

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 1999

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 (State or other jurisdiction of incorporation or organization)	38-1999511 (IRS Employer Identification)
25505 WEST TWELVE MILE ROAD, SUITE 3000 SOUTHFIELD, MICHIGAN (Address of principal executive offices)	48034-8339 (zip code)

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

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 .

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

The number of shares outstanding of Common Stock, par value \$.01, on May 13, 1999 was 46,304,354.

TABLE OF CONTENTS

PART I.--FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Consolidated Balance Sheets - As of December 31, 1998 and March 31, 1999.....	1
Consolidated Income Statements - Three months ended March 31, 1998 and March 31, 1999	2
Consolidated Statements of Cash Flows - Three months ended March 31, 1998 and March 31, 1999.....	3
Consolidated Statement of Shareholders' Equity - Three months ended March 31, 1999.....	4
Notes to Consolidated Financial Statements.....	5

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

6

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS..... 12

PART II.--OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS 13

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K..... 13

SIGNATURES 14

INDEX OF EXHIBITS..... 15

EXHIBITS..... 16

PART I. -FINANCIAL INFORMATION

ITEM 1. -FINANCIAL STATEMENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)	AS OF 12/31/98	AS OF 3/31/99 (UNAUDITED)
ASSETS:		
Cash and cash equivalents.....	\$ 13,775	\$ 19,308
Investments.....	10,191	10,371
Installment contracts receivable	671,768	612,506
Allowance for credit losses.....	(7,075)	(5,849)
Installment contracts receivable, net.....	664,693	606,657
Retained interest in securitization.....	13,229	13,731
Floor plan receivables.....	14,071	15,928
Notes receivable.....	2,278	2,239
Property and equipment, net.....	20,627	20,363
Other assets.....	13,065	13,051
TOTAL ASSETS	\$ 751,929 =====	\$ 701,648 =====
LIABILITIES:		
Senior notes.....	\$ 136,165	\$ 136,165
Lines of credit.....	79,067	46,969
Mortgage loan payable to bank.....	3,566	3,504
Income taxes payable.....	776	4,534
Accounts payable and accrued liabilities.....	22,423	26,349
Deferred dealer enrollment fees, net.....	296	185
Dealer holdbacks, net.....	222,275	194,254
Deferred income taxes, net.....	11,098	9,998
TOTAL LIABILITIES.....	475,666 -----	421,958 -----
SHAREHOLDERS' EQUITY		
Common stock.....	463	463
Paid-in capital.....	129,914	130,024
Retained earnings.....	142,989	148,368
Cumulative translation adjustment.....	2,897	835
TOTAL SHAREHOLDERS' EQUITY.....	276,263 -----	279,690 -----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$ 751,929 =====	\$ 701,648 =====

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED INCOME STATEMENTS
(UNAUDITED)

	THREE MONTHS ENDED	
(Dollars in thousands, except per share data)	3/31/98	3/31/99
REVENUE:		
Finance charges.....	\$ 28,055	\$ 19,405
Premiums earned	2,923	2,445
Other income.....	8,332	8,511
	-----	-----
Total revenue	39,310	30,361
COSTS AND EXPENSES:		
Operating expenses.....	14,621	14,549
Provision for credit losses.....	5,796	2,136
Provision for claims.....	1,035	831
Interest.....	7,346	4,527
	-----	-----
Total costs and expenses	28,798	22,043
Operating income.....	10,512	8,318
	-----	-----
Foreign exchange gain(loss).....	12	(45)
	-----	-----
Income before provision for income taxes.....	10,524	8,273
Provision for income taxes.....	3,637	2,894
	-----	-----
Net income.....	\$ 6,887	\$ 5,379
	=====	=====
Net income per common share:		
Basic.....	\$ 0.15	\$ 0.12
	=====	=====
Diluted.....	\$ 0.15	\$ 0.12
	=====	=====
Weighted average shares outstanding:		
Basic.....	46,113,115	46,298,904
	=====	=====
Diluted.....	46,949,673	46,705,859
	=====	=====

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Dollars in thousands)	THREE MONTHS ENDED	
	3/31/98	3/31/99
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income.....	\$ 6,887	\$ 5,379
Adjustments to reconcile net income to net cash provided by operating activities -		
Credit for deferred income taxes.....	(1,287)	(1,100)
Depreciation and amortization.....	923	1,099
Amortization on retained interest in securitization.....	-	(502)
Provision for credit losses.....	5,796	2,136
Dealer stock option plan expense.....	-	33
Change in operating assets and liabilities -		
Accounts payable and accrued liabilities.....	6,636	3,926
Income taxes payable.....	7,049	3,758
Deferred dealer enrollment fees, net.....	(332)	(111)
Unearned insurance premiums, insurance reserves, and fees.....	(214)	(409)
Other assets.....	20,025	14
	45,483	14,223
	45,483	14,223
CASH FLOWS FROM INVESTING ACTIVITIES:		
Principal collected on installment contracts receivable.....	103,122	94,350
Advances to dealers and payments of dealer holdback.....	(95,316)	(66,062)
Net purchases of marketable securities.....	(293)	(180)
Decrease (increase) in floor plan receivables.....	126	(1,857)
Decrease (increase) in notes receivable.....	(191)	39
Purchase of property and equipment.....	(572)	(835)
	6,876	25,455
	6,876	25,455
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage loan payable to bank.....	(58)	(62)
Net repayments under line of credit agreement.....	(40,553)	(32,098)
Proceeds from stock options exercised.....	-	77
	(40,611)	(32,083)
	(40,611)	(32,083)
Effect of exchange rate changes on cash.....	(108)	(2,062)
	11,640	5,533
NET INCREASE IN CASH.....	11,640	5,533
Cash and cash equivalents - beginning of period.....	349	13,775
	\$ 11,989	\$ 19,308
	\$ 11,989	\$ 19,308

CREDIT ACCEPTANCE CORPORATION
 CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
 FOR THE THREE MONTHS ENDED MARCH 31, 1999
 (UNAUDITED)

	Total Shareholders' Equity -----	Comprehensive Income -----	Common Stock -----	Paid In Capital -----	Retained Earnings -----	Accumulated Other Comprehensive Income -----
Balance - December 31, 1998.....	\$ 276,263	\$	\$ 463	\$ 129,914	\$ 142,989	\$ 2,897
Comprehensive income:						
Net income.....	5,379	5,379			5,379	

Other comprehensive income:						
Foreign currency translation adjustment.....	(2,062)	(2,062)				(2,062)
Tax on other comprehensive income.....		722				

Other comprehensive income.....		(1,340)				

Total comprehensive income.....		\$ 4,039				
		=====				
Stock options exercised.....	77			77		
Dealer stock option plan expense....	33			33		
Balance - March 31, 1999.....	\$ 279,690		\$ 463	\$ 130,024	\$ 148,368	\$ 835
	=====		=====	=====	=====	=====

CREDIT ACCEPTANCE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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 generally accepted accounting principles 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 at December 31, 1998 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. Certain amounts in the 1998 financial statements have been reclassified to conform to the 1999 presentation. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

2. NET INCOME PER SHARE

Basic net income per share amounts are based on the weighted average number of common shares outstanding. Diluted net income per share amounts are based on the weighted average number of common shares and common stock equivalents outstanding. Common stock equivalents included in the computation represent shares issuable upon assumed exercise of stock options which would have a dilutive effect. All per share amounts have been adjusted to reflect all stock splits declared by the Company.

3. NEW ACCOUNTING STANDARDS

In the first quarter of 1998, the American Institute of Certified Public Accountants' Accounting Standards Executive Committee issued Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". SOP 98-1 provides guidance on the capitalization of software for internal use. The Company adopted SOP 98-1 effective January 1, 1999, as required. The adoption of SOP 98-1 did not have a material effect on the Company's consolidated financial position or results of operations.

