

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

FORM 10-Q

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

For the quarterly period ended March 31, 2003

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 (IRS Employer Identification)
of incorporation or organization)

25505 WEST TWELVE MILE ROAD, SUITE 3000
SOUTHFIELD, MICHIGAN 48034-8339
(Address of principal executive offices) (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 by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). 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 April 1, 2003 was 42,336,615.

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PART I. - FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED INCOME STATEMENTS

(Dollars in thousands, except per share data)

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
REVENUE:		
Finance charges	\$ 24,256	\$ 24,885
Lease revenue	2,336	5,159
Other income	10,337	8,814
Total revenue	36,929	38,858
COSTS AND EXPENSES:		
Operating expenses	16,818	16,007
Provision for credit losses	3,647	3,381
Depreciation of leased assets	1,548	2,941
Interest	1,596	2,305
Total costs and expenses	23,609	24,634
Operating income	13,320	14,224
Foreign exchange gain	15	16
Income before provision for income taxes	13,335	14,240
Provision for income taxes	4,498	7,926
Net income	\$ 8,837	\$ 6,314
Net income per common share:		
Basic	\$ 0.21	\$ 0.15
Diluted	\$ 0.21	\$ 0.15
Weighted average shares outstanding:		
Basic	42,328,841	42,437,481
Diluted	42,407,981	43,497,889

See accompanying notes to condensed consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	AS OF	
	MARCH 31, 2003	DECEMBER 31, 2002
ASSETS:	(Unaudited)	
Cash and cash equivalents	\$ 6,372	\$ 13,466
Investments -- held to maturity	99	173
Loans receivable	819,322	778,674
Allowance for credit losses	(5,051)	(5,497)
Loans receivable, net	814,271	773,177
Floor plan receivables, net	3,105	4,450
Notes receivable, net	6,053	7,554
Investment in operating leases, net	13,199	17,879
Property and equipment, net	20,057	19,951
Other assets	5,096	5,675
Total Assets	\$ 868,252	\$ 842,325
LIABILITIES AND SHAREHOLDERS' EQUITY:		
LIABILITIES:		
Lines of credit	\$ 55,627	\$ 43,555
Secured financing	32,904	58,153
Mortgage note	6,005	6,195
Capital lease obligations	1,727	1,938
Accounts payable and accrued liabilities	31,428	28,341
Dealer holdbacks, net	389,387	362,534
Deferred income taxes, net	8,762	11,667
Income taxes payable	10,826	6,094
Total Liabilities	536,666	518,477
SHAREHOLDERS' EQUITY:		
Common stock	423	423
Paid-in capital	107,142	107,164
Retained earnings	223,694	214,857
Accumulated other comprehensive income - cumulative translation adjustment	327	1,404
Total Shareholders' Equity	331,586	323,848
Total Liabilities and Shareholders' Equity	\$ 868,252	\$ 842,325

See accompanying notes to condensed consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars In Thousands)

FOR THE THREE MONTHS ENDED MARCH 31,

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 8,837	\$ 6,314
Adjustments to reconcile cash provided by operating activities:		
Provision for credit losses	3,647	3,381
Depreciation	1,094	830
Depreciation of leased assets	1,548	2,941
Provision (credit) for deferred income taxes	(2,905)	3,107
Tax benefit from exercise of stock options	-	977
Change in operating assets and liabilities:		
Accounts payable and accrued liabilities	2,868	(2,114)
Income taxes payable	4,732	2,027
Lease payment receivable	704	394
Unearned insurance premiums, insurance reserves and fees	(130)	(330)
Deferred dealer enrollment fees, net	219	219
Other assets	579	2,741
	21,193	20,487
CASH FROM INVESTING ACTIVITIES:		
Principal collected on loans receivable	91,921	94,532
Advances to dealers	(101,596)	(87,179)
Payments of dealer holdbacks	(7,354)	(7,776)
Operating lease acquisitions	-	(853)
Deferred costs from lease acquisitions	-	(200)
Operating lease liquidations	1,774	3,422
Decreases in floor plan receivables	1,345	668
Decrease in notes receivable	1,501	180
Purchases of property and equipment	(1,200)	(833)
	(13,609)	1,961
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (repayments) under lines of credit	12,072	(5,812)
Proceeds from secured financings	-	28,552
Repayments of secured financings	(25,249)	(42,584)
Principal payments under capital lease obligations	(211)	-
Repayment of senior notes and mortgage note	(190)	(178)
Repurchase of common stock	(58)	-
Proceeds from stock options exercised	35	3,023
	(13,601)	(16,999)
Effect of exchange rate changes on cash	(1,077)	(1,642)
Net (decrease) increase in cash and cash equivalents	(7,094)	3,807
Cash and cash equivalents, beginning of period	13,466	15,773
Cash and cash equivalents, end of period	\$ 6,372	\$ 19,580

See accompanying notes to condensed consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
NOTES TO CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed 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 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, 2002 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. 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, 2002. Certain amounts have been reclassified to conform to the 2003 presentation.

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. ACCOUNTING STANDARDS

Pursuant to Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), an impairment analysis is performed on the net asset value of the leasing operation on a quarterly basis. This analysis compares the undiscounted forecasted future net cash flows relating to Automobile Leasing to the net asset value of this operation at the balance sheet date. Due to the Company's limited experience in the leasing business, a substantial amount of uncertainty exists in the forecast of the future net cash flows that will be generated by this operation. Based upon management's analysis, no write down of the net asset value of the leasing operation was necessary at March 31, 2003 and 2002. In future periods, if management's analysis indicates that future cash flows from the leasing operation are less than the leasing operation's net asset value, SFAS No. 144 requires the use of a present value methodology to estimate the fair value of the assets. This methodology would require the Company to record an expense equal to the amount by which the net asset value of the leasing operation exceeds the future cash flows discounted at the average rate implicit in the portfolio of automobile leases.

