Credit Acceptance as custodian, and Credit Acceptance hereby accepts such appointment, to hold and maintain physical possession of the Contract Files and all Records (or with respect to any Contract constituting electronic chattel paper, to maintain “control” (within the meaning of Section 9-105 of the UCC) of the Authoritative Electronic Copy thereof) (in such capacity together with its successors in such capacity, the “Custodian”); provided, however, that the Collateral Agent shall have no liability with respect to such appointment. The Contract Files and Records are to be delivered to the Custodian or its designated bailee by or on behalf of the Borrower, the Deal Agent and Collateral Agent within two (2) Business Days preceding the Closing Date or within two (2) Business Days after each Addition Date, as the case may be, with respect to each Loan acquired on the Addition Date.

(ii) The Custodian shall within 180 days after the Closing Date or an Addition Date, as applicable, review 100% of the Contract Files to verify the presence of the original retail installment contract and security agreement and/or installment loans with respect to each Contract, provided, however, that the Certificate of Title or other evidence of lien with respect to a Contract need not be verified. If the number of Contracts for which any of the foregoing documents have not been delivered to the Custodian within 180 days of the Closing Date or relevant Addition Date, as the case may be (each such Contract, a "Nonconforming Contract"), exceeds 2% of the aggregate number of Contract Files required to be reviewed pursuant to this Section 6.2(c)(ii), the Borrower shall make a deposit to the Reserve Account only with respect to the excess number of Nonconforming Contracts, in an amount equal to the related Release Price. Once per month, the amount on deposit in the Reserve Account in respect of Nonconforming Contracts shall be adjusted to account for increases or decreases in the excess number of Nonconforming Contracts and for changes in the Outstanding Balance of such Nonconforming Contracts. The Borrower shall, in the case of an increase, promptly deposit to the Reserve Account the amount of any such increase. In the case of a decrease, the amount of any such decrease shall be deemed to be part of the Excess Reserve Amount. Payments otherwise required under this Section 6.2(c)(ii) shall not be required under the circumstances set forth in Section 4.5(f).

(iii) The Custodian agrees to maintain the Contract Files and Records which are delivered to it at the offices of the Custodian as shall from time to time be identified to the Deal Agent by written notice. Subject to the foregoing, Credit Acceptance may temporarily (or permanently, in the case of a Contract that is repurchased, liquidated or paid in full) move or transfer to an agent of the Servicer individual Contract Files or Records, or any portion thereof without notice as necessary to allow the Servicer to conduct collection and other servicing activities in accordance with its customary practices and procedures.

(iv) The Custodian shall have the following powers and perform the following duties:

(A) hold the Contract Files and Records for the benefit of the Secured Parties and maintain a current inventory thereof; and

(B) carry out such policies and procedures in accordance with its customary actions with respect to the handling and custody of the Contract Files and Records so that the integrity and physical possession of the Contract Files and Records (or with respect to any Contract constituting electronic chattel paper, the integrity and "control" (within the meaning of Section 9-105 of the UCC) of the Authoritative Electronic Copy thereof) will be maintained.

In performing its duties as custodian, the Custodian agrees to act with reasonable care, using that degree of skill and care that it exercises with respect to similar Contracts or Loans owned or held by it for its own account or for any other Person.

(v) Credit Acceptance shall have the obligation to (i) physically

segregate the Contract Files (to the extent held in physical form) from the other custodial files it is holding for its own account or on behalf of any other Person, (ii) physically mark the Contract folders (to the extent held in physical form) to demonstrate the transfer of Contract Files and the Collateral Agent's security interest hereunder, (iii) mark its computer records indicating the transfer of any Contract Files relating to Contracts constituting electronic chattel paper and the Collateral Agent's security interest hereunder, and (iv) with respect to each Contract constituting electronic chattel paper, cause the single "authoritative copy" (within the meaning of Section 9-105 of the UCC) to be communicated to and maintained at all times by Credit Acceptance such that the "authoritative copy" constitutes an Authoritative Electronic Copy at all times.

(d) (i) If (A) an Unsatisfactory Audit occurs or (B) a Servicer Termination Event or potential Servicer Termination Event occurs, the Deal Agent shall have the right to terminate Credit Acceptance as the Custodian hereunder and the Deal Agent shall have the right to appoint a successor Custodian hereunder who shall assume all the rights and obligations of the "Custodian" hereunder. On the effective date of the termination of Credit Acceptance as Servicer, Credit Acceptance shall be released of all of its obligations as Custodian arising on or after such date. The Contract Files and Records shall be delivered by Credit Acceptance to the successor Custodian, on or before the date which is two (2) Business Days prior to such date.

(ii) [Reserved].

(iii) The Custodian shall provide to the Deal Agent access to the Contract Files and Records and all other documentation regarding the Contracts, Dealer Agreements and the Loans and the related Financed Vehicles in such cases where the Collateral Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations to review such documentation, such access being afforded without charge.

(e) Two times per calendar year, at the expense of the Servicer, the Deal Agent and the Lenders, acting in concert, may review the Servicer's collection and administration of the Loans, Dealer Agreements and Contracts in order to assess compliance by the Servicer with the Servicer's written policies and procedures, as well as with this Agreement, at the expense of the Servicer in an amount not to exceed $15,000 per annum, and may conduct an audit of the Loans, Dealer Agreements and Contracts and Contract Files in conjunction with such a review. On and after the occurrence of a Termination Event or Servicer Termination Event, the Deal Agent or any Lender may conduct such reviews and audits without limitation, at the Servicer's expense.

Section 6.3 Rights After Designation of Successor Servicer. At any time following the designation of a Successor Servicer pursuant to Section 6.12(a):

(i) The Successor Servicer or Collateral Agent may intercept payments made by or on behalf of Obligors and direct that payment of all amounts payable under any Loan or Contract be made directly to the Successor Servicer or Collateral Agent or its designee; provided, that the Collateral Agent shall pay to any Dealer, to the extent to which such Dealer is entitled, all related Dealer Collections, pursuant to the written direction of the Successor Servicer, in consultation with Credit Acceptance and the Borrower, set forth

in the Monthly Report.

(ii) The Successor Servicer shall, at the Borrower's expense, give notice of the Collateral Agent's interest in the Loans and Contracts to each Obligor and direct that payments be made directly to the Successor Servicer or the Collateral Agent or its designee.

(iii) The Borrower shall, at the Successor Servicer's or Collateral Agent's request, (A) assemble all of the records relating to the Collateral, including all Records with respect to the Loans and Contracts, and shall make the same available to the Successor Servicer or Collateral Agent at a place selected by the Successor Servicer or Collateral Agent or its designee, and (B) segregate all cash, checks and other instruments received by it from time to time constituting collections of Collateral and shall, promptly upon receipt but in any event within two (2) Business Days, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Successor Servicer or Collateral Agent.

(iv) The Borrower hereby authorizes the Collateral Agent and the Successor Servicer to take any and all steps in the Borrower's name and on behalf of the Borrower necessary or desirable to collect all amounts due under any and all of the Collateral with respect thereto, including, without limitation, endorsing the Borrower's name on checks and other instruments representing Collections and enforcing the Loans and Contracts.

Section 6.4 Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Loans and Contracts to the same extent as if a security interest in such Loans and Contracts had not been granted hereunder and the exercise by the Collateral Agent of its rights hereunder shall not relieve the Borrower from such obligations and (ii) pay when due any taxes, including without limitation, any sales taxes payable in connection with the Loans or Contracts and their creation and satisfaction. None of the Collateral Agent, the Backup Servicer, the Deal Agent or any Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Section 6.5 Reports.

(a) Monthly Report. On each Determination Date, the Servicer shall deliver to the Deal Agent, each Lender, the Collateral Agent and the Backup Servicer a report in substantially the form of Exhibit C attached hereto (the "Monthly Report") for the related Collection Period. Each Lender shall provide to the Borrower, the Servicer and the Backup Servicer by the fifth (5th) Business Day prior to each Payment Date, information relating to the amount of each obligation which comprises Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts for such Collection Period. The Monthly Report shall specify whether an Amortization Event, Termination Event or Unmatured Termination Event has occurred with respect to the Collection Period preceding such Determination Date. Upon receipt of the Monthly Report, the Deal Agent and the Collateral Agent shall rely (and shall be fully protected in so relying) on the information contained therein for the purposes of making

distributions and allocations as provided for herein. Each Monthly Report shall be certified by a Responsible Officer of the Servicer.

(a) Credit Agreement. The Servicer shall deliver to the Deal Agent and each Lender all reports or certificates required to be delivered under Section 7.3 of the Credit Agreement at the times set forth therein.

(b) Financial Statements. In the event the Servicer is no longer subject to the periodic and current reporting requirements of Section 13 or 15(d) of the Securities Exchange Act, the Servicer will submit to the Deal Agent, the Collateral Agent, each Lender and the Backup Servicer, within 60 days of the end of each of its fiscal quarters (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Quarterly Report on 10-Q for such fiscal quarter with the SEC if Credit Acceptance were subject to such reporting requirements other than as an accelerated filer or large accelerated filer, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or (ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), commencing March 31, 2021, unaudited financial statements as of the end of each such fiscal quarter. The Servicer will submit to the Deal Agent, each Lender, the Backup Servicer and the Collateral Agent, within 120 days of the end of each of its fiscal years (or upon prior notice from Credit Acceptance to the Deal Agent, such longer time period after the close of Credit Acceptance's fiscal year as may be temporarily permitted by the SEC or under the Securities Exchange Act for the benefit of a class or classes of persons (collectively and not individually) for Credit Acceptance to file its Annual Report on 10-K for such fiscal year with the SEC if Credit Acceptance were subject to such reporting requirements other than as an accelerated filer or large accelerated filer, but excluding any longer time periods resulting from (i) relief provided specifically by the SEC to Credit Acceptance or (ii) Credit Acceptance's notification to the SEC of its inability to file pursuant to Securities Exchange Act Rule 12b-25), commencing with the fiscal year ending December 31, 2020, audited financial statements as of the end of each such fiscal year. The Servicer will submit to the Deal Agent, the Collateral Agent, each Lender and the Backup Servicer an analysis of the static pool performance of Credit Acceptance for each fiscal quarter within 60 days of the end of such fiscal quarter.