4. BUSINESS SEGMENT INFORMATION

The Company operates in two reportable business segments: North American Automotive Finance and U.K./Ireland Automotive Finance. Selected segment information is set forth below:

	Three Months Ended March 31	
	1998	1999
Total revenue:		
North American Automotive Finance.....	\$ 31,456	\$ 22,738
U.K./Ireland Automotive Finance.....	6,114	4,023
All Other.....	1,740	3,600
	39,310	30,361
	=====	=====
Earnings before interest and taxes:		
North American Automotive Finance.....	13,535	9,926
U.K./Ireland Automotive Finance.....	3,497	1,922
All Other.....	838	952
	17,870	12,800
	=====	=====
Reconciliation of total earnings before interest and taxes to consolidated income before provision for income taxes:		
Total earnings before interest and taxes.....	17,870	12,800
Interest expense.....	(7,346)	(4,527)
	\$ 10,524	\$ 8,273
	=====	=====

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

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 1998 COMPARED TO THREE MONTHS ENDED MARCH 31, 1999

TOTAL REVENUE. Total revenue decreased from \$39.3 million for the three months ended March 31, 1998 to \$30.4 million for the same period in 1999, representing a decrease of 22.8%. This decrease is primarily due to a decrease in finance charge revenue resulting from a decrease in the average installment contracts receivable balance. The decrease in the average installment contracts receivable balance is primarily the result of collections on and charge offs of installment contracts exceeding contract originations for the period. The Company's volume of contract originations has decreased as the Company has continued implementing more conservative advance programs and limited business with marginally profitable and unprofitable dealers. Based on reviews of dealer profitability, the Company continues to monitor its relationships with dealers and discontinues or adjusts these relationships as deemed necessary.

The average yield on the Company's installment contract portfolio, calculated using finance charge revenue divided by average installment contracts receivable, was approximately 11.2% and 12.1% for the three months ended March 31, 1998 and 1999, respectively. The increase in the average yield is due to a decrease in the percentage of installment contracts which were in non-accrual status as well as improvements in collection levels on non-accrual installment contracts. The percentage of installment contracts which were in non-accrual status was 33.2% and 29.1% as of March 31, 1998 and 1999, respectively.

Premiums earned increased, as a percent of total revenue, from 7.4% for the three months ended March 31, 1998 to 8.1% for the same period in 1999. Premiums on the Company's service contract program are earned on a straight-line basis over the life of the service contracts. Premiums reinsured under the Company's credit life and collateral protection insurance programs are earned over the life of the contracts using the pro rata and sum-of-digits methods. As a result of these revenue recognition methods, premiums earned decreased at a slower rate than the decrease in finance charges. In addition, the increase is due to an increase in the penetration rate of the Company's service contract and credit life insurance programs.

Other income increased, as a percent of total revenue, from 21.2% for the three months ended March 31, 1998 to 28.0% for the same period in 1999. The increase is primarily due to i) revenues from the Company's auction services business which the Company began operating in June 1998; ii) an increase in revenues from the Company's credit reporting subsidiary (which the Company sold on May 7, 1999) and iii) servicing fees and interest earned on the retained interest in securitization resulting from the Company's securitization of advance receivables in July 1998. The increase is partially offset by i) a decrease in fees earned on third party service contract products offered by dealers on installment contracts, as the volume of this business has declined proportionately with the decrease in installment contract originations and ii) a decrease in earned dealer enrollment fees due to a decline in the number of dealers enrolling in the Company's financing program. Dealer enrollment fees are deferred and amortized on a straight-line basis over the estimated repayment term of the outstanding dealer advance.

OPERATING EXPENSES. Operating expenses, as a percent of total revenue, increased from 37.2% for the three months ended March 31, 1998 to 47.9% for the same period in 1999. Operating expenses consist primarily of salaries and wages, general and administrative, and sales and marketing expenses.

The increase, as a percent of revenue, is primarily due to an increase in salaries and wages. Salaries and wages increased principally due to increases in the Company's average wage rates necessary to attract and retain quality personnel and the Company's purchase of the auction services business in June 1998. The increase in operating expenses is partially offset by a decrease in sales and marketing expenses. These expenses decreased primarily due to reductions in sales commissions as a result of lower contract origination volumes and reductions in the Company's total sales force. The decrease in sales and marketing expenses is also the result of decreases in advertising due to the termination of the Company's customer lead generating program.

PROVISION FOR CREDIT LOSSES. The amount provided for credit losses, as a percent of total revenue, decreased from 14.7% for the three months ended March 31, 1998 to 7.0% for the same period in 1999. The provision for credit losses consists of two components: (i) a provision for loan losses for the earned but unpaid servicing fee or finance charge recognized on contractually delinquent installment contracts and (ii) a provision for losses on advances to dealers that are not expected to be recovered through collections on the related installment contract receivable portfolio. The decrease is primarily due to lower provisions needed for advance losses, based on improvements in the Company's loan performance as measured by the static pool analysis. Advance balances are continually reviewed by management utilizing the Company's loan servicing system which allows management to estimate future collections for each dealer pool using historical loss experience and a dealer by dealer static pool analysis. In addition, the decrease is also due to lower provisions needed for loan losses primarily resulting from the decrease in the percent of non-accrual installment contracts receivable which were 33.2% and 29.1% of gross receivables as of March 31, 1998 and 1999, respectively.

PROVISION FOR CLAIMS. The amount provided for insurance and service contract claims, as a percent of total revenue, increased from 2.6% during the three months ended March 31, 1998 to 2.7% during the same period in 1999. This increase corresponds with the increase, as a percent of total revenue, in premiums earned from 7.4% for the three months ended March 31, 1998 to 8.1% for the same period in 1999. The Company has established claims reserves on accumulated estimates of claims reported but unpaid plus estimates of incurred but unreported claims.

INTEREST EXPENSE. Interest expense, as a percent of total revenue, decreased from 18.7% for the three months ended March 31, 1998 to 14.9% for the same period in 1999. The decrease in interest expense is primarily the result of a decrease in the amount of average outstanding borrowings, which results from i) the positive cash flow generated primarily from collections on installment contracts receivable exceeding cash advances to dealers and payments of dealer holdbacks and ii) \$49.3 million raised in July 1998 from the securitization of advance receivables. The decrease was partially offset by higher average interest rates during the 1999 period. The increase in the average interest rates is the result of a 25 basis point increase in the interest rate on outstanding borrowings under the Company's senior notes resulting from amendments to the note purchase agreements due to the Company's securitization of advance receivables in July 1998.

OPERATING INCOME. As a result of the aforementioned factors, operating income decreased from \$10.5 million for the three months ended March 31, 1998 to \$8.3 million for the same period in 1999, representing a decrease of 20.9%.

FOREIGN EXCHANGE GAIN (LOSS). The Company incurred a foreign exchange gain of \$12,000 for the three months ended March 31, 1998 and a foreign exchange loss of \$45,000 for the same period in 1999. The losses result from the effect of exchange rate fluctuations between the U.S. dollar and foreign currencies on unhedged intercompany balances between the Company and its subsidiaries which operate outside the United States.

PROVISION FOR INCOME TAXES. The provision for income taxes decreased from \$3.6 million during the three months ended March 31, 1998 to \$2.9 million during the same period in 1999. The decrease is due to a lower level of pretax income in 1999. For the three months ended March 31, the effective tax rate was 34.6% in 1998 and 35.0% in 1999. The increase in the effective tax rate is primarily due to a lower percentage of the Company's consolidated pretax income being earned by the Company's United Kingdom subsidiary in 1999, where the statutory rate is lower than the U.S. statutory tax rate.

INSTALLMENT CONTRACTS RECEIVABLE

The following table summarizes the composition of installment contracts receivable at the dates indicated:

(Dollars in thousands)	As of 12/31/98	As of 3/31/99
-----	-----	-----
		(UNAUDITED)
Gross installment contracts receivable.....	\$ 794,831	\$ 724,946
Unearned finance charges.....	(114,617)	(104,403)
Unearned insurance premiums, insurance reserves, and fees.....	(8,446)	(8,037)
	-----	-----
Installment contracts receivable.....	\$ 671,768	\$ 612,506
	=====	=====

A summary of changes in gross installment contracts receivable is as follows:

(Dollars in thousands)	THREE MONTHS ENDED	
-----	3/31/98	3/31/99
-----	-----	-----
		(UNAUDITED)
Balance - beginning of period.....	\$1,254,858	\$ 794,831
Gross amount of installment contracts accepted.....	202,965	127,980
Cash collections on installment contracts receivable.....	(139,104)	(111,503)
Charge offs.....	(174,889)	(82,543)
Currency translation.....	(361)	(3,819)
	-----	-----
Balance - end of period.....	\$1,143,469	\$ 724,946
	=====	=====

DEALER HOLDBACKS

The following table summarizes the composition of dealer holdbacks at the dates indicated:

(Dollars in thousands)	As of 12/31/98	As of 3/31/99
-----	-----	-----
		(UNAUDITED)
Dealer holdbacks.....	\$ 634,102	\$ 578,418
Less: Advances (net of reserves of \$19,954 and \$16,884 at December 31, 1998 and March 31, 1999, respectively).....	(411,827)	(384,164)
	-----	-----
Dealer holdbacks, net.....	\$ 222,275	\$ 194,254
	=====	=====

CREDIT POLICY AND EXPERIENCE

When an installment contract is assigned to the Company by a participating dealer, the Company generally pays a cash advance to the dealer. The Company maintains a reserve against advances to dealers that are not expected to be recovered through collections on the related installment contract portfolio. For purposes of establishing the reserve, future collections are reduced to present-value in order to achieve a level yield over the remaining term of the advance equal to the expected yield at the origination of the impaired advance. The Company's loan servicing system allows the Company to estimate future collections for each dealer pool using historical loss experience and a dealer by dealer static pool analysis. Future reserve requirements will depend in part on the magnitude of the variance between management's prediction of future collections and the actual collections that are realized. The Company charges off dealer advances against the reserve at such time and to the extent that the Company's static pool analysis determines that the advance is completely or partially impaired.