3. LOANS RECEIVABLE

Retail installment contracts (referred to as "Contracts" or "Loans") receivable consisted of the following (in thousands):

	AS OF	
	MARCH 31, 2003	DECEMBER 31, 2002
	(Unaudited)	
Gross Loans receivable	\$ 970,703	\$ 919,022
Unearned finance charges	(148,117)	(136,954)
Unearned insurance premiums, insurance reserves and fees	(3,264)	(3,394)
Loans receivable	\$ 819,322	\$ 778,674
Non-accrual Loans	\$ 202,864	\$ 220,978
Non-accrual Loans as a percent of Gross Loans receivable	20.9%	24.0%

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

3. LOANS RECEIVABLE -- (CONCLUDED)

A summary of changes in gross Loans receivable is as follows (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
Balance, beginning of period	\$ 919,022	\$ 906,808
Gross amount of Loans accepted	232,046	192,081
Net cash collections on Loans	(115,030)	(115,080)
Charge-offs	(64,654)	(41,835)
Currency translation	(681)	(4,342)
Balance, end of period	\$ 970,703	\$ 937,632

A summary of the change in the allowance for credit losses is as follows (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
Balance, beginning of period	\$ 5,497	\$ 4,745
Provision for Loan losses	317	460
Charge-offs	(755)	(272)
Currency translation	(8)	(25)
Balance, end of period	\$ 5,051	\$ 4,908

4. INVESTMENT IN OPERATING LEASES

The composition of net investment in operating leases consisted of the following (in thousands):

	AS OF	
	MARCH 31, 2003	DECEMBER 31, 2002
	(Unaudited)	
Gross leased assets	\$ 24,469	\$ 29,486
Accumulated depreciation	(11,239)	(12,304)
Gross deferred costs	3,259	3,956
Accumulated amortization of deferred costs	(2,419)	(2,706)
Lease payments receivable	1,431	2,112
Investment in operating leases	15,501	20,544
Less: Allowance for lease vehicle losses	(2,302)	(2,665)
Investment in operating leases, net	\$ 13,199	\$ 17,879

4. INVESTMENT IN OPERATING LEASES -- (CONCLUDED)

A summary of changes in the investment in operating leases is as follows (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
Balance, beginning of period	\$ 20,544	\$ 45,750
Gross operating leases originated	-	1,053
Depreciation of operating leases	(1,548)	(2,941)
Lease payments due	2,349	4,982
Collections on operating leases	(2,587)	(4,644)
Charge-offs	(466)	(732)
Operating lease liquidations	(3,026)	(5,430)
Currency translation	235	(15)
Balance, end of period	\$ 15,501	\$ 38,023

A summary of the change in the allowance for lease vehicle losses (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
Balance, beginning of period	\$ 2,665	\$ 2,976
Provision for lease vehicle losses	654	1,459
Charge-offs	(1,017)	(2,024)
Balance, end of period	\$ 2,302	\$ 2,411

5. DEALER HOLDBACKS AND RESERVE FOR ADVANCE LOSSES

Dealer holdbacks consisted of the following (in thousands):

	AS OF	
	MARCH 31, 2003	DECEMBER 31, 2002
	(Unaudited)	
Dealer holdbacks	\$ 776,195	\$ 734,625
Less: advances (net of reserve of \$17,878 and \$15,494 at March 31, 2003 and December 31, 2002, respectively)	(386,808)	(372,091)
Dealer holdbacks, net	\$ 389,387	\$ 362,534

A summary of the change in the reserve for advance losses (classified with net dealer holdbacks in the accompanying balance sheets) is as follows (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
Balance, beginning of period	\$ 15,494	\$ 9,161
Provision for advance losses	2,676	1,462
Charge-offs	(266)	(565)
Currency translation	(26)	(49)

Balance, end of period

\$ 17,878
=====

\$ 10,009
=====

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

6. NET INCOME PER SHARE

Basic net income per share has been computed by dividing net income by the weighted average number of common shares outstanding. Diluted net income per share has been computed by dividing net income by the total of 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 that would have a dilutive effect using the treasury stock method. The share effect is as follows:

	THREE MONTHS ENDED MARCH 31,	
	2003	2002

	(Unaudited)	-----
Weighted average common shares outstanding	42,328,841	42,437,481
Common stock equivalents	79,140	1,060,408
	-----	-----
Weighted average common shares and common stock equivalents	42,407,981	43,497,889
	=====	=====

During the three months ended March 31, 2003 and 2002, stock options to purchase approximately 4,056,723 and 312,490 shares, respectively, were excluded from the diluted net income per share calculation as inclusion of these options would be anti-dilutive to the net income per share due to the relationship between the exercise prices and the average market price of common stock during these periods.

7. RELATED PARTY TRANSACTIONS

In the normal course of its business, the Company regularly accepts assignments of Loans originated by affiliated dealer-partners owned by: (i) the Company's majority shareholder and Chairman; (ii) the Company's President; and (iii) a member of the Chairman's family. Loans accepted from these affiliated dealer-partners were approximately \$6.5 million or 2.8% of total loans accepted and \$6.9 million or 3.6% of total loans accepted for the three months ended March 31, 2003 and 2002, respectively. Loans receivable from affiliated dealer-partners represented approximately 2.9% and 2.8% of the gross Loans receivable balance as of March 31, 2003 and December 31, 2002, respectively. The Company accepts Loans from affiliated dealer-partners and nonaffiliated dealer-partners on the same terms. Advance balances from affiliated dealer-partners' were \$10.5 million or 2.6% of total advances and \$10.4 million or 2.7% of total advances as of March 31, 2003 and December 31, 2002, respectively.