(c) Annual Statement as to Compliance. The Servicer will provide to the Deal Agent, each Lender, the Backup Servicer and the Collateral Agent, within 120 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on December 31, 2021, an annual report signed by a Responsible Officer of the Servicer certifying that (a) a review of the activities of the Servicer, and the Servicer's performance pursuant to this Agreement, for the period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Servicer has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year (or in the case of a Successor Servicer which has been Servicer for less than one year, for so long as such Successor Servicer has been Servicer) and no Servicer Termination Event or potential Servicer Termination Event has occurred and is continuing (or if a Servicer Termination Event has so occurred and is continuing, specifying each such event, the nature and status thereof and the steps necessary to remedy such event, and, if a Servicer Termination Event or potential Servicer Termination Event occurred during such year

and no notice thereof has been given to the Deal Agent, the Backup Servicer and the Collateral Agent, specifying such Servicer Termination Event or potential Servicer Termination Event and the steps taken to remedy such event).

Section 6.6 Additional Representations and Warranties of Credit Acceptance as Servicer. Credit Acceptance, in its capacity as Servicer, represents and warrants to the Collateral Agent, the Backup Servicer, the Deal Agent and each Lender as of the Closing Date and as of each Addition Date, that the only material servicing computer systems and related software utilized by the Servicer to service the Loans and Contracts are: (i) provided by Ontario Systems Corporation under an existing licensing agreement and related resource agreement, each of which may be amended from time to time, and (ii) the "loan servicing system" software licensed by Credit Acceptance from Oracle Corporation, which may be updated or replaced from time to time. Should the Servicer or any of its Affiliates develop or implement computer software for servicing that is owned by or exclusively licensed to the Servicer or an Affiliate and utilize such software in the servicing of the Loans and Contracts, the Servicer shall give prompt written notice thereof to the Backup Servicer and the Collateral Agent, and the Collateral Agent shall be entitled to compel a license or sublicense for the benefit of the Collateral Agent or its designee of any such rights to the extent the Collateral Agent deems reasonably necessary and appropriate to assure that it or a duly appointed Successor Servicer would be able to continue to service the Loans and Contracts should that be required in accordance with the terms hereof.

Section 6.7 Establishment of the Accounts.

(a) Establishment of the Collection Account, Principal Collection Account and Reserve Account. The Servicer shall cause to be established, on or before the Closing Date, maintained in the name of the Borrower at Fifth Third Bank, National Association and subject to, in the case of the following clauses (i) and (iii), at all times following the Amendment No. 1 Effective Date, an Account Control Agreement (i) the Collection Account, (ii) the Principal Collection Account and (iii) the Reserve Account.

(b) Adjustments. If (i) the Servicer makes a deposit into the Collection Account in respect of a Collection of a Loan and such Collection was received by the Servicer in the form of a check or other form of payment that is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any payment in respect of which a dishonored check or other form of payment is received shall be deemed not to have been paid.

(c) Permitted Investments. Funds on deposit in the Collection Account, the Principal Collection Account and the Reserve Account may be invested in Permitted Investments by or at the written direction of the Borrower, provided that if a Termination Event or Unmatured Termination Event shall have occurred, such amounts may continue to be invested in Permitted Investments according to the last written direction received from the Borrower. Absent written direction from the Borrower, then any funds in such accounts shall remain uninvested (without any requirement or liability to pay for interest or earnings). Any such written directions shall specify the particular investment to be made and shall certify that such investment is a Permitted

Investment and is permitted to be made under this Agreement. Funds on deposit in the Collection Account, the Principal Collection Account and the Reserve Account, if invested, shall be invested in Permitted Investments that will mature so that such funds will be available no later than the Business Day prior to the next Payment Date, except that in the case of funds representing Collections with respect to a succeeding Collection Period, such Permitted Investments may mature so that such funds will be available no later than the Business Day prior to the Payment Date for such Collection Period. No Permitted Investment may be liquidated or disposed of prior to its maturity. All proceeds of any Permitted Investment shall be deposited in the Collection Account, the Principal Collection Account or the Reserve Account, as applicable. Investments may be made in any account on any date (provided such investments mature in accordance herewith), only after giving effect to deposits to and withdrawals from such account on such date. Realized losses, if any, on amounts invested in Permitted Investments shall be charged against investment earnings on amounts on deposit in the Collection Account, the Principal Collection Account or the Reserve Account, as applicable. The Borrower acknowledges that upon its written request and at no additional cost, it has the right to receive notification after the completion of each purchase and sale of Permitted Investments or the Collateral Agent's receipt of a broker's confirmation. The Borrower agrees that such notifications shall not be provided by the Collateral Agent hereunder, and the Collateral Agent shall make available, upon request and in lieu of notifications, periodic account statements that reflect such investment activity. No statement need be made available for any account if no activity has occurred in such account during such period. The Collateral Agent shall not be liable for any loss, including without limitation any loss of principal or interest, or for any breakage fees or penalties in connection with the purchase or liquidation of any investment made in accordance with the written instructions of the Borrower.

Section 6.8 Payment of Certain Expenses by Servicer. The initial Servicer will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of independent accountants, Taxes imposed on the Servicer, expenses incurred in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. The initial Servicer will be required to pay all reasonable fees and expenses owing to any bank or trust company in connection with the maintenance of the Collection Account, the Principal Collection Account, the Reserve Account and the Credit Acceptance Payment Account. The Servicer shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Servicing Fee.

Section 6.9 Annual Independent Public Accountant's Servicing Reports. The Servicer will cause a firm of nationally recognized independent public accountants (who may also render other services to the Servicer) to furnish to the Collateral Agent, the Deal Agent and each Lender, within 120 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on December 31, 2021: (i) a report relating to such fiscal year to the effect that (A) such firm has reviewed certain documents and records relating to the servicing of the Loans and Contracts included in the Collateral, and (B) based on such examination, such firm is of the opinion that the Monthly Reports for such year were prepared in compliance with this Agreement, except for such exceptions as it believes to be immaterial and such other exceptions as will be set forth in such firm's report and (ii) a report covering such fiscal year to the effect that such accountants have applied certain agreed-upon procedures, as set forth in Section 6.1(c) (which procedures shall have been approved by the Deal Agent and each Lender) to certain documents

and records relating to the Loans under any Transaction Document, compared the information contained in the Monthly Reports delivered during the period covered by such report with such documents and records and that no matters came to the attention of such accountants that caused them to believe that such servicing was not conducted in compliance with Article VI of this Agreement, except for such exceptions as such accountants shall believe to be immaterial and such other exception as shall be set forth in such statement. In the event such independent public accountants require the Collateral Agent to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 6.9, the Servicer shall direct the Collateral Agent in writing to so agree; it being understood and agreed that the Collateral Agent will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Collateral Agent has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures. The Collateral Agent shall not be liable for any claims, liabilities or expenses relating to such accountants' engagement or any report issued in connection with such engagement, and the dissemination of any such report is subject to the written consent of the accountants.

Section 6.10 The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it hereunder except upon the Servicer's determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that the Servicer could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Lenders, the Deal Agent, the Collateral Agent and the Backup Servicer. No such resignation shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 6.12.

Section 6.11 Servicer Termination Events. If any one of the following events (a "Servicer Termination Event") shall occur and be continuing:

(a) any failure by the Servicer: (x) to deposit to the Collection Account (A) any amount required to be deposited therein by the Servicer (other than any such failure resulting from an administrative or technical error of the Servicer in the amount so deposited); or (B) within one
(1) Business Day after the Servicer becomes aware that, as a result of an administrative or technical error of the Servicer, any amount previously deposited by the Servicer to the Collection Account was less than the amount required to be deposited therein by the Servicer, the amount of such shortfall; or (y) to deliver to the Collateral Agent the Monthly Report on the related Determination Date;

(b) failure on the part of the Servicer duly to observe or to perform in any material respect any covenants or agreements of the Servicer set forth in the Transaction Documents or any representation or warranty of the Servicer made in any Transaction Document or in any certificate or other writing delivered pursuant to any Transaction Document proving to have been incorrect in any material respect as of the time when the same shall have been made, which default, if capable of cure, shall continue unremedied for a period of 30 days (or a longer period, not in excess of 60 days as may be reasonably necessary to remedy such default, if the default is capable of remedy within 60 days or less, and the Servicer delivers an Officer's Certificate to the Deal Agent, the Backup Servicer and the Collateral Agent to the effect that it has

commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy the default) after (x) there shall have been given written notice of such failure, requiring the same to be remedied, (1) to the Servicer, by the Collateral Agent or the Deal Agent, or (2) to the Servicer by the Collateral Agent at the direction of the Deal Agent or (y) discovery of such failure by an officer of the Servicer;

(c) the entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, or liquidator for the Servicer or any of its subsidiaries in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days or the entry of any decree or order for relief in respect of the Servicer or any of its subsidiaries under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, or similar law, whether now or hereafter in effect, which decree or order for relief continues unstayed and in effect for a period of 60 consecutive days;

(d) the consent by the Servicer or any of its subsidiaries to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Servicer or any of its subsidiaries or relating to substantially all of its property; or the admission by the Servicer or any of its subsidiaries in writing of its inability to pay its debts generally as they become due, the filing by the Servicer or any of its subsidiaries of a petition to take advantage of any applicable insolvency or reorganization statute, the making by the Servicer or any of its subsidiaries of an assignment for the benefit of its creditors, or the voluntary suspension by the Servicer or any of its subsidiaries of payment of its obligations;

(e) any delegation of the Servicer's duties that is not permitted by Section 7.1;

(f) any financial information related to the Collateral reasonably requested by the Deal Agent, the Collateral Agent or any Lender as provided herein is not reasonably provided as requested;

(g) the rendering against the Servicer of one or more final judgments, decrees or orders for the payment of money in excess of United States $15,000,000 in the aggregate, and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than 60 consecutive days without a stay of execution;

(h) the Servicer shall fail to pay any principal of or premium or interest on any indebtedness in an aggregate outstanding principal amount of $15,000,000 or more ("Material Debt"), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Debt; or any other default under any agreement or instrument relating to any Material Debt or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Material Debt; or any such Material Debt shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required

prepayment) prior to the stated maturity thereof;

(i) a Termination Event shall have occurred and such Termination Event has not been waived by the Deal Agent;

(j) the occurrence of the thirtieth (30th) day after the end of the fiscal quarter in which a breach of any covenant set forth in Sections 7.5, 7.6 and 7.7 of the Credit Agreement shall occur unless prior to such date, such breach is cured or waived by the Deal Agent in the Deal Agent's sole discretion; or

(k) the Originator or Servicer, if Credit Acceptance is the Servicer, fails to pay when due (or no later than the next Payment Date after the Servicer becomes aware that such payment was not made) the Release Price in excess of $100,000;

then notwithstanding anything herein to the contrary, so long as any such Servicer Termination Event shall not have been remedied, within any applicable cure period prior to the date of the Servicer Termination Notice (defined below), the Deal Agent may, or at the direction of the Required Lenders, by written notice to the Servicer (with a copy to the Backup Servicer and the Collateral Agent) (a "Servicer Termination Notice") shall, terminate all of the rights and obligations of the Servicer as Servicer under this Agreement.