The Company also maintains an allowance for credit losses which, in the opinion of management, adequately reserves against losses in the portfolio of receivables. The risk of loss to the Company related to the installment contracts receivable balances relates primarily to the earned but unpaid servicing fee recognized on contractually delinquent accounts. Servicing fees, which are booked as finance charges, are recognized under the interest method of accounting until the underlying obligation is 90 days past due on a recency basis. At such time, the Company suspends the accrual of revenue and makes a provision for credit losses equal to the earned but unpaid revenue. In all cases, contracts on which no material payment has been received for nine months are charged off against dealer holdbacks, unearned finance charges and the allowance for credit losses.

Ultimate losses may vary from current estimates and the amount of provision, which is a current expense, may be either greater or less than actual charge offs.

The following tables set forth information relating to charge offs, the allowance for credit losses, and the reserve on advances.

(Dollars in thousands)	THREE MONTHS ENDED	
	3/31/98	3/31/99
(UNAUDITED)		
CHARGE OFFS		
Charged against dealer holdbacks.....	\$ 139,869	\$ 66,053
Charged against unearned finance charges).....	31,348	15,107
Charged against allowance for credit losses.....	3,672	1,383
Total contracts charged off.....	\$ 174,889	\$ 82,543
Net charge offs against the reserve on advances.....	\$ -	\$ 4,882

(Dollars in thousands)	THREE MONTHS ENDED	
	3/31/98	3/31/99
(UNAUDITED)		
ALLOWANCE FOR CREDIT LOSSES		
Balance - beginning of period.....	\$ 13,119	\$ 7,075
Provision for loan losses.....	1,030	192
Charge offs.....	(3,672)	(1,383)
Currency translation.....	(4)	(35)
Balance - end of period.....	\$ 10,473	\$ 5,849

(Dollars in thousands)	THREE MONTHS ENDED	
	3/31/98	3/31/99
(UNAUDITED)		
RESERVE ON ADVANCES		
Balance - beginning of period.....	\$ 16,369	\$ 19,954
Provision for advance losses.....	4,766	1,944
Advance reserve fees.....	152	4
Charge offs.....	-	(4,882)
Currency translation.....	(25)	(136)
Balance - end of period.....	\$ 21,262	\$ 16,884

(Dollars in thousands)	AS OF	
	3/31/98	3/31/99
(UNAUDITED)		
CREDIT RATIOS		
Allowance for credit losses as a percent of gross installment contracts receivable.....	0.9%	0.8%
Reserve on advances as a percent of advances.....	3.7%	4.2%
Gross dealer holdbacks as a percent of gross installment contracts receivable.....	79.8%	79.8%

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal need for capital is to fund cash advances made to dealers in connection with the acceptance of installment contracts and for the payment of dealer holdbacks to dealers who have repaid their advance balances. These cash outflows to dealers decreased from \$95.3 million during the three months ended March 31, 1998 to \$66.1 million during the same period in 1999. These amounts have historically been funded from cash collections on installment contracts, cash provided by operating activities and draws under the Company's credit agreements. The Company maintains a significant dealer holdback on installment contracts accepted which assists the Company in funding its long-term cash flow requirements. During the first three months of 1999, the Company paid down approximately \$32.1 million on its \$125 million credit agreement. The positive cash flow during the period is primarily a result of

collections on installment contracts receivable exceeding cash advances to dealers and payments of dealer holdbacks.

The Company has a \$125 million credit agreement with a commercial bank syndicate. The facility has a commitment period through June 15, 1999 and is subject to annual extensions for additional one year periods at the request of the Company with the consent of each of the banks in the facility. The agreement provides that interest is payable at the Eurocurrency rate plus 140 basis points, or at the prime rate. The Eurocurrency borrowings may be fixed for periods up to six months. The credit agreement has certain restrictive covenants, including limits on the ratio of the Company's debt-to-equity, debt to advances, debt to gross installment contracts receivable, advances to installment contracts receivable, fixed charges to net income, limits on the Company's investment in its foreign subsidiaries and requirements that the Company maintain a specified minimum level of net worth. Borrowings under the credit agreement are secured through a lien on most of the Company's assets on an equal and ratable basis with the Company's senior notes. As of March 31, 1999, there was approximately \$47.0 million outstanding under this facility.

When borrowing to fund the operations of its foreign subsidiaries, the Company's policy is to borrow funds denominated in the currency of the country in which the subsidiary operates, thus mitigating the Company's exposure to foreign exchange fluctuations.

As the Company's \$125 million credit facility expires on June 15, 1999, the Company will be required to renew the facility or refinance any amounts outstanding under this facility on or before such date. As of May 11, 1999, there was approximately \$36.8 million outstanding under this facility. The Company believes that the \$125 million credit facility will be renewed with similar terms. In addition, in 1999, the Company has \$42.2 million of principal maturing on its senior notes, which the Company expects to repay from cash generated from operations and various financing alternatives available.

On April 26, 1999, the Company refinanced a mortgage loan on its headquarters which resulted in net proceeds to the Company of approximately \$5.0 million. These proceeds were used to reduce amounts outstanding under the Company's \$125 million credit facility. The Company has received approval, subject to satisfying certain conditions, from a large commercial bank for the securitization of advance receivables. This transaction is expected to yield net proceeds to the Company of approximately \$50 million which will be used to repay amounts outstanding under the credit facility.

On May 7, 1999, the Company sold its credit reporting services subsidiary for \$20.5 million in cash. The net proceeds from the sale were used to reduce the outstanding indebtedness under the Company's \$125 million credit facility. In connection with this transaction, the Company will report an after tax gain of approximately \$9 million in the second quarter of 1999.

Pending the appeal of the Missouri Litigation (described in Part II, Item 1), the Company may be required to post a bond or letter of credit, which would reduce availability under the Company's credit agreement. Based upon anticipated cash flows, management believes that amounts available under its credit agreement, cash flow from operations and various financing alternatives available will provide sufficient financing for current debt maturities and for future operations. Failure to complete the refinancing or failure to obtain other financing alternatives may have a material adverse effect on the Company's operations.

YEAR 2000 UPDATE

The year 2000 issue is the result of computer programs and microprocessors using two digits rather than four to define the applicable year (the "Year 2000 Issue"). Such programs or microprocessors may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failures or miscalculations leading to disruptions in the Company's activities and operations. If the Company or third parties with which it has a significant relationship fail to make necessary modifications, conversions and contingency plans on a timely basis, the Year 2000 Issue could have a material adverse effect on the Company's business, financial condition and results of operations. However, the effect cannot be quantified at this time because the Company cannot accurately estimate the magnitude, duration or ultimate impact of noncompliance by its systems or those of vendors and other third parties. The Company believes that its competitors face a similar risk. Although the risk is not presently quantifiable, the following disclosure is intended to summarize the Company's actions to minimize its risk from the Year 2000 Issue. Programs that will operate in the year 2000 unaffected by the change in year from 1999 to 2000 are referred to herein as "year 2000 compliant."

State of Readiness. The Company employs three major computer systems in its U.S. Operations: (i) the Application and Contract System (ACS) which is used from the time a dealer faxes an application to the Company until the contract is received and funded, (ii) the Loan Servicing System (LSS) which contains all loan and payment information and is the primary source for management information reporting, and (iii) the Collection System (CS) which is used by the Company's collections personnel to track and service all active customer accounts. The ACS and LSS went into production in 1997 and were developed in Oracle 7.3 and Oracle Forms 4.5 which are year 2000 compliant. The CS is a third party software package which has been upgraded to be year 2000 compliant.

The Company employs one major computer system in its United Kingdom operations which is a third party software package. The vendor has certified to the Company that the system is year 2000 compliant.

The Company has finished testing all of its mission critical computer systems to ensure year 2000 compliance. All non-mission critical computer systems are anticipated to be year 2000 compliant by June 30, 1999.