The Company records interest income and fees from a note receivable from the Company's President with a balance of \$1.5 million as of March 31, 2003 and December 31, 2002. Total principal and interest on this note receivable is due on April 19, 2011. Total income earned on the note receivable was \$17,000 for the three months ended March 31, 2003 and 2002.

In the normal course of business, the Company records receivables from dealer-partners for ancillary product charge backs on repossessed leased vehicles. Charge back receivables from affiliated dealer-partners owned by the Company's President were \$14,000 and \$10,000 as of March 31, 2003 and December 31, 2002, respectively.

In the normal course of business, the Company analyzes the viability of new products and services by first offering them to a small group of dealer-partners, which includes affiliated dealer-partners, prior to offering them to the entire network of dealer-partners. The Company received fees for direct mail lead generation services provided to affiliated dealer-partners owned by the Company's majority shareholder and Chairman totaling zero and \$7,500 for the three months ended March 31, 2003 and 2002, respectively.

8. INCOME TAXES

The Company's effective tax rate was 33.7% for the three months ended March 31, 2003 compared to 55.7% for the same period in 2002. The decrease was primarily due to the amount recorded in 2002 for additional income taxes that would be due upon the repatriation of the cumulative undistributed earnings of the Company's United Kingdom business unit. This decrease was partially offset by a change in estimate in 2002 for state income tax owed as a result of the re-characterization of income due to an Internal Revenue Service examination.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONCLUDED)

9. CAPITAL TRANSACTIONS

At March 31, 2003, the Company has two stock-based compensation plans for employees and directors. The Company accounts for those plans under the recognition and measurement principles of Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees", and related Interpretations. In the second quarter of 2003, the Company plans to adopt the recognition and measurement provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which requires the Company to expense the fair market value of stock options granted to employees. Under the retroactive restatement transition method selected by the Company as described in Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" ("SFAS No. 148"), the Company will restate all prior periods to reflect stock-based compensation cost under the fair value based accounting method for all employee awards granted, modified, or settled in fiscal years beginning after December 15, 1994.

The following table illustrates the approximate effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, as amended by SFAS No. 148, to stock-based employee compensation using one set of assumptions for all employees.

(Dollars in thousands, except per share data)

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
Net income, as reported	\$ 8,837	\$ 6,314
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(244)	(313)
Net income, pro forma	\$ 8,593	\$ 6,001
Earnings per share:		
As reported, basic	\$ 0.21	\$ 0.15
As reported, diluted	0.21	0.15
Pro forma, basic	0.20	0.14
Pro forma, diluted	0.20	0.14

10. BUSINESS SEGMENT INFORMATION

The Company is organized into three primary business segments: the North America Operation ("North America"), the United Kingdom Operation ("United Kingdom") and the Automobile Leasing Operation ("Automobile Leasing"). Selected segment information is set forth below (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(Unaudited)	
Revenue:		
North America	\$ 30,299	\$ 28,050
United Kingdom	4,001	5,319
Automobile Leasing	2,629	5,489
Total revenue	\$ 36,929	\$ 38,858
Income before provision for income taxes:		
North America	\$ 12,019	\$ 13,372
United Kingdom	1,830	1,714
Automobile Leasing	(514)	(846)
Total income before provision for income taxes	\$ 13,335	\$ 14,240

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

GENERAL

The Company's business model relies on its ability to forecast Loan performance. The Company's forecasts impact Loan pricing and structure as well as the required reserve for advance losses. The following table presents forecasted collection rates, advance rates, the spread (the forecasted collection rate less the advance rate), and the percentage of the forecasted collections which have been realized through March 31, 2003. The amounts presented are expressed as a percent of total Loan value by year of Loan origination.

As of March 31, 2003				
Year	Forecasted Collection %	Advance %	Spread %	% of Forecast Realized
1992	81%	35%	46%	100%
1993	76%	37%	39%	100%
1994	62%	42%	20%	100%
1995	56%	46%	10%	99%
1996	56%	49%	7%	99%
1997	59%	49%	10%	99%
1998	67%	50%	17%	99%
1999	72%	54%	18%	97%
2000	71%	53%	18%	91%
2001	67%	49%	18%	67%
2002	68%	46%	22%	31%

The risk of a forecasting error declines as Loans age. For example, the risk of a material forecasting error for business written in 1995 is very small, with 99% of the total amount forecasted already realized. In contrast, the Company's forecast for recent Loan originations is much less precise. If the Company produces disappointing operating results, it will likely be because the Company overestimated future Loan performance.

The spread between the forecasted collection rate and the advance rate reduces the Company's risk of advance losses. Because collections are applied to advances on an individual dealer-partner basis, a wide spread does not eliminate the risk of advance losses, but it does reduce the risk significantly.

One method for evaluating the reasonableness of the Company's forecast is to examine the trends in forecasted collection rates over time. The following table compares the Company's forecast as of March 31, 2003 with the forecast as of December 31, 2002.