Section 6.12 Appointment of Successor Servicer.

(a) On and after the receipt by the Servicer of a Servicer Termination Notice pursuant to Section 6.11 or Section 10.2, the Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Servicer Termination Notice or otherwise specified by the Deal Agent in writing or, if no such date is specified in such Servicer Termination Notice or otherwise specified by the Deal Agent, until a date mutually agreed upon by the Servicer, the Backup Servicer and the Deal Agent. The Deal Agent may at the time described in the immediately preceding sentence at the direction of the Required Lenders appoint the Backup Servicer by written notice as the Servicer hereunder, and the Backup Servicer shall on such date assume all obligations of the Servicer hereunder from and after such date (except as specifically set forth herein or in the Backup Servicing Agreement), and all authority and power of the Servicer under this Agreement shall pass to and be vested in the Backup Servicer. In the event that the Deal Agent does not so appoint the Backup Servicer, there is no Backup Servicer or the Backup Servicer is unable to assume such obligations on such date, the Deal Agent shall as promptly as possible appoint another successor servicer (the Backup Servicer or such other successor Servicer, "Successor Servicer") who shall be acceptable to the Required Lenders, and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Deal Agent. In the event that a Successor Servicer has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Deal Agent shall petition a court of competent jurisdiction to appoint any established financial institution having a net worth of not less than United States
$50,000,000 and whose regular business includes the servicing of Loans as the Successor Servicer hereunder.

(b) Upon its assumption as Successor Servicer, the Backup Servicer (except as specifically set forth herein or in the Backup Servicing Agreement and subject to Section 6.12(a))

or any other Successor Servicer, as applicable, shall be the successor in all respects to the Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement and the other Transaction Documents to the Servicer shall be deemed to refer to the Backup Servicer or the Successor Servicer, as applicable. In no event shall the Backup Servicer be liable for any actions or omissions of any predecessor Servicer.

(c) All authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon termination of this Agreement and shall pass to and be vested in the Borrower and, without limitation, the Borrower is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer agrees to cooperate with the Borrower in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing on the Loans and the Contracts.

(d) Within 30 days of receiving notice that the Backup Servicer is required to serve as the Servicer hereunder pursuant to the foregoing provisions of this Section 6.12 the Backup Servicer will begin the transition to its role as Servicer.

Section 6.13 [Reserved].

Section 6.14 Segregated Payment Account. Upon the occurrence of a Servicer Termination Event, a potential Servicer Termination Event or an Unsatisfactory Audit, the Deal Agent shall have the right to require the Borrower and the Servicer (i) to establish a segregated payment trust account in the name of the Collateral Agent for Collections related to the Collateral and (ii) to direct all Obligors to make payments into such account.

Section 6.15 Dealer Collections Repurchase; Replacement of Dealer Loan with Related Purchased Loans. The parties hereto acknowledge the following:

(a) During its ordinary course of business in managing its serviced portfolio of Dealer Loans (and not based on poor credit quality of the Dealer Loan Contracts), Credit Acceptance may from time to time agree to enter into an agreement (a "Dealer Collections Purchase Agreement") with a Dealer, pursuant to which the Dealer agrees to sell and assign to Credit Acceptance all of its rights, interests and entitlement in and to one or more Pools of Dealer Loan Contracts securing the related Dealer Loans, including such Dealer's ownership interest in such Dealer Loan Contracts and rights to receive the related Dealer Collections (a "Dealer Collections Purchase").

(b) Credit Acceptance has assigned all of its rights under any Dealer Collections Purchase Agreements to the Borrower pursuant to the Contribution Agreement. Upon the payment by Credit Acceptance to the applicable Dealer under a Dealer Collections Purchase Agreement of the purchase price thereunder (the "Dealer Collections Purchase Price"), the related Dealer Loans (including the rights to the related Dealer Loan Collections thereunder) shall be deemed to be extinguished and pursuant to the Contribution Agreement the Dealer Loan Contracts

securing such Dealer Loans shall be assigned by Credit Acceptance to the Borrower as Purchased Loan Contracts and the loans thereunder shall be deemed Purchased Loans. For the avoidance of doubt, all Collections on such Purchased Loan Contracts shall be included in Available Funds.

(c) On the date of each Dealer Collections Purchase, Credit Acceptance shall deliver to the Collateral Agent a list identifying (A) all Dealer Loans extinguished as a result of such Dealer Collections Purchase, (B) each Dealer Loan Contract previously securing such Dealer Loans and (C) the Purchased Loans and Purchased Loan Contracts evidencing such Purchased Loans resulting from such Dealer Collections Purchase, in each case, identified by account number, dealer number and pool number, as applicable. Such list shall be deemed to supplement Exhibit A to the Contribution Agreement and Schedule V hereto as of the date of such Dealer Collections Purchase.

ARTICLE VII BACKUP SERVICER

Section 7.1 Designation of the Backup Servicer. The backup servicing role with respect to the Collateral shall be conducted by the Person designated as Backup Servicer under the Backup Servicing Agreement, which shall initially be SST.

Section 7.2 Duties of the Backup Servicer. On or before the Closing Date, and until its removal pursuant to the Backup Servicing Agreement, the Backup Servicer shall perform, on behalf of the Servicer, the Borrower, the Deal Agent, the Collateral Agent and the Secured Parties, the duties and obligations set forth in the Backup Servicing Agreement.

Section 7.3 Backup Servicing Compensation. As compensation for its backup servicing activities hereunder and under the Backup Servicing Agreement, the Backup Servicer shall be entitled to receive the Backup Servicing Fee pursuant to the provisions of Section 2.7(a). The Backup Servicer's entitlement to receive the Backup Servicing Fee shall cease on the earliest to occur of: (i) it becoming the Successor Servicer; (ii) its resignation or removal as Backup Servicer pursuant to the terms of the Backup Servicing Agreement; or (iii) the termination of this Agreement or the Backup Servicing Agreement.

ARTICLE VIII [RESERVED]

ARTICLE IX SECURITY INTEREST

Section 9.1 Security Agreement. (a) The parties hereto intend that this Agreement constitute a security agreement and the transactions effected hereby constitute secured loans by the Lenders to the Borrower under Applicable Law.

(b) The Borrower hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral and Proceeds thereof without the signature of the Borrower in such form and in such offices as the Deal Agent determines, in its sole discretion, are necessary or advisable to perfect the security interests of the Collateral Agent under this Agreement. The Borrower also authorizes the

Collateral Agent to use the collateral description "all personal property of the debtor" or "all assets of the debtor," in each case "whether now owned or hereafter acquired or arising" or words of similar meaning in any such financing statements; provided, however, that the Collateral Agent shall have no liability or obligation to act unless directed to do so in writing by the Deal Agent. A photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law; provided, however, that the Collateral Agent shall not be obligated to file such financing statement instruments.

Section 9.2 Release of Lien. At the same time as any Loan by its terms and all amounts in respect thereof has been paid by the related Obligor and deposited in the Collection Account, the Collateral Agent as agent for the Secured Parties will, to the extent requested by the Servicer, release its interest in such Loan and Related Security. The Collateral Agent as agent for the Secured Parties will after the deposit by the Servicer of such payment into the Collection Account, at the sole expense of the Servicer, execute and deliver to the Servicer any assignments, termination statements and any other releases and instruments as the Servicer may reasonably request in order to effect such release and transfer; provided, that the Collateral Agent as agent for the Secured Parties will make no representation or warranty, express or implied, with respect to any such Loan and Related Security in connection with such sale or transfer and assignment.

Section 9.3 Further Assurances. The provisions of Section 14.12 shall apply to the security interest granted under Section 2.2(a).

Section 9.4 Remedies. Upon the occurrence of a Termination Event, the Deal Agent, the Collateral Agent and Secured Parties shall have, with respect to the Collateral granted pursuant to Section 2.2(a), and in addition to all other rights and remedies available to the Deal Agent, the Collateral Agent and Secured Parties under this Agreement or other Applicable Law, all rights and remedies of a secured party upon default under the UCC.

Section 9.5 Waiver of Certain Laws. Each of the Borrower and the Servicer agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where all or any portion of the Collateral may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of all or any portion of the Collateral, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each of the Borrower and the Servicer, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets constituting the Collateral marshaled upon any such sale, and agrees that the Deal Agent, the Collateral Agent or any court having jurisdiction to foreclosure the security interests granted in this Agreement may sell the Collateral as an entirety or in such parcels as the Deal Agent, the Collateral Agent or such court may determine.

