Credit Acceptance Corporation Reports 2000 Earnings of $23,650,000 OR $0.53 per Diluted Share Fourth Quarter Earnings of $5,667,000 or $0.13 per Diluted Share

Southfield, Michigan – January 24, 2001 – Credit Acceptance Corporation (Nasdaq: CACC) announced today that consolidated net income for the quarter ended December 31, 2000 was $5,667,000 or $0.13 per diluted share compared to $3,805,000 or $0.08 per diluted share for the same period in 1999. For the year ended December 31, 2000, consolidated net income was $23,650,000 or $0.53 per diluted share compared to a loss of ($10,686,000) or ($0.23) per diluted share for the same period in 1999.

Earnings for the quarter ended December 31, 1999 include after tax charges totaling $800,000 resulting from the settlement of consumer litigation and $400,000 from the acceleration of amortization of certain deferred debt issuance costs in connection with the repurchase of senior notes. Results for fiscal 1999 include an after tax non-cash charge of $39.2 million in the third quarter relating to dealer advance losses and the write down of a portion of the retained interest in the July 1998 securitization which was partially offset by a $9.0 million after tax gain relating to the sale of a subsidiary. Excluding the impact of the non-recurring items discussed above, annual earnings per diluted share increased 20.5% from $0.44 in 1999 to $0.53 in 2000.

Cash collections on installment contracts receivable, as a percent of average gross installment contracts receivable, were 57.8% for the year ended December 31, 2000 compared with 57.3% for 1999. The Company's average annualized yield on its installment contract portfolio improved to 13.9% for the year ended December 31, 2000 from 12.7% for 1999. The improvement in the average yield resulted from a decrease in the percentage of installment contracts which were in non-accrual status to 21.6% as of December 31, 2000 from 23.0% as of December 31, 1999.

The Company's consolidated originations totaled $127,457,000 and $587,324,000 for the three months and year ended December 31, 2000 compared with $136,637,000 and $541,649,000 for the same periods in 1999, representing a decrease of 6.7% and an increase of 8.4% for the three months and year ended, respectively.

The Company's North American operations originated $85,518,000 and $403,078,000 in new installment contracts for the three months and year ended December 31, 2000 compared with $90,957,000 and $408,545,000 for the same periods in 1999, representing decreases of 6.0% and 1.3% for the three months and year ended, respectively.

The Company's United Kingdom operations originated $34,246,000 and $144,992,000 in new installment contracts for the three months and year ended December 31, 2000 compared to $40,816,000 and $124,566,000 for the same periods in 1999, representing a decrease of 16.1% for the three month period and an increase of 16.4% for the year ended.

Originations for the Company's automobile leasing operations were $7,693,000 and $39,254,000 for the three months and year ended December 31, 2000 compared with $4,864,000 and $8,538,000 for the same periods in 1999. The Company reported net losses on its automobile leasing operations of ($820,000) and ($1,489,000) for the three months and year ended December 31, 2000 compared with net losses of ($198,000) and ($488,000) for the same periods in 1999. The Company began originating leases of used vehicles during the first quarter of 1999.

The increase in the automobile leasing operations net loss for the quarter was primarily due to a $1.2 million increase in the provision for credit losses for the quarter ended December 31, 2000 compared to the same period in 1999. The increase in the size of the Company's lease portfolio accounts for the largest portion of the increase in the provision for credit losses. However, additional amounts were provided during the year based upon the Company's evaluation of portfolio performance data, which caused the Company to increase its forecasted repossession rate for the portfolio of leases and increase the reserve against leased vehicle residual values.

The Company also released the following guidance for 2001:

Estimated earnings per share $0.60 Retail installment contract origination growth 13% Average net installment contract receivables growth 6% Finance charge yield % 14% Lease origination growth 31% Average debt balance $155-$160 million Average borrowing cost 10%

The Company expects that retail installment contract originations will grow by approximately 5% in the first quarter of 2001 over the prior year first quarter. The Company expects that both retail and lease origination growth will accelerate during the year. The growth in retail installment contract originations will depend in part on the acceptance of the Company's new internet based origination platform as well as continued stability in credit quality. The growth in leasing will depend primarily on the Company's evaluation of the profitability of leases originated to date as more data becomes available as existing leases mature.

The foregoing information regarding the Company's estimates of results for the first quarter and full year of 2001 represent our outlook only as of the date of this release, and we undertake no obligation to update or revise these estimates, whether as a result of new developments or otherwise.

Certain statements in this release that are not historical facts, including those regarding the Company's 2001 guidance, future plans, objectives and expected performance, are "forward looking statements" within the meaning of the federal securities laws. Forward looking statements are subject to various risks and uncertainties, including, among others, competition from traditional financing sources and from non-traditional lenders, unavailability of funding at competitive rates of interest, adverse changes in applicable laws and regulations, adverse changes in economic conditions, 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 or leases accepted, the Company's potential inability to accurately forecast and estimate future collections and historical collection rates, the Company's potential inability to accurately estimate the residual values of the lease vehicles, an adverse outcome in the ongoing Internal Revenue Service examination of the Company, an increase in the amount or severity of litigation against the Company, the loss of key management personnel, and the Company's ability to complete various financing alternatives and the various other factors discussed in the Company's annual and quarterly reports filed with the Securities and Exchange Commission.

Credit Acceptance Corporation is a specialized financial services company which provides funding, receivables management, collection, sales training and related products and services to automobile dealers selling vehicles to consumers with limited access to traditional sources of consumer credit.

To view the complete press release with all financial tables click here.