Year	December 31, 2002 Forecasted Collection %	March 31, 2003 Forecasted Collection %	Variance
1992	81%	81%	-
1993	76%	76%	-
1994	62%	62%	-
1995	56%	56%	-
1996	57%	56%	(1%)
1997	60%	59%	(1%)
1998	68%	67%	(1%)
1999	72%	72%	-
2000	72%	71%	(1%)
2001	68%	67%	(1%)
2002	68%	68%	-

The Company first began publishing collection forecasts in its 2001 Annual Report. Over the past five quarters, forecasted collection rates have dropped consistently. This trend is below management's expectations and has negatively impacted financial results. Most of the decline in forecasted collection rates in 2002 occurred during the third and fourth quarters of 2002 when a difficult system conversion negatively impacted collection results. While collection system performance has returned to pre-system conversion levels as measured by call volumes and charge-off rates, the Company's collection forecast has continued to decline. During the first quarter of 2003, post repossession collection results (known as deficiency balance collections) declined from the prior trend line. While the reasons for this decline are not fully understood, the Company has incorporated this decline into its collection forecasts.

Accurately predicting future collection rates is critical to the Company's success. The Company intends to make every possible effort to forecast results as accurately as possible. Near-term forecasting accuracy will continue to be a challenge until sufficient data is available to allow the variables cited above to be more precisely understood.

The Company will continue to publish collection forecasts and allow the precision of its estimates to be fully visible to shareholders. The impact of the decline in collection rates on the level of impaired advances has been fully absorbed as of quarter end. Should collection rates stabilize or increase, it is likely lower advance provisions will be required in future periods. However, should forecasted collection rates continue to decline, as they have in the most recent three quarters, continued high levels of provisions will be required.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

The following tables present income statement data on a consolidated basis as well as for the Company's three business segments, North America, United Kingdom and Automobile Leasing.

Consolidated

(Dollars in thousands)

	THREE MONTHS ENDED MARCH 31, 2003	% OF REVENUE	THREE MONTHS ENDED MARCH 31, 2002	% OF REVENUE
	-----	-----	-----	-----
REVENUE:				
Finance charges	\$ 24,256	65.7 %	\$ 24,885	64.0 %
Lease revenue	2,336	6.3	5,159	13.3
Other income	10,337	28.0	8,814	22.7
	-----	-----	-----	-----
Total revenue	36,929	100.0	38,858	100.0
COSTS AND EXPENSES:				
Operating expenses	16,818	45.5	16,007	41.2
Provision for credit losses	3,647	9.9	3,381	8.7
Depreciation of leased assets	1,548	4.2	2,941	7.6
Interest	1,596	4.3	2,305	5.9
	-----	-----	-----	-----
Total costs and expenses	23,609	63.9	24,634	63.4
	-----	-----	-----	-----
Operating income	13,320	36.1	14,224	36.6
Foreign exchange gain	15	-	16	-
	-----	-----	-----	-----
Income before provision for income taxes	13,335	36.1	14,240	36.6
Provision for income taxes	4,498	12.2	7,926	20.4
	-----	-----	-----	-----
Net income	\$ 8,837	23.9 %	\$ 6,314	16.2 %
	=====	=====	=====	=====

The results of operations for the Company as a whole are attributable to changes described in the North America, United Kingdom, and Automobile Leasing business segments. The following discussion of the results of operations for interest expense is provided on a consolidated basis, as the explanation is not meaningful by business segment.

Interest. Interest expense decreased to \$1.6 million for the three months ended March 31, 2003 from \$2.3 million for the same period in 2002. The decrease in interest expense was primarily the result of the impact of a decrease in average outstanding debt. This decrease was partially offset by the increase in the weighted average interest rate to 6.4% for the three months ended March 31, 2003 from 4.7% for the same period in 2002, which was the result of an increased impact of borrowing fees and costs on average interest rates due to lower average outstanding borrowings.

North America

(Dollars in thousands)

	THREE MONTHS ENDED MARCH 31, 2003		% OF REVENUE	THREE MONTHS ENDED MARCH 31, 2002		% OF REVENUE
REVENUE:						
Finance charges	\$	21,154	69.8 %	\$	20,020	71.4 %
Other income		9,145	30.2		8,030	28.6
Total revenue		30,299	100.0		28,050	100.0
COSTS AND EXPENSES:						
Operating expenses		14,510	47.9		12,812	45.7
Provision for credit losses		2,575	8.5		516	1.8
Interest		1,184	3.9		1,367	4.9
Total costs and expenses		18,269	60.3		14,695	52.4
Operating income		12,030	39.7		13,355	47.6
Foreign exchange gain (loss)		(11)	-		17	-
Income before provision for income taxes		12,019	39.7		13,372	47.6
Provision for income taxes		4,227	14.0		7,758	27.7
Net income	\$	7,792	25.7 %	\$	5,614	19.9 %

Finance Charges. Finance charges increased to \$21.2 million for the three months ended March 31, 2003 from \$20.0 million for the same period in 2002 primarily due to an increase in the average size of the Loan portfolio. This increase was partially offset by a reduction in the average annualized yield on the Company's Loan portfolio to 12.0% for the three months ended March 31, 2003 from 13.0% for the same period in 2002. This decrease was primarily due to an increase in the average initial contract term of the Company's Loan portfolio as of March 31, 2003 compared to the same period in 2002. The following is a summary of Loan origination volumes and dealer-partner information for the past three years and the first quarters of 2003 and 2002:

(Dollars in thousands)	2000	2001	2002	1ST QTR 2002	1ST QTR 2003
Loan originations	\$384,743	\$659,485	\$582,060	\$174,543	\$222,620
Number of Loans originated	47,620	62,675	50,839	16,102	18,445
Dealer-partners:					
Number of active dealer-partners (1)	1,202	1,170	833	681	659
Loans originated per active dealer-partner	39.6	53.6	61.0	23.6	28.0
Average Loan size	\$ 8.1	\$ 10.5	\$ 11.4	\$ 10.8	\$ 12.1

(1) Active dealer-partners are dealer-partners who submitted at least one loan during the period.