The Company has completed a comprehensive inventory of all other computer hardware, software, third party vendors and other non-information technology systems. All items identified were prioritized and assigned to a responsible party to investigate and ensure that the item becomes year 2000 compliant by the end of 1999. While modifications and testing of all mission critical and non-mission critical systems is substantially complete, these systems will undergo additional testing in 1999.

Costs. The Company expects that all software installations or other modifications will be expensed as incurred, while the cost for new software will be capitalized and amortized over the software's useful life. At this time, the Company anticipates spending no more than \$50,000 in its efforts to become year 2000 compliant, of which approximately \$35,000 has been spent to date. Estimates of time, cost and risks are based on currently available information. Developments that could affect estimates include, without limitation, the availability of trained personnel, the ability to locate and correct all non-compliant systems, cooperation and remediation success of third parties material to the Company, and the ability to correctly anticipate risks and implement suitable contingency plans in the event of system failures at the Company or third parties.

Risks. Because the Company expects that the systems within its control will be year 2000 compliant before the end of 1999, the Company believes that the most reasonably likely worst case scenario is a compliance failure by a third party upon which the Company relies. Such a failure would likely have an effect on the Company's business, financial condition and results of operations. The magnitude of that effect however, cannot be quantified at this time because of variables such as the type and importance of the third party, the possible effect on the Company's operations and the Company's ability to respond. Thus, there can be no assurance that there will not be a material adverse effect on the Company if such third parties do not remediate their systems in a timely manner. In addition, it is possible that the Company could experience a failure of a non-mission critical system for a period of time, which could result in a minor disruption in some internal operations.

Contingency Plans. Contingency planning is an integral part of the Company's year 2000 readiness project. The Company has and is continuing to develop contingency plans, which document the processes necessary to maintain critical business functions should a significant third party system or mission critical internal system fail. These contingency plans generally include the repair of existing systems and, in some instances, the use of alternative systems or procedures.

The disclosure in this section contains information regarding Year 2000 readiness which constitutes "Year 2000 Readiness Disclosure" as defined in the Year 2000 Readiness Disclosure Act. Readers are cautioned that forward-looking statements contained in the Year 2000 Update should be read in conjunction with the Company's disclosures under the heading "Forward-Looking Statements".

FORWARD-LOOKING STATEMENTS

The foregoing discussion and analysis contains a number of forward looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended with respect to expectations for future periods which are subject to various risks and uncertainties. The risks and uncertainties are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission, including forms 8-K, 10-Q, and 10-K, and include, among others, competition from traditional financing sources and from non-traditional lenders, availability of funding at competitive rates of interest, adverse changes in applicable laws and regulations, adverse changes in economic conditions, year 2000 compliance by the Company or third parties to the Company, adverse changes in the automobile or finance industries or in the non-prime consumer finance market, the Company's ability to maintain or increase the volume of installment contracts accepted and historical collection rates and the Company's ability to complete various financing alternatives.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 for a complete discussion of the Company's market risk. There have been no material changes to the market risk information included in the Company's 1998 Annual Report on Form 10-K.

PART II.--OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As previously disclosed in the Company's 1998 Annual Report on Form 10-K, the Company is currently a defendant in a class action proceeding commenced on October 15, 1996 in the United States District Court for the Western District of Missouri seeking money damages resulting for alleged violations of a number of state and federal consumer protection laws (the "Missouri Litigation"). On October 9, 1997, the Court certified two classes on the claims brought against the Company. On August 4, 1998, the Court granted partial summary judgment on liability in favor of the plaintiffs based upon the Court's finding of certain violations but denied summary judgment on certain other claims. The Court also entered a number of permanent injunctions, which among other things, restrain the Company from collecting the amounts found to be uncollectible. The Court also ruled in favor of the Company on certain claims raised by class plaintiffs. Because the entry of an injunction is immediately appealable as of right, the Company has appealed the summary judgment order to the United States Court of Appeals for the Eighth Circuit. Oral argument on the Company's appeal was heard on April 19, 1999. The Company believes that its appeal has substantial merit. Plaintiffs have filed a cross appeal. A trial on the remaining claims, as well as on damages, is not expected to be scheduled until after the appeal has been concluded. Should the Company's appeal be unsuccessful, the potential damages could have a material adverse impact on the Company's financial position, liquidity and results of operations.

Also, as previously disclosed in the Company's 1998 Annual Report on Form 10-K, during the first quarter of 1998, several putative class action complaints were filed against the Company and certain officers and directors of the Company in the United States District Court for the Eastern District of Michigan seeking money damages for alleged violations of the federal securities laws. On August 14, 1998, a Consolidated Class Action Complaint, consolidating the claims asserted in those cases, was filed. The Complaint generally alleged that the Company's financial statements issued during the period August 14, 1995 through October 22, 1997 did not accurately reflect the Company's true financial condition and results of operations because such reported results failed to be in accordance with generally accepted accounting principles and such results contained material accounting irregularities in that they failed to reflect adequate reserves for credit losses. The Complaint further alleged that the Company issued public statements during the alleged class period which fraudulently created the impression that the Company's accounting practices were proper. On April 23, 1999, the Court granted the Company's motion to dismiss the Complaint and entered a final judgment dismissing the action with prejudice. On May 6, 1999, plaintiffs filed a motion for reconsideration of the order dismissing the Complaint or, in the alternative, for leave to file an amended complaint. The Court has not yet ruled on that motion. In the event the Complaint were to be reinstated, or a further amended complaint were to be permitted, the Company would continue vigorously to defend this action. While management believes it has meritorious legal and factual defenses, an adverse ultimate disposition of this litigation could have a material adverse impact on the Company's financial position, liquidity and results of operations.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

See Index of Exhibits following the signature page.

(b) Reports on Form 8-K

The Company was not required to file a current report on Form 8-K during the quarter ended March 31, 1999 and none were filed during that period.

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)

/S/ BRETT A. ROBERTS

BRETT A. ROBERTS
Executive Vice President and Chief Financial
Officer
May 14, 1999

(Principal Financial Officer)

/S/ JOHN P. CAVANAUGH

JOHN P. CAVANAUGH
Corporate Controller and Assistant Secretary
May 14, 1999

(Principal Accounting Officer)

INDEX OF EXHIBITS

EXHIBIT	DESCRIPTION
4(a) (6)	Fifth Amendment dated April 13, 1999 to Note Purchase Agreement dated October 1, 1994 between various insurance companies and the Company
4(b) (4)	Third Amendment dated April 13, 1999 to Note Purchase Agreement dated August 1, 1996 between various insurance companies and the Company
4(e) (4)	Third Amendment dated April 13, 1999 to Note Purchase Agreement dated March 25, 1997 between various insurance companies and the Company
27	Financial Data Schedule

FIFTH AMENDMENT TO NOTE PURCHASE AGREEMENT
RE:

CREDIT ACCEPTANCE CORPORATION
FIRST AMENDED AND RESTATED 9.12% SENIOR NOTES DUE NOVEMBER 1, 2001

Dated as of April 13, 1999

To the Noteholders listed on Annex I hereto

Ladies and Gentlemen:

Credit Acceptance Corporation, a Michigan corporation (together with its successors and assigns, the "Company"), hereby agrees with you as follows:

SECTION 1. INTRODUCTORY MATTERS.

1.1 DESCRIPTION OF OUTSTANDING NOTES. The Company currently has outstanding \$_____ in aggregate unpaid principal amount of its First Amended and Restated 9.12% Senior Notes due November 1, 2001 (collectively, the "Notes") which it issued pursuant to the separate Note Purchase Agreements, each dated as of October 1, 1994 (collectively, as amended by the First Amendment to Note Purchase Agreement dated as of November 15, 1995, the Second Amendment to Note Purchase Agreement dated as of August 29, 1996, the Third Amendment to Note Purchase Agreement dated as of December 12, 1997 and the Fourth Amendment to Note Purchase Agreement, dated as of July 1, 1998, the "Agreement"), entered into by the Company with each of the original holders of the Notes listed on Annex 1 thereto, respectively. Terms used herein but not otherwise defined herein shall have the meanings assigned thereto in the Agreement, as amended hereby.

1.2 PURPOSE OF AMENDMENT. The Company and you desire to amend the Agreement as set forth in Section 2 hereof and to include in this amendment the revision to the "Total Restricted Subsidiary Debt" definition, which revision was included in the terms of the Intercreditor Agreement, dated as of December 15, 1998 among Comerica Bank, as collateral agent, the lenders under the Credit Agreement and the holders of the Notes and other notes issued by the Company.

SECTION 2. AMENDMENT TO THE AGREEMENT.