Section 9.6 Power of Attorney. The Borrower hereby irrevocably appoints the Deal Agent and the Servicer and any Successor Servicer as its true and lawful attorney (with full power of substitution) in its name, place and stead and at its expense, in connection with the enforcement of the rights and remedies provided for in this Agreement, including without limitation the

following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral in connection with any such sale or other disposition made pursuant hereto, (c) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document. Nevertheless, if so requested by the Deal Agent, the Servicer or any Successor Servicer, the Collateral Agent or a purchaser of the Collateral, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Deal Agent, the Collateral Agent or such purchaser all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

ARTICLE X TERMINATION EVENTS

Section 10.1 Termination Events. The following events shall be termination events ("Termination Events") hereunder:

(a) default by the Borrower in the payment of any amount due and payable pursuant to Section 2.7(a)(iii), and such default shall continue for a period of five (5) days or more; or

(b) default by the Borrower in the payment of the principal of or any installment of the principal when it becomes due and payable on the Final Scheduled Payment Date; or

(c) the aggregate amount of Capital exceeds, for a period of two (2) Business Days or more, the product of the Net Advance Rate and the Collateral Amount; or

(d) a Servicer Termination Event occurs and is continuing; or

(e) failure on the part of the Borrower or the Originator to make any payment or deposit required by the terms of any Transaction Documents; or

(f) failure on the part of the Borrower or the Originator in any material respect to observe or perform any of its covenants or agreements set forth in this Agreement or any other Transaction Document and such failure continues unremedied for more than 30 Business Days after written notice to the Borrower or the Originator (or 60 days if necessary to remedy such default); or

(g) any representation or warranty made or deemed to be made by the Borrower or the Originator under or in connection with any of the Transaction Documents or any information required to be given by the Borrower or the Originator to identify Loans or Contracts pursuant to any Transaction Document, shall prove to have been false or incorrect in any material respect when made, deemed made or delivered, and such failure continues unremedied for more than 30 days after the earlier of (x) the date on which the Borrower or Credit Acceptance discovers such breach or (y) the date on which the Borrower or Credit Acceptance receives written notice of such breach; or

(h) the occurrence of an Insolvency Event relating to the Originator, the Borrower or the Servicer; or

(i) the Borrower shall become an "investment company" or require registration as an "investment company" within the meaning of the Investment Company Act; or

(j) a regulatory, tax or accounting body has ordered that the activities of the Borrower or any Affiliate of the Borrower contemplated hereby be terminated or may reasonably be expected to cause the Borrower or any Affiliate to suffer materially adverse regulatory, accounting or tax consequences; or

(k) there shall exist any event or occurrence that has a reasonable possibility of causing a Material Adverse Effect; or

(l) the Borrower, the Servicer or Credit Acceptance shall enter into any merger, consolidation or conveyance transaction, unless in the case of Credit Acceptance or the Servicer, the Servicer or Credit Acceptance, as applicable, is the surviving entity; or

(m) the Collateral Agent ceases to have a valid and perfected first priority security interest in a material portion of the Collateral and such failure has not been remedied within ten (10) Business Days; provided that, the portion of the Collateral in which the Collateral Agent does not have a valid and perfected first priority security interest will be material if the outstanding balance of the related Contracts exceeds 3% of the Aggregate Outstanding Eligible Loan Balance of all Eligible Contracts; or

(n) any Change-in-Control shall occur; or

(o) cumulative Collections are less than 65% of Credit Acceptance's cumulative Forecasted Collections for any three consecutive Collection Periods.

Section 10.2 Remedies.

(a) Upon the occurrence of a Termination Event (other than a Termination Event described in Section 10.1(h)), the Deal Agent may, or at the direction of the Required Lenders, shall by notice to the Borrower declare the Termination Date to have occurred.

(b) Upon the occurrence of a Termination Event described in Section 10.1(h), the Termination Date shall automatically occur.

(c) Upon any Termination Date that occurs following a Termination Event pursuant to this Section 10.2: (i) the Deal Agent may, and shall at the direction of the Required Lenders by delivery of a Servicer Termination Notice, terminate the Servicer; and (ii) the Deal Agent, may, and at the direction of the Required Lenders, shall declare the entire outstanding amount of Capital immediately due and payable. The Deal Agent, the Collateral Agent and the Secured Parties shall have, in addition to all other rights and remedies under this Agreement or otherwise (including, for the avoidance of doubt, the right to take exclusive control of the

Collection Account, the Reserve Account and the Principal Collection Account), all other rights and remedies provided of a secured party under the UCC of each applicable jurisdiction and other applicable laws, which rights shall be cumulative.

(d) If the outstanding Capital has been declared due and payable pursuant to Section 10.2(c), the Deal Agent or the Collateral Agent (acting at the written direction of the Deal Agent) may institute proceedings to collect amounts due, exercise remedies as a secured party (including foreclosure or sale of the Collateral) or elect to maintain the Collateral and continue to apply the proceeds from the Collateral as if there had been no declaration of acceleration.

ARTICLE XI INDEMNIFICATION

Section 11.1 Indemnities by the Borrower.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Deal Agent, the Backup Servicer, the Collateral Agent, the Successor Servicer, the Secured Parties, and each of their respective Affiliates and officers, directors, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses (including reasonable and documented attorneys' fees and disbursements and court costs) including those incurred in connection with any enforcement (including any action, claim or suit brought) by an Indemnified Party of any indemnification or other obligation of the Borrower or any other Person (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party or other non-monetary damages of any such Indemnified Party, any of them arising out of or as a result of this Agreement or the financing or maintenance of the Capital or in respect of any Loan or any Contract, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party, as determined by a court of competent jurisdiction, or (b) Indemnified Amounts that have the effect of recourse for non-payment of the Loans due to credit problems of the Obligors (except as otherwise specifically provided in this Agreement). The indemnification provided for in this Section shall be paid to the Indemnified Parties until such time as such court enters a judgment as to the extent and effect of the alleged gross negligence or willful misconduct, at which time the Indemnified Parties, as applicable, shall, to the extent required pursuant to such court's determination, promptly return to the Borrower any such indemnification amounts so received but not owed as determined by such court. If the Borrower has made any indemnity payment pursuant to this Section 11.1 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to the Borrower an amount equal to the amount it has collected from others in respect of such Indemnified Amounts. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any Contract or Loan treated as or represented by Credit Acceptance to be an Eligible Dealer Loan Contract or Eligible Loan that is not at the applicable time an Eligible Dealer Loan Contract or Eligible Loan;

(ii) reliance on any representation or warranty made or deemed made by the Borrower or any of its officers under or in connection with this Agreement, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(iii) the failure by the Borrower to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Loan, Dealer Agreement, Purchase Agreement, any Contract, or the nonconformity of any Loan, Dealer Agreement, Purchase Agreement or Contract with any such Applicable Law;

(iv) the failure to vest and maintain vested in the Collateral Agent for the Secured Parties a first priority perfected security interest in the Collateral, together with all Collections, free and clear of any Lien whether existing at the time of any pledge of Loans or at any time thereafter;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to the Collateral, whether at the time of any pledge of Loans or at any subsequent time;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Loan or Contract (including, without limitation, a defense based on such Loan or Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(vii) any failure of the Borrower to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by the Borrower to perform its respective duties under the Loans;

(viii) the failure by Borrower to pay when due any Taxes for which the Borrower is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Collateral;

(ix) any repayment by the Deal Agent, any Lender or a Secured Party of any amount previously distributed in reduction of Capital or payment of Interest or Yield or any other amount due hereunder or under any Hedging Agreement, in each case which amount the Deal Agent or a Secured Party believes in good faith is required to be repaid;

(x) the commingling of Collections of the Collateral at any time with other funds;

(xi) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of the loan to the Borrower or the funding of or maintenance of Capital or in respect of any Loan or Contract;

(xii) any failure by the Borrower to give reasonably equivalent value to

the Originator in consideration for the transfer by the Originator to the Borrower of the Loans, Related Security or any portion thereof or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code;

(xiii) the use of the Proceeds of the loan to the Borrower in a manner other than as provided in this Agreement and the Contribution Agreement; or

(xiv) the failure of the Borrower or any of its agents or representatives to remit to the Servicer, the Deal Agent, the Collateral Agent or any other Secured Party, any Collections of the Collateral remitted to the Borrower or any such agent or representative.

(b) Any amounts subject to the indemnification provisions of this Section 11.1 shall be paid by the Borrower to the relevant Indemnified Party on the next Payment Date pursuant to Section 2.7(a).

(c) The obligations of the Borrower under this Section 11.1 shall survive the resignation or removal of the Deal Agent, the Collateral Agent, the Successor Servicer, any Lender or the Backup Servicer or the termination or assignment of this Agreement.

Section 11.2 Indemnities by the Servicer.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Servicer hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all Indemnified Amounts awarded against or incurred by any such Indemnified Party by reason of any acts, omissions or alleged acts or omissions of the Servicer, including, but not limited to: (i) any representation or warranty made by the Servicer under or in connection with any Transaction Document, any Monthly Report or any other information or report delivered by or on behalf of the Servicer pursuant hereto, which shall have been false, incorrect or misleading in any material respect when made or deemed made; (ii) the failure by the Servicer to comply with any Applicable Law; (iii) the failure of the Servicer to comply with its duties or obligations in accordance with this Agreement or any other Transaction Document to which it is a party; (iv) any litigation, proceedings or investigation against the Servicer; (v) the commingling of Collections at any time with other funds; or (vi) the failure of the Servicer or any of its agents or representatives to remit to the Collection Account, Deal Agent or Collateral Agent any Collections or Proceeds of the Collateral. The provisions of this indemnity shall run directly to and be enforceable by an Indemnified Party subject to the limitations hereof.

(b) Any amounts subject to the indemnification provisions of this Section 11.2 shall not be payable from the Collateral.

(c) The Servicer shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible Contracts.

(d) The obligations of the Servicer under this Section 11.2 shall survive the resignation or removal of the Servicer, the Deal Agent, the Collateral Agent, the Successor Servicer, any Lender or the Backup Servicer and the termination or assignment of this Agreement.

(e) Any indemnification pursuant to this Section 11.2, to the extent not paid by the Servicer, shall be paid to the relevant Indemnified Party on the next Payment Date pursuant to Section 2.7(a).