Other Income. Other income increased to \$9.1 million for the three months ended March 31, 2003 from \$8.0 million for the same period in 2002 primarily due to: (i) an increase in income of \$1.1 million on service contract products offered by dealer-partners, primarily due to the increase in Loan originations in the three months ended March 31, 2003 and (ii) interest income of \$600,000 from the Internal Revenue Service in connection with a change in tax accounting methods that affected the characterization and timing of revenue recognition for tax purposes. These increases were partially offset by a decrease in income of \$300,000 from secured lines of credit offered to certain dealer-partners, as the Company continues to reduce its investment in this product.

Operating Expenses. Operating expenses consist of salaries and wages, general and administrative expenses, sales and marketing expenses, and a provision for insurance and service contract claims. Operating expenses increased to \$14.5 million for the three months ended March 31, 2003 from \$12.8 million for the same period in 2002 primarily due to: (i) an increase in salaries and wages of \$1.0 million resulting primarily from additions to the Company's corporate infrastructure in 2002; (ii) an increase of \$300,000 in sales and marketing expenses due to increased sales commissions as a result of increased unit volumes; and (iii) the 2002 reversal of \$300,000 in state tax related expense originally recorded in 2001. These increases were partially offset by a decrease in the provision for insurance and service contract claims of \$500,000 due primarily to a reduction in the number of policies written in 2002 and the first quarter of 2003.

Provision for Credit Losses. The provision for credit losses increased to \$2.6 million for the three months ended March 31, 2003 from \$500,000 for the

same period in 2002. The provision for credit losses consists of two components: (i) a provision for losses on advances to dealer-partners that are not expected to be recovered through collections on the related Loan portfolio and (ii) a provision for earned but unpaid revenue on Loans which were transferred to non-accrual status during the period. The increase in the provision for credit losses was due to a \$2.1 million increase in the provision for advance losses as a result of a reduction in the Company's forecast of future collections on its portfolio of Loans. (See "General" for further information regarding collection forecasts.)

Provision for Income Taxes. The provision for income taxes decreased to \$4.2 million for the three months ended March 31, 2003 from \$7.8 million for the same period in 2002 due to a decrease in the effective tax rate to 35.2% for the three months ended March 31, 2003 from 58.0% for the same period in 2002. The reduction in the effective tax rate was due primarily to an expense of \$3.6 million recorded in 2002 for estimated taxes due upon repatriation of prior years' earnings in the United Kingdom. This decrease was partially offset by the reversal of \$634,000 in expense in 2002 due to a change in estimate of state income tax owed.

United Kingdom

(Dollars in thousands)

	THREE MONTHS ENDED MARCH 31, 2003	% OF REVENUE	THREE MONTHS ENDED MARCH 31, 2002	% OF REVENUE
REVENUE:				
Finance charges	\$ 3,102	77.5 %	\$ 4,865	91.5 %
Other income	899	22.5	454	8.5
Total revenue	4,001	100.0	5,319	100.0
COSTS AND EXPENSES:				
Operating expenses	1,737	43.4	1,937	36.4
Provision for credit losses	434	10.8	1,346	25.3
Interest	-	-	322	6.1
Total costs and expenses	2,171	54.2	3,605	67.8
Income before provision for income taxes	1,830	45.8	1,714	32.2
Provision for income taxes	470	11.7	463	8.7
Net income	\$ 1,360	34.1 %	\$ 1,251	23.5 %

Finance Charges. Finance charges decreased to \$3.1 million for the three months ended March 31, 2003 from \$4.9 million for the same period in 2002 primarily as the result of a decrease in the average size of the Loan portfolio due to a decrease in Loan originations. Loan originations decreased as the result of the United Kingdom decreasing the amount advanced to dealer-partners in an effort to improve the Company's return on capital. To a lesser extent, the decrease in finance charges was due to a reduction in the average annualized yield on the Company's Loan portfolio to 11.3% for the three months ended March 31, 2003 from 12.7% for the same period in 2002. This decrease was primarily due to an increase in the average initial contract term of the Company's Loan portfolio as of March 31, 2003 compared to the same period in 2002. Loan origination volume declined 46.3% compared to the same period in 2002 and increased 28.3% compared to the fourth quarter of 2002. The following is a summary of Loan origination volumes and dealer-partner information for the past three years and the first quarters of 2003 and 2002:

(Dollars in thousands)	2000	2001	2002	1ST QTR 2002	1ST QTR 2003
Loan originations	\$ 142,228	\$ 122,817	\$ 43,325	\$ 17,538	\$ 9,426
Number of Loans originated	10,664	9,121	3,062	1,304	605
Dealer-partners:					
Number of active dealer-partners (1)	205	215	147	106	72
Loans originated per active dealer-partner	52.0	42.4	20.8	12.3	8.4
Average Loan size	\$ 13.3	\$ 13.5	\$ 14.1	\$ 13.4	\$ 15.6

(1) Active dealer-partners are dealer-partners who submitted at least one loan during the period.

Other Income. Other income increased to \$900,000 for the three months ended March 31, 2003 from \$500,000 for the same period in 2002 primarily due to an increase of \$700,000 in revenue under an ancillary products profit sharing agreement with an insurance provider. This increase was partially offset by a decrease of \$300,000 in ancillary product revenue resulting from: (i) a change in the Company's revenue recognition policy for ancillary products in the third quarter of 2002 and (ii) a decline in

ancillary product unit volume due to the decline in Loan originations. The Company recognizes income on ancillary products at the time the product is sold.

Operating Expenses. Operating expenses decreased to \$1.7 million for the three months ended March 31, 2003 from \$1.9 million for the same period in 2002 primarily due to a decrease in salaries and wages of \$200,000 as a result of a reduction in staffing levels.