Pursuant to Section 10.5 of the Agreement, the Company hereby agrees with you that the Agreement shall be amended by this Fifth Amendment to Note Purchase Agreement (the "Fifth Amendment") in the following respects:

2.1 SECTION 6.1

Clause (ii) of paragraph (a) of Section 6.1 is hereby amended and restated in its entirety as follows:

(ii) seventy-five percent (75%) of Advances; and.

2.2 SECTION 6.7

Section 6.7 is amended by replacing the word "or" with the word "and" at the end of clause (ii) of paragraphs (a) and (b), redesignating clause (iii) of paragraph (b) as paragraph (c), replacing the "." at the end of new paragraph (c) with "; and" and adding the following paragraph (d):

(d) a merger, consolidation or Transfer of a Restricted Subsidiary or Restricted Subsidiaries pursuant to the Montana Disposition."

2.3 SECTION 6.8

(A) Paragraph (a) of Section 6.8 is amended by replacing the "." at the end of clause (iv) with "; and", by adding, at the end of each of clauses (iii) and (iv) before the semicolon the phrase "if, immediately before and after the consummation of such Transfer, and after giving effect thereto, no Default or Event of Default would exist", and by adding the following clause (v):

(v) any Transfer made pursuant to the Montana Disposition if, immediately before and after the consummation of such Transfer, and after giving effect thereto, no Default or Event of Default would exist."

(B) Paragraph (b) of Section 6.8 is amended by amending and restating the lead-in phrase of clause (iv) as follows:

(iv) the Transfer of all of the Restricted Subsidiary Stock of a Restricted Subsidiary owned by the Company and the other Restricted Subsidiaries pursuant to the Montana Disposition or if:"

(C) Paragraph (c) of Section 6.8 is amended by adding in the second line thereof after "except in connection with a Permitted Securitization" the words "or in connection with the Montana Disposition".

2.4 SECTION 9.1

(A) The definition of "Permitted Securitization" in Section 9.1 of the Agreement is hereby amended by deleting paragraph (d) in its entirety, redesignating paragraph (e) as paragraph (d) and amending and restating paragraph (b) of such definition as follows:

- (b) (i) The disposition of Advances will not result in the aggregate principal amount of Debt at any time outstanding, and (without duplication) of Securities at any time issued and outstanding (other than subordinated Securities issued to and held by the Company or a Subsidiary), of any Special Purpose Subsidiary pursuant to Permitted Securitizations occurring from and after the effective date of the Second Amendment exceeding \$100,000,000 (which amount may be readvanced and reborrowed); and (ii) the Company or the Restricted Subsidiary disposing of Advances to a Special

Purpose Subsidiary pursuant to such Permitted Securitization shall itself actually receive (substantially contemporaneously with such disposition) cash from each disposition of such Advances in connection with any such securitization transaction in an amount not less than Seventy-Five Percent (75%) of the value of such Advances;

(B) The definition of "Total Restricted Subsidiary Debt" is amended and restated in its entirety as follows:

TOTAL RESTRICTED SUBSIDIARY DEBT -- means, at any time, the aggregate amount of Debt of all Restricted Subsidiaries determined at such time after eliminating intercompany transactions among the Company and the Restricted Subsidiaries. For the avoidance of doubt, the Company hereby acknowledges that Total Restricted Subsidiary Debt includes the amount of Debt of any Restricted Subsidiary attributable to its Guaranty of any liabilities of another Person (including the Company or any Subsidiary) made in favor of any Person other than the Company or another Restricted Subsidiary. Notwithstanding the foregoing, (i) Total Restricted Subsidiary Debt does not include the amount of Debt of any Restricted Subsidiary attributable to its Guaranty of obligations under the Credit Agreement (and any related notes, letters of credit and other agreements) of any Person (including the Company or any Subsidiary) made in favor of the Banks if, concurrently with the giving of any such Guaranty, you are given the benefit of an equal and ratable Guaranty on substantially similar terms; and (ii) the term "Total Restricted Subsidiary Debt" shall not, at any time prior to May 15, 1997 (but shall, at all times from and after May 15, 1997), be deemed to include any Debt of CAC International attributable to its Guaranty, for the benefit of the Banks, of the liabilities of the Company and certain Subsidiaries under the Credit Agreement.

(C) The definition of "Montana Disposition" is added to Section 9.1:

"MONTANA DISPOSITION -- means the sale of Montana Investment Group, Inc. and its subsidiaries for net proceeds totaling at least \$16,000,000 in cash (all of which net proceeds are used to reduce Debt outstanding under the Credit Agreement), pursuant to (i) the sale of all or substantially all of the assets of Montana Investment Group, Inc. and its subsidiaries, (ii) the sale of all of the capital stock of Montana Investment Group, Inc. or (iii) the merger of Montana Investment Group, Inc. with and into any Person other than the Company or a Restricted Subsidiary; in each case, immediately prior to and immediately after the consummation of which, and after giving effect thereto, no Default or Event of Default would exist.

SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Fifth Amendment may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one Fifth Amendment.

3.2 HEADINGS. The headings of the sections of this Fifth Amendment are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

3.3 GOVERNING LAW. This Fifth Amendment shall be governed by and construed in accordance with the internal laws of the State of Connecticut.

3.4 EFFECT OF AMENDMENT. Except as expressly provided herein (a) no other terms and provisions of the Agreement shall be modified or changed by this Fifth Amendment and (b) the terms and provisions of the Agreement, as amended by this Fifth Amendment, shall continue in full force and effect. The Company hereby acknowledges and reaffirms all of its obligations and duties under each of the Agreement, as modified by this Fifth Amendment, and the Notes.

3.5 REFERENCES TO THE AGREEMENT. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution of the Fifth Amendment may refer to the Agreement without making specific reference to this Fifth Amendment but nevertheless all such references shall be deemed to include, to the extent applicable, this Fifth Amendment unless the context shall otherwise require.

3.6 COMPLIANCE. The Company certifies that immediately before and after giving effect to this Fifth Amendment, no Default or Event of Default exists or would exist after giving effect hereto.

3.7 EFFECTIVENESS OF AMENDMENTS.

The amendments to the Agreement contemplated by Section 2 hereof shall (in accordance with Section 10.5(a) of the Agreement) become effective, if at all, at such time as the Company and the Required Holders of the Notes shall have indicated their written consent to such amendments by executing and delivering the applicable counterparts of this Fifth Amendment. It is understood that any holder of Notes may withhold its consent for any reason, including, without limitation, any failure of the Company to satisfy all of the following conditions:

(a) This Fifth Amendment shall have been executed and delivered by the Company and each of the Required Holders of the Notes.

(b) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's First Amended and Restated 8.24% Senior Notes due July 1, 2001 issued under Note Purchase Agreements dated as of August

1, 1996, containing amendments to such Note Purchase Agreements identical in substance to the amendments set forth in Section 2 hereof.

(c) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's First Amended and Restated 8.02% Senior Notes due October 1, 2001 issued under Note Purchase Agreements dated as of March 25, 1997, containing amendments to such Note Purchase Agreements identical in substance to the amendments set forth in Section 2 hereof.

(d) The Company shall have paid the statement for reasonable fees and disbursements of Hebb & Gitlin, your special counsel, presented to the Company on or prior to the effective date of this Fifth Amendment.

[Remainder of page intentionally blank. Next page is signature page.]

Exhibit 4(a)(6)

If this Fifth Amendment is satisfactory to you, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this Fifth Amendment shall become binding between us in accordance with its terms.

Very truly yours,

CREDIT ACCEPTANCE CORPORATION

By: /S/BRETT A. ROBERTS

Name: Brett A. Roberts
Title: Executive Vice President

[Signature Page to Fifth Amendment to Note Purchase Agreement in respect of 9.12% Senior Notes Due November 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ALLSTATE LIFE INSURANCE CO.

By: /S/JERRY D. ZINKULA

Name: Jerry D. Zinkula
Title: Authorized Signatory

By: /S/JUDITH P. GRIFFIN

Name: Judith P. Griffin
Title: Authorized Signatory

WILLIAM BLAIR & COMPANY, LLC

By: William Blair & Company, LLC
Attorney-in-Fact

By: /S/JAMES D. MC KINNEY
Name: James D. Mc Kinney
Title: Partner and Manager
Fixed Income Department

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY
BY CIGNA INVESTMENTS, INC. (authorized agent)

By: /S/JAMES R. KUZEMCHAK

Name: James R. Kuzemchak
Title: Managing Director

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,
ON BEHALF OF ONE OR MORE SEPARATE ACCOUNTS
BY CIGNA INVESTMENTS, INC. (authorized agent)

By: /S/JAMES R. KUZEMCHAK

Name: James R. Kuzemchak
Title: Managing Director

[Signature Page to Fifth Amendment to Note Purchase Agreement in respect of
9.12% Senior Notes Due November 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

WESTERN FARM BUREAU LIFE INSURANCE COMPANY

By /S/ROBERT J. RUMMELHART

Name: Robert J. Rummelhart
Title: Fixed Income-Vice President

FARM BUREAU LIFE INSURANCE COMPANY

By /S/ROBERT J. RUMMELHART

Name: Robert J. Rummelhart
Title: Fixed Income-Vice President

WASHINGTON NATIONAL INSURANCE COMPANY

By: /S/ROBERT L. COOK

Name: Robert L. Cook
Title: Second Vice President

PHOENIX HOME LIFE MUTUAL INSURANCE
COMPANY

BY: PHOENIX INVESTMENT COUNSEL, INC.