Section 11.3 After-Tax Basis. Indemnification under Sections 11.1 and 11.2 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

ARTICLE XII
THE DEAL AGENT AND THE COLLATERAL AGENT

Section 12.1 Authorization and Action.

(a) Each Secured Party hereby designates and appoints Fifth Third Bank, National Association as Deal Agent hereunder, and authorizes the Deal Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Deal Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto; provided, however, that the Collateral Agent shall have no liability with respect to such appointment. The Deal Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Deal Agent shall be read into this Agreement or otherwise exist for the Deal Agent. In performing its functions and duties hereunder, the Deal Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Deal Agent shall not be required to take any action that exposes the Deal Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Deal Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaids.

(b) [Reserved].

(c) [Reserved].

(d) Each Secured Party (other than the Collateral Agent) hereby designates and appoints Fifth Third as Collateral Agent hereunder, and authorizes the Collateral Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. The Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Collateral Agent shall be read into this Agreement or otherwise exist for the Collateral Agent. In performing its functions and duties hereunder, the Collateral Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Collateral Agent shall not be required to take any action that exposes the Collateral Agent to personal liability or that is contrary

to this Agreement or Applicable Law. The appointment and authority of the Collateral Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaids.

Section 12.2 Delegation of Duties.

(a) The Deal Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Deal Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(b) [Reserved].

(c) The Collateral Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 12.3 Exculpatory Provisions.

(a) Neither the Deal Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct or, in the case of the Deal Agent, the breach of its obligations expressly set forth in this Agreement), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Deal Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Deal Agent shall not be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event or Servicer Termination Event unless the Deal Agent has received notice from the Borrower or a Secured Party.

(b) [Reserved].

(c) Neither the Collateral Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct or, in the case of the Collateral Agent, the breach of its obligations expressly set forth in this Agreement resulting from the gross negligence or willful misconduct of the Collateral Agent), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower, the Servicer, the Originator, the Custodian, the Deal Agent, any Lender or any other Person contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in,

or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for the acts or omissions of any other party hereto or for any failure of the Borrower, the Servicer, the Originator, the Custodian, the Deal Agent, any Lender or any other Person to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Collateral Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Servicer, the Originator, the Custodian, the Deal Agent, any Lender or any other Person, and may assume performance absent written notice or actual knowledge of a Responsible Officer to the contrary. The Collateral Agent shall not be deemed to have knowledge of any event, including any Amortization Event, Unmatured Termination Event, Termination Event or Servicer Termination Event, or information (including breaches of representations and warranties), unless a Responsible Officer of the Collateral Agent has received written notice or has actual knowledge thereof from the Borrower or a Secured Party, and shall have no duty to take any action to determine whether such event or information has occurred. For purposes of determining the Collateral Agent's responsibility and liability hereunder (including the sending of any notice), whenever reference is made in this Agreement or any other Transaction Document to any event (including, but not limited to, any Amortization Event, Unmatured Termination Event, Termination Event or Servicer Termination Event) or information, such reference shall be construed to refer only to such event or information of which the Collateral Agent has received written notice or has actual knowledge as described in this Section. Information contained in monthly distribution reports (other than those reports that the Collateral Agent is contractually obligated to review) and other publicly-available information shall not constitute written notice, constructive knowledge or actual knowledge. The Collateral Agent shall not be liable for any action or inaction of the Borrower, the Deal Agent, any Lender or any other party (or agent thereof) to this Agreement or any related document and may assume compliance by such parties with their obligations under this Agreement or any related agreements, unless a Responsible Officer of the Collateral Agent shall have received written notice to the contrary.

(d) Except as to actions expressly required to be taken by the Collateral Agent pursuant to this Agreement or any Transaction Document to which it is a party, before the Collateral Agent acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel (at the expense of the party requesting the Collateral Agent act or refrain from acting). The Collateral Agent shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel unless it is proved that the Collateral Agent was negligent in such reliance.

(e) The Collateral Agent shall not be liable for any error of judgment or action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that such action or omission by the Collateral Agent does not constitute willful misconduct, negligence or bad faith.

(f) The Collateral Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, and the Collateral Agent shall be deemed not to have any actual or constructive knowledge of the facts or matters that

such investigation could potentially reveal, unless such an investigation is requested in writing by Deal Agent. The Collateral Agent shall be entitled to recover the reasonable and documented costs, expenses and losses or liabilities incurred by it in the making of such investigation in accordance with Section 2.7(a) hereof; provided, however, that if the Collateral Agent reasonably determines that payment within a reasonable time of such costs, expenses and losses or liabilities is not assured to it from such provisions, the Collateral Agent may require indemnity or security reasonably satisfactory to it from the Deal Agent, against such costs, expenses and losses or liabilities as a condition to proceeding with such investigation.

(g) The Collateral Agent shall not be imputed with any knowledge of, or information possessed or obtained by, any custodian, or any affiliate, line of business or other division of Fifth Third and vice versa (in each case other than instances where such roles are performed by the same group or division within Fifth Third or otherwise include common Responsible Officers).

(h) In no event shall the Collateral Agent be liable for any damages in the nature of special, indirect, punitive or consequential losses or damages, however styled, including, without limitation, lost profits, or for any losses due to forces beyond the control of the Collateral Agent, including, without limitation, strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services provided to the Collateral Agent by third parties.

(i) The right of the Collateral Agent to perform any permissive or discretionary act enumerated in this Agreement or any related document shall not be construed as a duty.

(j) Neither the Collateral Agent nor any of its officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any collateral securing the performance by the Borrower of its obligations hereunder, for the legality, enforceability, effectiveness or sufficiency of the Transaction Documents, for the creation, perfection, continuation, priority, sufficiency or protection of any of the liens, or for any defect or deficiency as to any such matters, or for monitoring the status of any lien or performance of the Collateral. The Collateral Agent shall not be responsible or personally liable for recording this Agreement or any other Transaction Document, for preparing or filing any financing or continuation statement or similar filings in any public office at any time or otherwise for perfecting or maintaining the perfection of any ownership or security interest or lien or for preparing or filing any tax (except as required by law), qualification to business or securities law filing or report.

(k) No provision of this Agreement shall require the Collateral Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers hereunder.

(l) [Reserved].

(m) The Collateral Agent shall be under no obligation to exercise any of the rights or powers vested in it by the Transaction Documents at the request or direction of the Deal Agent pursuant to the Transaction Documents, unless the Deal Agent shall have offered to the

Collateral Agent security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Section 12.4 Reliance.

(a) The Deal Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Deal Agent. The Deal Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Required Lenders or all of the Secured Parties, as applicable, as it deems appropriate or it shall first be indemnified to its satisfaction by the Secured Parties, provided that unless and until the Deal Agent shall have received such advice, the Deal Agent may take or refrain from taking any action, as the Deal Agent shall deem advisable and in the best interests of the Secured Parties. The Deal Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Required Lenders or all of the Secured Parties, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

(b) [Reserved].

(c) The Collateral Agent shall in all cases be entitled to conclusively rely, and shall be fully protected in relying, upon any document, certificate, opinion of counsel, officer's certificate, report or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements and opinions of legal counsel of its choice (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent need not investigate or re-calculate, evaluate, verify or independently determine the accuracy of any report, certificate, information, statement, representation or warranty or any fact or matter stated in any such document. The Collateral Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Deal Agent, the Required Lenders or all of the Secured Parties, as applicable, as it deems appropriate or it shall first be indemnified to its satisfaction by the Deal Agent, Required Lenders or Secured Parties, as applicable, provided that unless and until the Collateral Agent shall have received such advice, the Collateral Agent may take or refrain from taking any action, as the Collateral Agent shall deem advisable and in the best interests of the Secured Parties, and shall not be liable for taking of refraining from taking any such action. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Deal Agent, the Required Lenders or all of the Secured Parties, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties. The Collateral Agent may consult with counsel of its choice, and the advice or opinion of such counsel shall be full and complete authorization in respect of any action taken, omitted or suffered by hereunder in good faith and in accordance with the advice or opinion of such counsel.

Section 12.5 Non-Reliance on Deal Agent, Collateral Agent and Other Lenders. Each

Secured Party expressly acknowledges that neither the Deal Agent, the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Deal Agent or the Collateral Agent hereafter taken, including, without limitation, any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Deal Agent, any Lender or the Collateral Agent. Each Secured Party represents and warrants to the Deal Agent and the Collateral Agent that it has and will, independently and without reliance upon the Deal Agent, the Collateral Agent or any other Secured Party and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower and made its own decision to enter into this Agreement or any Hedging Agreement, as the case may be.

Section 12.6 Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Deal Agent, the Collateral Agent and each of their respective officers, directors, employees, representatives and agents ratably according to their pro rata shares, to the extent not paid or reimbursed by the Borrower (i) for any amounts for which the Deal Agent, acting in its capacity as Deal Agent, or the Collateral Agent, acting in its capacity as Collateral Agent is entitled to reimbursement by the Borrower hereunder and (ii) for any other expenses incurred by the Deal Agent, in its capacity as Deal Agent, or the Collateral Agent, acting in its capacity as Collateral Agent and acting on behalf of the Secured Parties, in connection with the administration and enforcement of this Agreement.

Section 12.7 Deal Agent and Collateral Agent in their Individual Capacities. The Deal Agent, the Collateral Agent and each of their respective Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any Affiliate of the Borrower as though the Deal Agent or the Collateral Agent, as the case may be, were not the Deal Agent or the Collateral Agent, as the case may be, hereunder.

Section 12.8 Successor Deal Agent or Collateral Agent.

(a) The Deal Agent may, upon 5 days' written notice to the Borrower and the Secured Parties, and the Deal Agent will, upon the written direction of the Required Lenders resign as Deal Agent. If the Deal Agent shall resign, then the Required Lenders during such 5-day period shall appoint a successor agent. If for any reason no successor Deal Agent is appointed by the Required Lenders during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties shall perform all of the duties of the Deal Agent hereunder and the Borrower shall make all payments in respect of the Aggregate Unpaids or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Deal Agent's resignation hereunder as Deal Agent, the provisions of Article XI and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Deal Agent under this Agreement.