Provision for Credit Losses. The provision for credit losses decreased to \$400,000 for the three months ended March 31, 2003 from \$1.3 million for the same period in 2002. The provision for credit losses consists of two components: (i) a provision for losses on advances to dealer-partners that are not expected to be recovered through collections on the related Loan portfolio; and (ii) a provision for earned but unpaid revenue on Loans which were transferred to non-accrual status during the period. This decrease in the provision for credit losses for the three months ended March 31, 2003 compared to the same period in 2002 was primarily due to a decrease of \$800,000 in the provision for losses on advances to dealer-partners due to a reduction in Loan originations during the last four quarters and an increase in the spread between the advance rate and the forecasted collection rate.

Provision for Income Taxes. The provision for income taxes remained consistent at \$500,000 for the three months ended March 31, 2003 and 2002 with the impact of an increase in pre-tax profitability offset by a reduction in the effective tax rate to 25.7% for the three months ended March 31, 2003 from 27.0% for the same period in 2002 as a result of a restructuring of legal entities within this business segment.

Automobile Leasing

(Dollars in thousands)

	THREE MONTHS ENDED MARCH 31, 2003	% OF REVENUE	THREE MONTHS ENDED MARCH 31, 2002	% OF REVENUE
REVENUE:				
Lease revenue	\$ 2,336	88.9 %	\$ 5,159	94.0 %
Other income	293	11.1	330	6.0
Total revenue	2,629	100.0	5,489	100.0
COSTS AND EXPENSES:				
Operating expenses	571	21.7	1,258	22.9
Provision for credit losses	638	24.3	1,519	27.7
Depreciation of leased assets	1,548	58.9	2,941	53.6
Interest	412	15.7	616	11.2
Total costs and expenses	3,169	120.6	6,334	115.4
Operating loss	(540)	(20.6)	(845)	(15.4)
Foreign exchange gain (loss)	26	1.0	(1)	-
Loss before credit for income taxes	(514)	(19.6)	(846)	(15.4)
Credit for income taxes	(199)	(7.6)	(295)	(5.4)
Net loss	\$ (315)	(12.0) %	\$ (551)	(10.0) %

Lease Revenue. Lease revenue decreased to \$2.3 million for the three months ended March 31, 2003 from \$5.2 million for the same period in 2002 primarily due to the decrease in the dollar value of the Company's lease portfolio. This decrease was the result of the Company's decision to stop originating automobile leases in the first quarter of 2002.

Other Income. Other income increased, as a percent of revenue, to 11.1% for the three months ended March 31, 2003 from 6.0% for the same period in 2002 due to an increase in gains recognized on leases terminated before their maturity date.

Operating Expenses. Operating expenses decreased to \$600,000 for the three months ended March 31, 2003 from \$1.3 million for the same period in 2002 primarily due to a decrease of \$300,000 in the provision for uncollectible receivables from dealer-partners for ancillary product charge backs on repossessed leased vehicles.

Provision for Credit Losses. The provision for credit losses, as a percent of revenue, decreased to 24.3% for the three months ended March 31, 2003 from 27.7% for the same period in 2002 primarily due to the decline in the frequency of lease repossessions.

Depreciation of Leased Assets. Depreciation of leased assets, including the amortization of indirect lease costs, is recorded on a straight-line basis to the residual value of leased vehicles over their scheduled lease terms. Depreciation expense, as a percent of revenue, increased to 58.9% for the

three months ended March 31, 2003 from 53.6% for the same period in 2002 primarily due to a reduction in the average residual value, as a percent of original lease value, in the lease portfolio.

Credit for income taxes. The credit for income taxes decreased to \$200,000 for the three months ended March 31, 2003 from \$300,000 for the same period in 2002 as a result of the decrease in pre-tax loss. This decrease was partially offset by an increase in the effective tax rate to 38.7% for the three months ended March 31, 2003 from 34.9% for the same period in 2002.

AVERAGE CAPITAL ANALYSIS

The following presentation of financial results and subsequent analysis is based on analyzing the income statement as a percent of capital invested. This information provides an additional perspective on the financial performance of the Company in addition to the presentation of the Company's results as a percent of revenue. The Company believes this information provides a useful measurement of how effectively the Company is utilizing its capital.

Consolidated

(Dollars in thousands)	THREE MONTHS ENDED MARCH 31, 2003	% OF AVERAGE CAPITAL (1)	THREE MONTHS ENDED MARCH 31, 2002	% OF AVERAGE CAPITAL (1)
	-----	-----	-----	-----
REVENUE:				
Finance charges	\$ 24,256	21.1 %	\$ 24,885	19.2 %
Lease revenue	2,336	2.0	5,159	4.0
Other income	10,337	9.0	8,814	6.8
	-----	-----	-----	-----
Total revenue	36,929	32.1	38,858	30.0
COSTS AND EXPENSES:				
Operating expenses	16,818	14.6	16,007	12.3
Provision for credit losses	3,647	3.2	3,381	2.6
Depreciation of leased assets	1,548	1.3	2,941	2.3
Interest	1,596	1.4	2,305	1.8
	-----	-----	-----	-----
Total costs and expenses	23,609	20.5	24,634	19.0
Operating income	13,320	11.6	14,224	11.0
Foreign exchange gain	15	-	16	-
	-----	-----	-----	-----
Income before provision for income taxes	13,335	11.6	14,240	11.0
Provision for income taxes	4,498	3.9	7,926	6.1
	-----	-----	-----	-----
Net income	\$ 8,837	7.7 %	\$ 6,314	4.9 %
	=====	=====	=====	=====
Average capital (1)	\$ 460,209		\$ 519,653	
Return on capital (2)				
North America	8.9%		6.6%	
United Kingdom	8.5%		6.4%	
Automobile leasing	(1.6%)		(1.7%)	
Consolidated	8.6%		6.0%	