By: /S/ROSEMARY T. STREKEL

Name: Rosemary T. Strekel
Title: Senior Managing Director

[Signature Page to Fifth Amendment to Note Purchase Agreement in respect of
9.12% Senior Notes Due November 1, 2001 of Credit Acceptance Corporation]

THIRD AMENDMENT TO NOTE PURCHASE AGREEMENT
RE:

CREDIT ACCEPTANCE CORPORATION
FIRST AMENDED AND RESTATED 8.24% SENIOR NOTES DUE JULY 1, 2001

Dated as of April 13, 1999

To the Noteholders listed on Annex I hereto

Ladies and Gentlemen:

Credit Acceptance Corporation, a Michigan corporation (together with its successors and assigns, the "Company"), hereby agrees with you as follows:

SECTION 1. INTRODUCTORY MATTERS.

1.1 DESCRIPTION OF OUTSTANDING NOTES. The Company currently has outstanding \$_____ in aggregate unpaid principal amount of its First Amended and Restated 8.24% Senior Notes due July 1, 2001 (collectively, the "Notes") which it issued pursuant to the separate Note Purchase Agreements, each dated as of August 1, 1996 (collectively, as amended by the First Amendment to Note Purchase Agreement dated as of December 12, 1997 and the Second Amendment to Note Purchase Agreement, dated as of July 1, 1998, the "Agreement"), entered into by the Company with each of the original holders of the Notes listed on Annex 1 thereto, respectively. Terms used herein but not otherwise defined herein shall have the meanings assigned thereto in the Agreement, as amended hereby.

1.2 PURPOSE OF AMENDMENT. The Company and you desire to amend the Agreement as set forth in Section 2 hereof and to include in this amendment the revision to the "Total Restricted Subsidiary Debt" definition, which revision was included in the terms of the Intercreditor Agreement, dated as of December 15, 1998 among Comerica Bank, as collateral agent, the lenders under the Credit Agreement and the holders of the Notes and other notes issued by the Company.

SECTION 2. AMENDMENT TO THE AGREEMENT.

Pursuant to Section 10.5 of the Agreement, the Company hereby agrees with you that the Agreement shall be amended by this Third Amendment to Note Purchase Agreement (the "Third Amendment") in the following respects:

2.1 SECTION 6.1

Clause (ii) of paragraph (a) of Section 6.1 is hereby amended and restated in its entirety as follows:

"(ii) seventy-five percent (75%) of Advances; and".

2.2 SECTION 6.7

Section 6.7 is amended by replacing the word "or" with the word "and" at the end of clause (ii) of paragraphs (a) and (b), redesignating clause (iii) of paragraph (b) as paragraph (c), replacing the "." at the end of new paragraph (c) with "; and" and adding the following paragraph (d):

"(d) a merger, consolidation or Transfer of a Restricted Subsidiary or Restricted Subsidiaries pursuant to the Montana Disposition."

2.3 SECTION 6.8

(A) Paragraph (a) of Section 6.8 is amended by replacing the "." at the end of clause (iv) with "; and", by adding, at the end of each of clauses (iii) and (iv) before the semicolon the phrase "if, immediately before and after the consummation of such Transfer, and after giving effect thereto, no Default or Event of Default would exist", and by adding the following clause (v):

"(v) any Transfer made pursuant to the Montana Disposition if, immediately before and after the consummation of such Transfer, and after giving effect thereto, no Default or Event of Default would exist."

(B) Paragraph (b) of Section 6.8 is amended by amending and restating the lead-in phrase of clause (iv) as follows:

"(iv) the Transfer of all of the Restricted Subsidiary Stock of a Restricted Subsidiary owned by the Company and the other Restricted Subsidiaries pursuant to the Montana Disposition or if:"

(C) Paragraph (c) of Section 6.8 is amended by adding in the second line thereof after "except in connection with a Permitted Securitization" the words "or in connection with the Montana Disposition".

2.4 SECTION 9.1

(A) The definition of "Permitted Securitization" in Section 9.1 of the Agreement is hereby amended by deleting paragraph (d) in its entirety, redesignating paragraph (e) as paragraph (d) and amending and restating paragraph (b) of such definition as follows:

"(b) (i) The disposition of Advances will not result in the aggregate principal amount of Debt at any time outstanding, and (without duplication) of Securities at any time issued and outstanding (other than subordinated Securities issued to and held by the Company or a Subsidiary), of any Special Purpose Subsidiary pursuant to Permitted Securitizations occurring from and after the effective date of the Second Amendment exceeding \$100,000,000 (which amount may be readvanced and reborrowed); and (ii) the Company or the Restricted

Exhibit 4(b)(4)

Subsidiary disposing of Advances to a Special Purpose Subsidiary pursuant to such Permitted Securitization shall itself actually receive (substantially contemporaneously with such disposition) cash from each disposition of such Advances in connection with any such securitization transaction in an amount not less than Seventy-Five Percent (75%) of the value of such Advances;".

(B) The definition of "Total Restricted Subsidiary Debt" is amended and restated in its entirety as follows:

TOTAL RESTRICTED SUBSIDIARY DEBT -- means, at any time, the aggregate amount of Debt of all Restricted Subsidiaries determined at such time after eliminating intercompany transactions among the Company and the Restricted Subsidiaries. For the avoidance of doubt, the Company hereby acknowledges that Total Restricted Subsidiary Debt includes the amount of Debt of any Restricted Subsidiary attributable to its Guaranty of any liabilities of another Person (including the Company or any Subsidiary) made in favor of any Person other than the Company or another Restricted Subsidiary. Notwithstanding the foregoing, (i) Total Restricted Subsidiary Debt does not include the amount of Debt of any Restricted Subsidiary attributable to its Guaranty of obligations under the Credit Agreement (and any related notes, letters of credit and other agreements) of any Person (including the Company or any Subsidiary) made in favor of the Banks if, concurrently with the giving of any such Guaranty, you are given the benefit of an equal and ratable Guaranty on substantially similar terms; and (ii) the term "Total Restricted Subsidiary Debt" shall not, at any time prior to May 15, 1997 (but shall, at all times from and after May 15, 1997), be deemed to include any Debt of CAC International attributable to its Guaranty, for the benefit of the Banks, of the liabilities of the Company and certain Subsidiaries under the Credit Agreement.

(C) The definition of "Montana Disposition" is added to Section 9.1:

"MONTANA DISPOSITION -- means the sale of Montana Investment Group, Inc. and its subsidiaries for net proceeds totaling at least \$16,000,000 in cash (all of which net proceeds are used to reduce Debt outstanding under the Credit Agreement), pursuant to (i) the sale of all or substantially all of the assets of Montana Investment Group, Inc. and its subsidiaries, (ii) the sale of all of the capital stock of Montana Investment Group, Inc. or (iii) the merger of Montana Investment Group, Inc. with and into any Person other than the Company or a Restricted Subsidiary; in each case, immediately prior to and immediately after the consummation of which, and after giving effect thereto, no Default or Event of Default would exist.

SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Third Amendment may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one Third Amendment.

3.2 HEADINGS. The headings of the sections of this Third Amendment are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

3.3 GOVERNING LAW. This Third Amendment shall be governed by and construed in accordance with the internal laws of the State of Connecticut.

3.4 EFFECT OF AMENDMENT. Except as expressly provided herein (a) no other terms and provisions of the Agreement shall be modified or changed by this Third Amendment and (b) the terms and provisions of the Agreement, as amended by this Third Amendment, shall continue in full force and effect. The Company hereby acknowledges and reaffirms all of its obligations and duties under each of the Agreement, as modified by this Third Amendment, and the Notes.

3.5 REFERENCES TO THE AGREEMENT. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution of the Third Amendment may refer to the Agreement without making specific reference to this Third Amendment but nevertheless all such references shall be deemed to include, to the extent applicable, this Third Amendment unless the context shall otherwise require.