(b) [Reserved].

(c) The Collateral Agent may, upon 5 days' written notice to the Borrower and the Secured Parties, and the Collateral Agent will, upon the written direction of all of the Secured Parties upon at least 30 days' prior notice, resign as Collateral Agent. If the Collateral Agent shall

resign, then the Secured Parties, during such 5-day or 30-day period, as applicable, shall appoint a successor agent. If for any reason no successor Collateral Agent is appointed by the Secured Parties during such period, then effective upon the expiration of such period, the Collateral Agent's resignation shall be effective, and the Secured Parties shall perform all of the duties of the Collateral Agent hereunder and the Borrower shall make all payments in respect of the Aggregate Unpaids incurred after such date or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of Article XI and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement. If the Collateral Agent consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Collateral Agent.

ARTICLE XIII ASSIGNMENTS; PARTICIPATIONS

Section 13.1 Assignments and Participations.

(a) Each Lender may upon at least 30 days' notice to the Deal Agent, assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement; provided, however, that (i) each such assignment shall be of a constant, and not a varying percentage of all of the assigning Lender's rights and obligations under this Agreement;
(ii) the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than the lesser of (A) $15,000,000 or an integral multiple of
$1,000,000 in excess of that amount and (B) the full amount of the assigning Lender's Commitment; (iii) the parties to each such assignment shall execute and deliver to the Deal Agent, for its acceptance and recording in the Register, an Assignment and Acceptance; (iv) the parties to each such assignment shall have agreed to reimburse the Deal Agent for all fees, costs and expenses (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for each of the Deal Agent and any other Lenders incurred by the Deal Agent, any other Lenders, respectively, in connection with such assignment; (iv) each Lender agrees that it will not engage in a general solicitation or general advertising; and (v) there shall be no increased costs, expenses or taxes incurred by the Deal Agent, any other Lenders upon such assignment or participation. Upon such execution, delivery and acceptance by the Deal Agent and any other Lenders and the recording by the Deal Agent, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be the date of acceptance thereof by the Deal Agent and any other Lenders, unless a later date is specified therein, (A) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (B) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assignee confirms that it has received a copy of this Agreement, together with copies of such financial statements and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iii) such assignee will, independently and without reliance upon the Deal Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (iv) such assignee appoints and authorizes each of the Deal Agent, the Collateral Agent and any other Lender to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (v) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) The Deal Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at its address referred to herein a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and the amount of Capital (and Interest and Yield) owing to, each Lender (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Subject to the provisions of Section 13.1(a), upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, the Deal Agent, and the Lenders shall each, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, accept such Assignment and Acceptance, and the Deal Agent shall then (i) record the information contained therein in the Register and (ii) give prompt notice thereof to each Lender.

(e) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and its portion of the Capital and related Collateral); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged; (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) the Deal Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Notwithstanding anything herein to the contrary, each participant shall have the rights of a Lender (including any right to receive payment) under Sections 2.13 and 2.14; provided, however, that no participant

shall be entitled to receive payment under either such Section in excess of the amount that would have been payable under such Section by the Borrower to the Lender granting its participation had such participation not been granted, and no Lender granting a participation shall be entitled to receive payment under either such Section in an amount that exceeds the sum of (i) the amount to which such Lender is entitled under such Section with respect to any portion of the Capital that is not subject to any participation plus (ii) the aggregate amount to which its participants are entitled under such Sections with respect to the amounts of their respective participations, except, in each case, to the extent such entitlement to receive a greater payment results from a change in law that occurs after the Participant acquired the applicable participation. With respect to any participation described in this Section 13.1, the participant's rights as set forth in the agreement between such participant and the applicable Lender to agree to or to restrict such Lender's ability to agree to any modification, waiver or release of any of the terms of this Agreement or to exercise or refrain from exercising any powers or rights that such Lender may have under or in respect of this Agreement shall be limited to the right to consent to any of the matters set forth in Section 14.1 of this Agreement. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the amount of Capital (and stated interest) of each participant's interest in the rights and obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in the rights and obligations under this Agreement) to any Person except to the extent that such disclosure is necessary to establish that such obligation is in registered form for U.S. federal income tax purposes. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Deal Agent (in its capacity as Deal Agent) shall have no responsibility for maintaining a Participant Register.

(f) Each Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 13.1, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower.

(g) [Reserved].

(h) Nothing herein shall prohibit any Lender from pledging or assigning as collateral any of its rights under this Agreement to any Federal Reserve Bank in accordance with Applicable Law and any such pledge or collateral assignment may be made without compliance with Section 13.1(a) or Section 13.1(b).

(i) [Reserved].

(j) Each Lender may at any time assign, or grant a security interest in or sell a participation interest in the Capital and the Collateral (or portion thereof) to any Person. The parties to any such assignment, grant or sale of participation interest, shall execute and deliver to the related Lender, for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties and the related Lender.

ARTICLE XIV MISCELLANEOUS

Section 14.1 Amendments and Waivers.

(a) Except as provided in this Section 14.1, no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Deal Agent, the Collateral Agent and the Required Lenders; provided, however, that no such amendment, waiver or modification shall materially adversely affect the rights or obligations of any Hedge Counterparty or the Backup Servicer without the written agreement of such Person. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No amendment, waiver or other modification of this Agreement shall:

(i) without the consent of each affected Lender, (A) extend the date of any payment or deposit of Collections by the Borrower or the Servicer, (B) reduce the rate or extend the time of payment of Interest or Yield (or any component thereof), (C) reduce any fee payable to the Deal Agent for the benefit of the Lenders, (D) except pursuant to Article XIII hereof, change the amount of the Capital of any Lender, a Lender's pro rata share or a Lender's Commitment, (E) amend, modify or waive any provision of the definition of Required Lenders or this Section 14.1(b), (F) consent to or permit the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement, (G) permit the creation of any lien ranking prior to or on a parity with the lien of this Agreement with respect to any part of the Collateral or, except as otherwise permitted or contemplated herein or in any of the other Transaction Documents, terminate the lien of this Agreement on any property at any time subject hereto or deprive the Lenders of the security provided by the lien of this Agreement, (H) permit Credit Acceptance to resign as Servicer, (I) reduce the Outstanding Balance or (J) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (H) above in a manner that would circumvent the intention of the restrictions set forth in such clauses;

(ii) without the written consent of the Deal Agent or the Collateral Agent, as applicable, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of the Deal Agent or the Collateral Agent, as applicable; or

(iii) without the consent of the Deal Agent and each Lender, amend or modify (A) Section 10.1, (B) the definitions of “Adjusted Collateral Amount,” “Amortization Event,” “Collateral Amount,” “Dealer Concentration Limit,” “Eligible Dealer Agreement,” “Final Scheduled Payment Date,” “Hedging Agreement,” “Initial Loan Amount,” “Loan Excess Advance Amount,” “Minimum Collateral Amount,” “Net Advance Rate,” “Outstanding Balance,” “Principal Distributable Amount,” “Termination Date,” “Required Reserve Account Amount” and “Servicer Termination Event” as set forth in Section 1.1 or (C) Section 2.7(a).

(c) Notwithstanding the foregoing provisions of this Section 14.1, without the consent of the Lenders, the Deal Agent may, with the consent of the Borrower amend this Agreement solely to add additional Persons as Lenders hereunder. Any modification or waiver shall apply to each of the Lenders equally and shall be binding upon the Borrower, the Lenders, the Collateral Agent and the Deal Agent.

Section 14.2 Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including email and communication by facsimile copy) and mailed, emailed, transmitted or delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof, or specified in such party's Assignment and Acceptance, as the case may be, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by email, when verbal communication or emailed reply of receipt is obtained, or (c) notice by facsimile copy, when verbal communication of receipt is obtained, except that notices and communications pursuant to Article XIV shall not be effective until received with respect to any notice sent by mail or telex.

Section 14.3 Ratable Payments. If any Secured Party, whether by setoff or otherwise, has payment made to it with respect to any portion of the Aggregate Unpaids owing to such Secured Party (other than payments received pursuant to Section 11.1 in a greater proportion than that received by any other Secured Party), such Secured Party agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of the Aggregate Unpaids held by the other Secured Parties so that after such purchase each Secured Party will hold its ratable proportion of the Aggregate Unpaids; provided, however, that if all or any portion of such excess amount is thereafter recovered from such Secured Party, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 14.4 No Waiver; Remedies. No failure on the part of the Deal Agent, the Collateral Agent, the Backup Servicer or a Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 14.5 Binding Effect; Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Deal Agent, the Backup Servicer, the Collateral Agent, the Secured Parties and their respective successors and permitted assigns. In addition, the provisions of Section 2.7(a)(i) shall inure to the benefit of each Hedge Counterparty, whether or not that Hedge Counterparty is a Secured Party

Section 14.6 Term of this Agreement. This Agreement, including, without limitation, the Borrower's representations, warranties and covenants set forth in Articles IV and V, and the Servicer's representations, warranties and covenants set forth in Articles V and VI hereof, create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Collection Date; provided, however, that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by

the Borrower or Servicer pursuant to Articles III and IV and the indemnification and payment provisions of Article XI and Article XII and the provisions of Section 14.10 and Section 14.11 shall be continuing and shall survive any termination of this Agreement.

Section 14.7 Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH SECURED PARTY HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 14.8 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 14.9 Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Deal Agent, the Backup Servicer, the Collateral Agent, the Secured Parties and its or their Affiliates and officers, directors, employees and agents thereof under Article XI hereof, the Borrower agrees to pay on demand all costs and expenses of the Deal Agent, the Backup Servicer, the Collateral Agent and the Secured Parties incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), amendment or modification of, or any waiver or consent issued in connection with, this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Deal Agent, the Backup Servicer, the Collateral Agent and the Secured Parties with respect thereto and with respect to advising the Deal Agent, the Backup Servicer, the Collateral Agent and the Secured Parties as to their respective rights and remedies under this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Deal Agent, the Backup Servicer, the Collateral Agent or the Secured Parties in connection with the enforcement of this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (including any indemnification obligations hereunder or under any other Transaction Document).