(1) Average capital is equal to the average amount of debt and equity during the period, calculated using an average of the monthly outstanding balances prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). For purposes of computing average capital, the Company has added to shareholders' equity as reported under GAAP amounts representing the average options outstanding for the period multiplied by the weighted average exercise price. See "Stock Options." The calculation of average capital follows:

(Dollars in thousands)	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	-----	-----
Average debt	\$ 99,251	\$ 192,716
Average stockholders' equity	327,740	292,244
Average stock option investment	33,218	34,693
	-----	-----
Total average stockholders' equity	360,958	326,937
	-----	-----
Average capital	\$ 460,209	\$ 519,653
	=====	=====

- (2) Return on capital is equal to net operating profit after-tax (net income plus interest expense after-tax) divided by average capital as follows:

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
Net income	\$ 8,837	\$ 6,314
Interest expense	\$ 1,596	\$ 2,305
Tax effect (1 - tax rate)	65.0%	65.7%
Interest expense after-tax	\$ 1,038	\$ 1,514
Net operating profit after-tax	\$ 9,875	\$ 7,828
Average capital	\$ 460,209	\$ 519,653
Return on capital	8.6%	6.0%

RETURN ON CAPITAL ANALYSIS

The following presents the Company's return on capital excluding non-recurring adjustments:

	THREE MONTHS ENDED MARCH 31, 2003	THREE MONTHS ENDED MARCH 31, 2002
Return on capital		
North America	8.5% (1)	9.3% (2)
United Kingdom	8.5%	6.4%
Automobile leasing	(1.6%)	(1.7%)
Consolidated	8.2% (1)	8.0% (2)

Excludes the following:

- (1) A \$400,000 after-tax non-recurring adjustment relating to interest income from the Internal Revenue Service.
- (2) Two non-recurring tax related adjustments that reduced net income by \$2,601,000.

Excluding the impact of non-recurring adjustments, the Company's return on capital increased to 8.2% for the three months ended March 31, 2003 from 8.0% for the same period in 2002. The increase in the return on capital was primarily a result of (i) an increase in the return on capital in the United Kingdom, and (ii) a reduction in the percentage of total capital allocated to Automobile Leasing, the business unit with the lowest return on capital. These factors were partially offset by a reduction in the return on capital in North America, the Company's largest business unit.

In North America the return on capital, after non-recurring adjustments, declined to 8.5% for the three months ended March 31, 2003 compared to 9.3% for the same period in 2002 primarily due to an increase in the provision for advance losses as a result of a decline in forecasted collection rates and an increase in operating expenses due to an increase in corporate infrastructure during the last three quarters of 2002. This was partially offset by an increase in revenue as a percent of total capital for the three months ended March 31, 2003 compared to the same period in 2002. The increase was due to (i) an increase in ancillary product revenue due to an increase in Loan originations during the quarter, and (ii) an increase in finance charges, as a percent of total capital, due to a reduction in the amount advanced to dealer-partners as a percent of the gross Loan amount.

The return on capital in the United Kingdom increased to 8.5% for the three months ended March 31, 2003 from 6.4% for the same period in 2002 primarily due to (i) income under a profit sharing arrangement with an ancillary product provider, and (ii) a reduction in the provision for advance losses. This was partially offset by a reduction in finance charges, as a percent of average capital, due to an increase in the average initial contract term in the Company's Loan portfolio.

ECONOMIC PROFIT

Economic profit or loss represents net operating profit after-tax less an imputed cost of equity. Management has assumed a cost of equity equal to 10% of average shareholders' equity in its economic profit or loss calculations. Economic profit or loss is a measurement of how efficiently the Company utilizes its capital. The Company has used economic profit internally since January 1, 2000 to evaluate its performance. The Company's goal is to maximize the amount of economic profit per share generated. The Company's economic loss decreased to (\$187,000), or (\$0.00) per adjusted share, for the three months ended March 31, 2003 compared to (\$1,860,000), or (\$0.04) per adjusted share, for the same period in 2002.

The following presents the calculation of the Company's economic loss for the periods indicated (dollars in thousands, except per share data):

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2003	2002
ECONOMIC LOSS		
Net income (1)	\$ 8,837	\$ 6,314
Imputed cost of equity at 10% (2)	(9,024)	(8,174)
Total economic loss	\$ (187)	\$ (1,860)
Adjusted weighted average shares outstanding (3)	46,832,114	47,336,090
Economic loss per share (4)	\$ (0.00)	\$ (0.04)

- (1) Consolidated net income from the Consolidated Statement of Income. See "Item 1. Condensed Consolidated Financial Statements."
(2) Cost of equity is equal to 10% (on an annual basis) of total average shareholders' equity, which was \$360,958,000 and \$326,937,000 for the three months ended March 31, 2003 and 2002, respectively, calculated as described in the Average Capital Analysis.
(3) Includes actual weighted average shares outstanding plus total stock options outstanding. The calculation of adjusted weighted average shares outstanding follows:

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
Weighted average shares outstanding	42,328,841	42,437,481
Stock options outstanding	4,503,273	4,898,609
Adjusted weighted average shares outstanding	46,832,114	47,336,090

- (4) Economic loss per share equals the economic loss divided by the adjusted weighted average shares outstanding.