3.6 COMPLIANCE. The Company certifies that immediately before and after giving effect to this Third Amendment, no Default or Event of Default exists or would exist after giving effect hereto.

3.7 EFFECTIVENESS OF AMENDMENTS.

The amendments to the Agreement contemplated by Section 2 hereof shall (in accordance with Section 10.5(a) of the Agreement) become effective, if at all, at such time as the Company and the Required Holders of the Notes shall have indicated their written consent to such amendments by executing and delivering the applicable counterparts of this Third Amendment. It is understood that any holder of Notes may withhold its consent for any reason, including, without limitation, any failure of the Company to satisfy all of the following conditions:

(a) This Third Amendment shall have been executed and delivered by the Company and each of the Required Holders of the Notes.

(b) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's First Amended and Restated 9.12% Senior Notes due November 1, 2001 issued under Note Purchase Agreements dated as of October 1, 1994, containing amendments to such Note Purchase Agreements identical in substance to the amendments set forth in Section 2 hereof.

(c) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's First Amended and Restated 8.02% Senior Notes due October 1, 2001 issued under Note Purchase Agreements dated as of March 25, 1997, containing amendments to such Note Purchase Agreements identical in substance to the amendments set forth in Section 2 hereof.

(d) The Company shall have paid the statement for reasonable fees and disbursements of Hebb & Gitlin, your special counsel, presented to the Company on or prior to the effective date of this Third Amendment.

[Remainder of page intentionally blank. Next page is signature page.]

Exhibit 4(b)(4)

If this Third Amendment is satisfactory to you, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this Third Amendment shall become binding between us in accordance with its terms.

Very truly yours,

CREDIT ACCEPTANCE CORPORATION

By: /S/BRETT A. ROBERTS

Name: Brett A. Roberts
Title: Executive Vice President

[Signature Page to Third Amendment to Note Purchase Agreement in respect of 8.24% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR CENTRAL
STATES HEALTH & LIFE COMPANY OF
OMAHA

By: /S/K. LANGE

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR THE CHARLES
SCHWAB TRUST COMPANY FBO
GUARANTY INCOME LIFE INSURANCE
COMPANY

By: /S/K. LANGE

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR AMERICAN
COMMUNITY MUTUAL INSURANCE

By: /S/K. LANGE

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR CENTRAL RE
CORP. & PHOENIX

By: /S/K. LANGE

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR LONE STAR
LIFE INSURANCE COMPANY

By: /S/K. LANGE

Name: Kathy Lange
Title:

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.24% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR OZARK
NATIONAL LIFE INSURANCE COMPANY

By: /S/K. LANGE

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR CSA FRATERNAL LIFE

By: /S/K. LANGE

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR KANAWHA
INSURANCE COMPANY

By: /S/K. LANGE

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR OLD GUARD
MUTUAL INSURANCE COMPANY

By: /S/K. LANGE

Name: Kathy Lange
Title:

WILLIAM BLAIR & COMPANY, LLC

By: William Blair & Company, LLC
Attorney-in-Fact

By: /S/JAMES D. MC KINNEY

Name: James D. Mc Kinney
Title: Partner and Manager
Fixed Income Department

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.24% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

COMBINED INSURANCE COMPANY OF
AMERICA
BY: AON ADVISORS, INC.

By: /S/KEITH LEMMER

Name: Keith Lemmer
Title: Senior Portfolio Manager

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY
BY CIGNA INVESTMENTS, INC. (authorized agent)

By: /S/JAMES R. KUZEMCHAK

Name: James R. Kuzemchak
Title: Managing Director

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY,
ON BEHALF OF ONE OR MORE SEPARATE ACCOUNTS
BY CIGNA INVESTMENTS, INC. (authorized agent)

By: /S/JAMES R. KUZEMCHAK

Name: James R. Kuzemchak
Title: Managing Director

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: /S/RICHARD E. SPENCER II

Name: Richard E. Spencer II
Title: Managing Director

CM LIFE INSURANCE COMPANY

By: /S/RICHARD E. SPENCER II

Name: Richard E. Spencer II
Title: Investment Officer

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.24% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

NATIONWIDE LIFE INSURANCE COMPANY

By: /S/MARK W. POEPPELMAN

Name: Mark W. Poeppelman
Title: Authorized Signatory

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: /S/CHOM S. RECTANUS

Name: Chom S. Rectanus
Title: Second Vice President

PAN AMERICAN LIFE INSURANCE COMPANY

By: /S/F. ANDERSON STONE

Name: F. Anderson Stone
Title: Vice President
Corporate Securities

PHOENIX HOME LIFE MUTUAL
INSURANCE COMPANY
BY: PHOENIX INVESTMENT COUNSEL, INC.

By: /S/ROSEMARY T. STREKEL

Name: Rosemary T. Strekel
Title: Senior Managing Director

SECURITY BENEFIT LIFE INSURANCE COMPANY

By: /S/STEVEN M. BOWSER

Name: Steven M. Bowser
Title: Second Vice President
Portfolio Manager

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.24% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

THIRD AMENDMENT TO NOTE PURCHASE AGREEMENT

RE:

CREDIT ACCEPTANCE CORPORATION

FIRST AMENDED AND RESTATED 8.02% SENIOR NOTES DUE OCTOBER 1, 2001

Dated as of April 13, 1999

To the Noteholders listed on Annex I hereto

Ladies and Gentlemen:

Credit Acceptance Corporation, a Michigan corporation (together with its successors and assigns, the "Company"), hereby agrees with you as follows:

SECTION 1. INTRODUCTORY MATTERS.

1.1 DESCRIPTION OF OUTSTANDING NOTES. The Company currently has outstanding \$_____ in aggregate unpaid principal amount of its First Amended and Restated 8.02% Senior Notes due October 1, 2001 (collectively, the "Notes") which it issued pursuant to the separate Note Purchase Agreements, each dated as of March 25, 1997 (collectively, as amended by the First Amendment to Note Purchase Agreement dated as of December 12, 1997 and the Second Amendment to Note Purchase Agreement, dated as of July 1, 1998, the "Agreement"), entered into by the Company with each of the original holders of the Notes listed on Annex 1 thereto, respectively. Terms used herein but not otherwise defined herein shall have the meanings assigned thereto in the Agreement, as amended hereby.

1.2 PURPOSE OF AMENDMENT. The Company and you desire to amend the Agreement as set forth in Section 2 hereof and to include in this amendment the revision to the "Total Restricted Subsidiary Debt" definition, which revision was included in the terms of the Intercreditor Agreement, dated as of December 15, 1998 among Comerica Bank, as collateral agent, the lenders under the Credit Agreement and the holders of the Notes and other notes issued by the Company.

SECTION 2. AMENDMENT TO THE AGREEMENT.

Pursuant to Section 10.5 of the Agreement, the Company hereby agrees with you that the Agreement shall be amended by this Third Amendment to Note Purchase Agreement (the "Third Amendment") in the following respects:

2.1 SECTION 6.1

Clause (ii) of paragraph (a) of Section 6.1 is hereby amended and restated in its entirety as follows:

"(ii) seventy-five percent (75%) of Advances; and".

2.2 SECTION 6.7

Section 6.7 is amended by replacing the word "or" with the word "and" at the end of clauses (i) and (ii) of paragraph (a), replacing the "." at the end of clause (iii) of paragraph (a) with "; and" and adding the following clause (iv):

"(iv) a merger, consolidation or Transfer of a Restricted Subsidiary or Restricted Subsidiaries pursuant to the Montana Disposition."

2.3 SECTION 6.8

(A) Paragraph (a) of Section 6.8 is amended by replacing the "." at the end of clause (iv) with "; and", by adding, at the end of each of clauses (iii) and (iv) before the semicolon the phrase "if, immediately before and after the consummation of such Transfer, and after giving effect thereto, no Default or Event of Default would exist", and by adding the following clause (v):

"(v) any Transfer made pursuant to the Montana Disposition if, immediately before and after the consummation of such Transfer, and after giving effect thereto, no Default or Event of Default would exist."

(B) Paragraph (b) of Section 6.8 is amended by amending and restating the lead-in phrase of clause (iv) as follows:

"(iv) the Transfer of all of the Restricted Subsidiary Stock of a Restricted Subsidiary owned by the Company and the other Restricted Subsidiaries pursuant to the Montana Disposition or if:"

(C) Paragraph (c) of Section 6.8 is amended by adding in the second line thereof after "except in connection with a Permitted Securitization" the words "or in connection with the Montana Disposition".