(b) The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law any and all stamp, sales, excise and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the other Transaction Documents, the other documents to be delivered hereunder, credit enhancement or other similar support to the Lender in connection with this Agreement.

Section 14.10 No Proceedings. Each of the parties hereto hereby agrees that it will not institute against, or join any other Person in instituting against the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day since the Collection Date.

Section 14.11 Recourse Against Certain Parties. No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of any Secured Party as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of such Secured Party or any incorporator, affiliate, stockholder, officer, employee or director of such Secured Party or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of such Secured Party contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of such Secured Party, and that no personal liability whatsoever shall attach to or be incurred by any administrator of such Secured Party or any incorporator, stockholder, affiliate, officer, employee or director of such Secured Party or of any such administrator, as such, or any other of them, under or by reason of any of the obligations, covenants or agreements of such Secured Party contained in this Agreement or in any other such instruments, documents or agreements, or that are implied therefrom, and that any and all personal liability of every such administrator of such Secured Party and each incorporator, stockholder, affiliate, officer, employee or director of such Secured Party or of any such administrator, or any of them, for breaches by such Secured Party of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section 14.11 shall survive the termination of this Agreement.

Section 14.12 Protection of Right, Title and Interest in Assets.

(a) Each of the Borrower and the Servicer shall cause this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Collateral Agent as agent for the Secured Parties and of the Secured Parties to the assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Collateral Agent as agent for the Secured Parties hereunder to all property comprising the assets. Each of the Borrower and the Servicer shall deliver to the Collateral Agent file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Borrower shall cooperate fully with the Servicer in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 14.12(a).

(b) Each of the Borrower and the Servicer agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that the Deal Agent may reasonably request in order to perfect, protect or more fully evidence the funding hereunder, or to enable the Collateral Agent, the Deal Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder or under any other Transaction Document.

(c) If the Borrower or the Servicer fails to perform any of its obligations hereunder, the Deal Agent or any Secured Party may (but shall not be required to) perform, or cause performance of, such obligation; and the Deal Agent's or such Secured Party's costs and expenses incurred in connection therewith shall be payable by the Borrower (if the Servicer that fails to so perform is the Borrower or an Affiliate thereof) as provided in Article XI, as applicable. The Borrower irrevocably authorizes the Deal Agent and appoints the Deal Agent as its attorney-in-fact to act on behalf of the Borrower (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Deal Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the assets and
(ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the assets as a financing statement in such offices as the Deal Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Secured Parties in the assets. This appointment is coupled with an interest and is irrevocable.

(d) Without limiting the generality of the foregoing, Borrower will, not earlier than six (6) months and not later than three (3) months prior to the fifth anniversary of the date of filing of the financing statement referred to in Section 3.1 or any other financing statement filed pursuant to this Agreement, unless the Collection Date shall have occurred:

(iv) execute and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement; and

(v) deliver or cause to be delivered to the Deal Agent an opinion of the counsel for Borrower, in form and substance reasonably satisfactory to the Deal Agent, confirming and updating the opinion delivered pursuant to Section 3.1 with respect to perfection and otherwise to the effect that the grant of the security interest in the Collateral hereunder continues to be an enforceable and perfected security interest, subject to no other Liens of record except as provided herein or otherwise permitted hereunder, which opinion may contain usual and customary assumptions, limitations and exceptions.

(e) In addition to the foregoing, the Borrower shall deliver or cause to be delivered to the Collateral Agent and the Deal Agent for the benefit of the Secured Parties within ninety (90) days after the beginning of each calendar year beginning with 2022, an opinion of the counsel for Borrower, dated as of a date during such 90-day period, stating that, in the opinion of such counsel, the existing financing statement naming the Borrower as debtor and the Collateral Agent as secured party and any related continuation statement or amendment (the "Financing Statement") will remain effective and no additional financing statements, continuation statements or amendments with respect to the Financing Statement (other than a continuation statement to be filed within the period that is six months prior to the expiration of the Financing Statement, as

applicable) will be required to be filed from the date of such opinion through the date that is the one year anniversary of the date of such opinion to maintain the perfection of the security interest of the Collateral Agent as such lien otherwise exists on the date of such opinion. Such opinion of counsel shall (i) describe the filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to preserve and protect the interest of the Collateral Agent in the Collateral, until the 90th day in the following calendar year and (ii) specify any action necessary (as of the date of such opinion) to be taken in the following calendar year to preserve perfection of such interest.

Section 14.13 Confidentiality; Tax Treatment Disclosure.

(a) Each of the Deal Agent, the Secured Parties, the Servicer, the Collateral Agent, the Backup Servicer and the Borrower shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement and all information with respect to the other parties, including all information regarding the business of the Borrower and the Servicer hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, attorneys, investors, potential investors and the agents of such Persons ("Excepted Persons"), provided, however, that each Excepted Person shall, as a condition to any such disclosure, agree for the benefit of the Deal Agent, the Secured Parties, the Servicer, the Collateral Agent, the Backup Servicer and the Borrower that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of this Agreement, but not the financial terms hereof, (iii) disclose such information as is required by the Transaction Documents or Applicable Law and (iv) disclose this Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents. It is understood that the financial terms that may not be disclosed except in compliance with this Section 14.13(a) include, without limitation, all fees and other pricing terms, and all Termination Events, Servicer Termination Events, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, each of the Borrower and the Servicer hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Deal Agent, the Collateral Agent, the Backup Servicer or the Secured Parties by each other, (ii) by the Deal Agent or the Lender to any prospective or actual assignee or participant of any of them or (iii) by the Deal Agent, the Collateral Agent or any Lender to any nationally recognized statistical rating organization, commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to a Lender and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information. In addition, the Secured Parties, the Backup Servicer and the Deal Agent may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known,

(ii) disclosure of any and all information (A) if required to do so by any applicable statute, law, rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any aspects of the Collateral Agent's or Backup Servicer's business or that of their affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Collateral Agent or Backup Servicer or an affiliate or an officer, director, employer or shareholder thereof is a party,
(D) in any preliminary or final offering circular, registration statement or contract or other document pertaining to the transactions contemplated herein approved in advance by the Borrower or Servicer or (E) to any affiliate, independent or internal auditor, agent, employee, attorney or subservicer of the Collateral Agent or Backup Servicer having a need to know the same, provided that the Collateral Agent or Backup Servicer advises such recipient of the confidential nature of the information being disclosed, or (iii) any other disclosure authorized by the Transaction Documents or the Borrower or Servicer.

(d) Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, that such disclosure may not be made to the extent required to be kept confidential to comply with any applicable federal or state securities laws; and provided further that (to the extent not inconsistent with the foregoing) such disclosure shall be made without disclosing the names or other identifying information of any party.

Section 14.14 Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement and any agreements or letters (including fee letters) executed in connection herewith contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than any fee letter delivered by the Originator to the Deal Agent and the Lenders.

Section 14.15 [Reserved].

Section 14.16 Patriot Act Compliance. The Collateral Agent, the Backup Servicer and the Deal Agent hereby notify the Borrower and each other party hereto that pursuant to the requirements of the Patriot Act, it, and each other Lender, may be required to obtain, verify and record information that identifies each Person or legal entity that establishes a relationship or opens an account with the Collateral Agent, Backup Servicer or Deal Agent, which information includes the name and address of such Person or entity, organizational documentation, director and equity holder information, and other information that will allow the Collateral Agent, the Backup

Servicer, the Deal Agent and each Lender to identify such Persons in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Collateral Agent, the Backup Servicer, the Deal Agent and each Lender.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE BORROWER: CREDIT ACCEPTANCE FUNDING LLC 2021-1

By:____ Name: Douglas W. Busk
Title: Chief Treasury Officer

Credit Acceptance Funding LLC 2021-1 Silver Triangle Building
25505 West Twelve Mile Road Southfield, Michigan 48034-8339
Attention: Douglas W. Busk Facsimile No. (866) 743-2704
Confirmation No.: (248) 353-2700 (ext. 4432)

THE SERVICER: CREDIT ACCEPTANCE CORPORATION

By:____ Name: Douglas W. Busk
Title: Chief Treasury Officer

Credit Acceptance Corporation Silver Triangle Building
25505 West Twelve Mile Road Southfield, Michigan 48034-8339
Attention: Douglas W. Busk Facsimile No. (866) 743-2704
Confirmation No.: (248) 353-2700 (ext. 4432)

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE DEAL AGENT: FIFTH THIRD BANK, NATIONAL ASSOCIATION

By:__ Name:
Title:

Fifth Third Bank, National Association 38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Steven Maysonet and Joy Rutan Office: 704.688.1121
Email: steven.maysonet@53.com and ABF.Reporting@53.com

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE LENDERS: FIFTH THIRD BANK, NATIONAL ASSOCIATION

By:__ Name:
Title:

Fifth Third Bank, National Association 38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Steven Maysonet and Joy Rutan Office: 704.688.1121
Email: steven.maysonet@53.com and ABF.Reporting@53.com

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE COLLATERAL AGENT: FIFTH THIRD BANK, NATIONAL ASSOCIATION

By:__ Name:
Title:

Fifth Third Bank, National Association 38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Steven Maysonet and Joy Rutan Office: 704.688.1121
Email: steven.maysonet@53.com and ABF.Reporting@53.com

THE BACKUP SERVICER: SYSTEMS & SERVICES TECHNOLOGIES, INC.

By:__ Name:
Title:

Systems & Services Technologies, Inc. c/o Alorica Inc.
5161 California Avenue, Suite 100
Irvine, CA 92617
Attn: Chief Financial Officer With a copy to:
Systems & Services Technologies, Inc. 4315 Pickett Road
St. Joseph, MO 64503

Exhibit A

[Reserved]

Exhibit B

Form of Assignment and Acceptance

Exhibit B

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated___, 20___

Reference is made to the Loan and Security Agreement, dated as of January 29, 2021 (as amended, supplemented or otherwise modified and in effect from time to time, the "*Agreement*"), by and among Credit Acceptance Funding LLC 2021-1, as borrower (in such capacity, the "*Borrower*"), Credit Acceptance Corporation, as servicer (in such capacity, the "*Servicer*"), Fifth Third Bank, National Association ("*Fifth Third*"), as a Lender, Fifth Third Bank, National Association, as Deal Agent, Systems & Services Technologies, Inc., as the Backup Servicer ("*Backup Servicer*") and Collateral Agent ("*Collateral Agent*") and each other Lender party thereto. Terms defined in the Agreement are used herein with the same meaning.

__ (the "Assignor") and__(the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Agreement as of the date hereof which represents the percentage interest specified in Section 1 of Schedule 1 of all outstanding rights and obligations of the Assignor under the Agreement, including, without limitation, such interest in the Lender's Commitment of the Assignor and the amount of the Capital made by the Assignor. After giving effect to such sale and assignment, the Lender's Commitment and the amount of the Capital made by the Assignee will be as set forth in Section 2 of Schedule 1.

2. The Assignor: (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; and (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any other instrument or document furnished pursuant thereto.

3. The Assignee: (i) confirms that it has received a copy of the Agreement, together with copies of such financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Deal Agent, the Collateral Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement; (iii) appoints and authorizes the Deal Agent and the Collateral Agent each to take such action as agent on its behalf and to exercise such powers under the Agreement as are delegated to the Deal Agent and the Collateral Agent, respectively, by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Agreement are required to be performed by it as a Lender; and (v) agrees and acknowledges that the Assignee,

as Lender and Secured Party is bound by the confidentiality provisions of Section 14.13 of the Agreement.

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to each of the Deal Agent and the Collateral Agent for acceptance and recording by the Deal Agent. The effective date of this Assignment and Acceptance (the "Assignment Date") shall be the date of acceptance thereof by the Deal Agent, unless a later date is specified in Section 3 of Schedule 1.

5. Upon such acceptance and recording by the Deal Agent, as of the Assignment Date, (i) the Assignee shall be a party to the Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Agreement.

6. Upon such recording by the Deal Agent, from and after the Assignment Date, the Deal Agent and the Collateral Agent shall make, or cause to be made, all payments under the Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal and interest with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Agreement for periods prior to the Assignment Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

[ASSIGNOR]

By:__ Name:
Title:

Address for notices [Address]

[ASSIGNEE]

By:__ Name:
Title:

Address for notices [Address]

Acknowledged and accepted this__day of
__, __

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as Deal Agent

By:__ Name:
Title:

Schedule 1 to
Assignment and Acceptance Dated___, 20¬___

Section 1.

Percentage Interest: ___%

Section 2.

Assignee's Commitment: $___

Outstanding Capital owing to the
Assignee: $___

Section 3.

Assignment Date:___, 20___

Exhibit C

Form of Monthly Report

Exhibit D

[Reserved]

Exhibit E

[Reserved]

Exhibit F

Form of Officer's Certificate as to Solvency

CREDIT ACCEPTANCE FUNDING LLC 2021-1 CERTIFICATE OF OFFICER

I, Douglas W. Busk, on this date of January 29, 2021, hereby certify that I am the duly executed, qualified and acting Chief Treasury Officer of Credit Acceptance Funding LLC 2021-1, a Delaware limited liability company (the "Company"), and that, as such, I have access to its corporate records and am familiar with the matters certified herein, and I am authorized to execute and deliver this certificate in the name and on behalf of the Company, and that:

1. This certificate is being delivered pursuant to that certain Loan and Security Agreement (the "Loan and Security Agreement"), dated as of January 29, 2021, by and among the Company, Credit Acceptance Corporation, Fifth Third Bank, National Association and Systems & Services Technologies, Inc. The capitalized terms used in this certificate and not defined herein have the respective meanings specified in the Loan and Security Agreement.

2. The transactions under the Loan and Security Agreement and any other Transaction Document to which the Company is a party do not and will not render the Company not Solvent.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, I have executed this certificate in the name and on behalf of the Company on the date first written above.

CREDIT ACCEPTANCE FUNDING LLC 2021-1

By:____ Douglas W. Busk
Chief Treasury Officer

Exhibit G

[Reserved]

Exhibit H

Form of Contribution Agreement [Intentionally Omitted – Separately Provided]

Exhibit I

FORM OF NOTE

New York, New York
[ ]

FOR VALUE RECEIVED, the undersigned, CREDIT ACCEPTANCE FUNDING LLC 2021-1, a Delaware limited liability company (the "Borrower"), promises to pay to the order of [Lender] ("Lender"), in accordance with the terms of the Loan and Security Agreement (as hereinafter defined), at [Address] or to such account as so directed by the Lender, in lawful money of the United States of America and in immediately available funds, the principal amount of [
] ($[ ]), or, if less, the aggregate unpaid principal amount of all outstanding Capital made by the Lender to the Borrower pursuant to the Loan and Security Agreement, and to pay interest at such office or to such account as so directed by the Lender, in like money, from the date hereof on the unpaid principal amount of the Capital from time to time outstanding at the rates and on the dates specified in the Loan and Security Agreement, provided, however, that the entire unpaid principal amount of this Note shall be due and payable by the close of business on [ ].

This Note is one of the Notes referred to in the Loan and Security Agreement, dated as of January 29, 2021 (as amended, supplemented or otherwise modified and in effect from time to time, the "Loan and Security Agreement"), by and among Credit Acceptance Funding LLC 2021-1, as borrower (in such capacity, the "Borrower"), Credit Acceptance Corporation, as servicer (in such capacity, the "Servicer"), Fifth Third Bank, National Association, as a Lender, Fifth Third Bank, National Association, as Deal Agent, Fifth Third Bank, National Association, as the Collateral Agent, Systems & Services Technologies, Inc., as the Backup Servicer, and each other Lender party thereto. Capitalized terms used herein and not defined herein have the meanings given them in the Loan and Security Agreement.

Upon the occurrence of a Termination Event, the Secured Parties shall have all of the remedies specified in the Loan and Security Agreement. The Borrower hereby waives presentment, demand, protest, and all notices of any kind.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

CREDIT ACCEPTANCE FUNDING LLC 2021-1,
as Borrower

By:__ Name:
Title:

Exhibit J

Form of Dealer Agreement

Exhibit K

[Reserved]

Exhibit L

Forms of Contracts

Exhibit M

[Reserved]

Exhibit N

[Reserved]

Exhibit O

Form of Backup Servicing Agreement [Intentionally Omitted – Separately Provided]

Exhibit P

Form of Purchase Agreement

Schedule I

[Reserved]

Schedule II

Credit Guidelines

[On File with Servicer and Deal Agent]

Schedule III

Tradenames, Fictitious Names and “Doing Business As” Names

None

Schedule IV

Location of Records and Contract Files

Credit Acceptance Corporation 25505 West Twelve Mile Road
Southfield, MI 48034

Credit Acceptance Corporation 25300-25330 Telegraph Road
Southfield, MI 48033

Schedule V

List of Loans, Contracts, Dealer Agreements and Pools [On File with Deal Agent]

Schedule VI

[Reserved]

Schedule VII

Forecasted Collections

Schedule VIII

Commitment of Each Lender

Lender	Commitment
Fifth Third Bank, National Association	$100,000,000

Schedule IX

[Reserved]

Schedule X

Condition Precedent Documents

I. TRANSACTION DOCUMENTS

A. **Loan and Security Agreement** Skadden

Exhibits to Loan and Security Agreement

Exhibit A [Reserved] N/A
Exhibit B Form of Assignment and Acceptance Skadden
Exhibit C Form of Monthly Report Deal Agent Exhibit D [Reserved] N/A
Exhibit E [Reserved] N/A
Exhibit F Form of Officer's Certificate as to Solvency Borrower Exhibit G [Reserved] N/A
Exhibit H Form of Contribution Agreement Skadden
Exhibit I Form of Note Skadden
Exhibit J Form of Dealer Agreement Credit Acceptance Exhibit K [Reserved] N/A
Exhibit L Form of Contracts Credit Acceptance Exhibit M [Reserved] N/A
Exhibit N [Reserved] N/A
Exhibit O Form of Backup Servicing Agreement Skadden

Schedules to Loan and Security Agreement

Schedule I [Reserved] N/A
Schedule II Credit Guidelines Credit Acceptance
Schedule III Tradenames, Fictitious Names and "Doing Business As" Names Credit Acceptance
Schedule IV Location of Records and Contract Files Credit Acceptance
Schedule V List of Loans, Contracts, Dealer Agreements and Pools Credit Acceptance
Schedule VI [Reserved] N/A
Schedule VII Forecasted Collections Credit Acceptance Schedule VIII Commitment Amount of Each Lender Skadden Schedule IX [Reserved] N/A
Schedule X Condition Precedent Documents Skadden

B. **Contribution Agreement** Skadden

II. OPINIONS OF COUNSEL

A. Opinion of Skadden as to certain corporate and enforceability matters Skadden
B. Opinion of Skadden as to creation and perfection of security interest in the Collateral Skadden

C.	Opinion of Skadden as to true sale matters	Skadden
D.	Opinion of Skadden covering non-consolidation matters	Skadden
E.	Opinion of Dykema as to certain corporate, perfection and priority matters	Dykema

Key:

Fifth Third Bank, National Association 53B, Deal Agent or Collateral Agent Credit Acceptance Corporation Credit Acceptance
Credit Acceptance Funding LLC 2021-1 Borrower
Chapman and Cutler LLP Chapman
Skadden Skadden, Arps, Slate, Meagher & Flom LLP
Dykema Dykema Gossett PLLC
Systems & Services Technologies, Inc. Backup Servicer

EXHIBIT 31.1

CERTIFICATIONS

I, Kenneth S. Booth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Credit Acceptance Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2022

/s/ Kenneth S. Booth
Kenneth S. Booth
Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Credit Acceptance Corporation (the "Company") for the quarterly period ended September 30, 2022 (the "Report"), I, Kenneth S. Booth, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 1, 2022

/s/ Kenneth S. Booth
Kenneth S. Booth
Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)