2.4 SECTION 9.1

(A) The definition of "Permitted Securitization" in Section 9.1 of the Agreement is hereby amended by deleting paragraph (d) in its entirety, redesignating paragraph (e) as paragraph (d) and amending and restating paragraph (b) of such definition as follows:

"(b) (i) The disposition of Advances will not result in the aggregate principal amount of Debt at any time outstanding, and (without duplication) of Securities at any time issued and outstanding (other than subordinated Securities issued to and held by the Company or a Subsidiary), of any Special Purpose Subsidiary pursuant to Permitted Securitizations occurring from and after the effective date of the Second Amendment exceeding \$100,000,000 (which amount may be readvanced and reborrowed); and (ii) the Company or the Restricted

Exhibit 4(e)(4)

Subsidiary disposing of Advances to a Special Purpose Subsidiary pursuant to such Permitted Securitization shall itself actually receive (substantially contemporaneously with such disposition) cash from each disposition of such Advances in connection with any such securitization transaction in an amount not less than Seventy-Five Percent (75%) of the value of such Advances;".

(B) The definition of "Total Restricted Subsidiary Debt" is amended and restated in its entirety as follows:

TOTAL RESTRICTED SUBSIDIARY DEBT -- means, at any time, the aggregate amount of Debt of all Restricted Subsidiaries determined at such time after eliminating intercompany transactions among the Company and the Restricted Subsidiaries. For the avoidance of doubt, the Company hereby acknowledges that Total Restricted Subsidiary Debt includes the amount of Debt of any Restricted Subsidiary attributable to its Guaranty of any liabilities of another Person (including the Company or any Subsidiary) made in favor of any Person other than the Company or another Restricted Subsidiary. Notwithstanding the foregoing, (i) Total Restricted Subsidiary Debt does not include the amount of Debt of any Restricted Subsidiary attributable to its Guaranty of obligations under the Credit Agreement (and any related notes, letters of credit and other agreements) of any Person (including the Company or any Subsidiary) made in favor of the Banks if, concurrently with the giving of any such Guaranty, you are given the benefit of an equal and ratable Guaranty on substantially similar terms; and (ii) the term "Total Restricted Subsidiary Debt" shall not, at any time prior to May 15, 1997 (but shall, at all times from and after May 15, 1997), be deemed to include any Debt of CAC International attributable to its Guaranty, for the benefit of the Banks, of the liabilities of the Company and certain Subsidiaries under the Credit Agreement.

(C) The definition of "Montana Disposition" is added to Section 9.1:

"MONTANA DISPOSITION -- means the sale of Montana Investment Group, Inc. and its subsidiaries for net proceeds totaling at least \$16,000,000 in cash (all of which net proceeds are used to reduce Debt outstanding under the Credit Agreement), pursuant to (i) the sale of all or substantially all of the assets of Montana Investment Group, Inc. and its subsidiaries, (ii) the sale of all of the capital stock of Montana Investment Group, Inc. or (iii) the merger of Montana Investment Group, Inc. with and into any Person other than the Company or a Restricted Subsidiary; in each case, immediately prior to and immediately after the consummation of which, and after giving effect thereto, no Default or Event of Default would exist.

SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Third Amendment may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one Third Amendment.

3.2 HEADINGS. The headings of the sections of this Third Amendment are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

3.3 GOVERNING LAW. This Third Amendment shall be governed by and construed in accordance with the internal laws of the State of New York.

3.4 EFFECT OF AMENDMENT. Except as expressly provided herein (a) no other terms and provisions of the Agreement shall be modified or changed by this Third Amendment and (b) the terms and provisions of the Agreement, as amended by this Third Amendment, shall continue in full force and effect. The Company hereby acknowledges and reaffirms all of its obligations and duties under each of the Agreement, as modified by this Third Amendment, and the Notes.

3.5 REFERENCES TO THE AGREEMENT. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution of the Third Amendment may refer to the Agreement without making specific reference to this Third Amendment but nevertheless all such references shall be deemed to include, to the extent applicable, this Third Amendment unless the context shall otherwise require.

3.6 COMPLIANCE. The Company certifies that immediately before and after giving effect to this Third Amendment, no Default or Event of Default exists or would exist after giving effect hereto.

3.7 EFFECTIVENESS OF AMENDMENTS.

The amendments to the Agreement contemplated by Section 2 hereof shall (in accordance with Section 10.5(a) of the Agreement) become effective, if at all, at such time as the Company and the Required Holders of the Notes shall have indicated their written consent to such amendments by executing and delivering the applicable counterparts of this Third Amendment. It is understood that any holder of Notes may withhold its consent for any reason, including, without limitation, any failure of the Company to satisfy all of the following conditions:

(a) This Third Amendment shall have been executed and delivered by the Company and each of the Required Holders of the Notes.

(b) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's First Amended and Restated 9.12% Senior Notes due November 1, 2001 issued under Note Purchase Agreements dated as of October 1, 1994, containing amendments to such Note Purchase Agreements identical in substance to the amendments set forth in Section 2 hereof.

(c) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's First Amended and Restated 8.24% Senior Notes due July 1, 2001 issued under Note Purchase Agreements dated as of August 1, 1996, containing amendments to such Note Purchase Agreements identical in substance to the amendments set forth in Section 2 hereof.

(d) The Company shall have paid the statement for reasonable fees and disbursements of Hebb & Gitlin, your special counsel, presented to the Company on or prior to the effective date of this Third Amendment.

[Remainder of page intentionally blank. Next page is signature page.]

If this Third Amendment is satisfactory to you, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this Third Amendment shall become binding between us in accordance with its terms.

Very truly yours,

CREDIT ACCEPTANCE CORPORATION

By: /S/BRETT A. ROBERTS

Name: Brett A. Roberts
Title: Executive Vice President

[Signature Page to Third Amendment to Note Purchase Agreement in respect of 8.02% Senior Notes Due October 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

THE GUARDIAN LIFE INSURANCE COMPANY
OF AMERICA

By: /S/THOMAS M. DONOHUE

Name: Thomas M. Donohue
Title: Vice President

MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY

By: /S/RICHARD E. SPENCER II

Name: Richard E. Spencer II
Title: Managing Director

NATIONWIDE LIFE INSURANCE COMPANY

By: /S/MARK W. POEPELMAN

Name: Mark W. Poeppelman
Title: Authorized Signatory

WILLIAM BLAIR & COMPANY, LLC

By: William Blair & Company, LLC
Attorney-in-Fact

By: /S/JAMES D. MC KINNEY

Name: James D. Mc Kinney
Title: Partner and Manager
Fixed Income Department

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.02% Senior Notes Due October 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

AMERICAN BANKERS INSURANCE
COMPANY OF FLORIDA

By: /S/GUS RODRIQUEZ

Name: Gus Rodriquez
Title: Director of Investments

VOYAGER PROPERTY & CASUALTY
INSURANCE CO.

By: /S/GUS RODRIQUEZ

Name: Gus Rodriquez
Title: Director of Investments

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR AMERICAN
PIONEER LIFE INSURANCE COMPANY OF
NEW YORK

By: /S/K. LANGE

Name: K. Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR AMERICAN
PROGRESSIVE LIFE AND HEALTH
INSURANCE COMPANY OF NEW YORK

By: /S/K. LANGE

Name: K. Lange
Title:

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.02% Senior Notes Due October 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR THE FEDERATED
RURAL ELECTRIC INSURANCE CORP.

By: /S/K. LANGE

Name: K. Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR TOWER
LIFE INSURANCE COMPANY

By: /S/K. LANGE

Name: K. Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR PHYSICIANS
LIFE INSURANCE COMPANY VISTA 500

By: /S/K. LANGE

Name: K. Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR WORLD
INSURANCE COMPANY

By: /S/K. LANGE

Name: K. Lange
Title:

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.02% Senior Notes Due October 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR UNITED
TEACHERS ASSOCIATES INSURANCE
COMPANY

By: /S/K. LANGE

Name: K. Lange
Title:

FARM BUREAU LIFE INSURANCE
COMPANY

By: /S/ROBERT J. RUMMELHART

Name: Robert J. Rummelhart
Title: Fixed Income-Vice President

FARM BUREAU MUTUAL INSURANCE COMPANY

By: /S/ROBERT J. RUMMELHART

Name: Robert J. Rummelhart
Title: Fixed Income-Vice President

GENERAL AMERICAN LIFE INSURANCE
COMPANY

By: Conning Asset Management Company

By: /S/LAURA R. CARO

Name: Laura R. Caro
Title: Senior Vice President

[Signature Page to Third Amendment to Note Purchase Agreement in respect of
8.02% Senior Notes Due October 1, 2001 of Credit Acceptance Corporation]

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