STOCK OPTIONS

In 1999, the Company began granting performance-based stock options to employees. Performance-based options are options that vest solely based on the achievement of performance targets, in the Company's case targets based on either earnings per share or economic profit. GAAP requires companies to expense performance-based options when it is likely that performance targets will be met and a measurement date can be established. The amount of the reported expense is the price of the Company's stock at the end of each reporting period less the exercise price of the options. The Company's non-performance options are not required to be expensed under GAAP. Beginning in the second quarter of 2003, the Company plans to adopt the recognition and measurement provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which requires the Company to expense the fair market value of stock options granted to employees.

Regardless of the accounting, options represent a significant cost to shareholders. The true cost is the business value transferred to the employee in stock, less the exercise proceeds, a number that is difficult to calculate since it depends on when options are exercised and the future performance of the business. GAAP provides several accounting alternatives. In the Company's opinion, SFAS No. 123 represents the best alternative under GAAP for recording the cost associated with stock options. However, the Company believes that none of these alternatives provide a method that accurately captures the true cost of options in all circumstances.

Because the Company believes that accurately understanding and managing the cost of options is essential, the Company has developed the following practices regarding stock options:

- Beginning in 2002, options are issued only after shares have first been repurchased in the open market. In all cases, the option is priced at or above the higher of the fair market value on the date of grant and the average price of the repurchased shares. For shareholders, the impact of options therefore is that capital used to repurchase shares is no longer available to invest in income producing assets. This cost, the opportunity cost of the capital used to repurchase shares until the capital is returned upon option exercise, reduces the Company's reported earnings. Option grants are predominantly performance-based, with appropriately aggressive vesting targets. The Company believes that these options properly align the interests of management and shareholders by rewarding management only for exceptional business performance.
- The Company's reported economic profit (loss) includes three adjustments to the Company's results reported under GAAP to reflect the cost of options. First, to avoid double counting, the GAAP

expense recorded for performance options is added back. Second, all options outstanding are included in the Company's fully diluted share base. Finally, economic profit (loss) includes a charge for the capital used to repurchase shares covering options grants. The Company's method of measuring options in the calculation of economic profit (loss) is conservative in two respects.

First, the tax benefits of future option exercises have not been included in the Company's calculation. Because option expense is deducted for tax purposes upon exercise, more capital will be returned to the Company upon exercise than is invested in repurchased shares. Second, options may be cancelled due to turnover or the failure to meet performance targets. Cancellations will be factored in as they occur. One additional risk is assumed. Should options be issued and shares repurchased above intrinsic value, and the options subsequently expire unexercised, a loss equal to the amount paid above intrinsic value would be incurred.

- The practice of repurchasing shares to cover option grants has evolved over time. To date the Company has repurchased shares covering all options granted since 1995. Because the Company's option program pre-dates the current practice of repurchasing shares, as of March 31, 2003 options to purchase approximately 1.6 million shares granted prior to 1995 have not been covered by repurchases. Depending upon capital availability and other investment opportunities, the Company may repurchase shares covering some or all of these uncovered options. For purposes of computing economic profit, the Company includes a capital charge as if these options had been repurchased at the option exercise price at the date of grant.

The Company views options as a significant but necessary cost. In the Company's opinion, this cost is accurately measured and charged to economic profit per share, the performance measure on which the Company's management is evaluated. The Company believes the ability to measure the cost of options enhances the probability that the Company's option program will produce favorable results for shareholders.

CRITICAL ACCOUNTING POLICIES

The Company's condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires the Company 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 on-going basis, the Company evaluates its estimates, including those related to the reserve for advance losses, the allowance for credit losses, and the allowance for lease vehicle losses. Item 7 of the Company's Annual Report on Form 10-K discusses several critical accounting policies, which the Company believes involve a high degree of judgment and complexity. There have been no material changes to that information during the three months ended March 31, 2003.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of capital are cash flows from operating activities, collections on Loans receivable, borrowings under the Company's credit agreements and secured financings. The Company's principal need for capital has been to fund cash advances made to dealer-partners in connection with the acceptance of Loans and for the payment of dealer holdbacks to dealer-partners who have repaid their advance balances.

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.

The Company's cash flow requirements are dependent on future levels of Loan originations. In the three months ended March 31, 2003, the Company experienced an increase in Loan originations compared to the same period in 2002 primarily due to an increase in the number of Loans per active dealer-partner, partially offset by a reduction in the number of active dealer-partners. The Company expects Loan originations to increase in future periods and, to the extent this trend does continue, the Company will experience an increase in its need for capital.

The Company currently finances its operation through: (i) bank line of credit facilities; (ii) secured financings; (iii) a mortgage Loan; (iv) and capital lease obligations.

Line of Credit Facilities -- At March 31, 2003, the Company had a \$135.0 million credit agreement with a commercial bank syndicate. The facility has a commitment period through June 9, 2003, with a one-year term out option at the request of the Company provided that no event of default exists. The agreement provides that, at the Company's discretion, interest is payable at either the eurodollar rate plus 140 basis points, or at the prime rate (4.25% as of March 31, 2003). The eurodollar borrowings may be fixed for periods of up to six months. Borrowings under the credit agreement are subject to a borrowing base limitation equal to 65% of advances to dealer-partners and leased vehicles (as reflected in the condensed consolidated financial statements and related notes), less a hedging reserve (not exceeding \$1.0 million), the amount of letters of credit issued under the line of credit, and the amount of other debt secured by the collateral which secures the line of credit. Currently, the borrowing base limitation does not inhibit the Company's borrowing ability under the line of credit. The credit agreement has certain restrictive covenants, including a minimum required ratio of the Company's assets to debt, its liabilities to tangible net worth, and its

earnings before interest, taxes and non-cash expenses to fixed charges. Additionally, the agreement requires that the Company maintain a specified minimum level of net worth. Borrowings under the credit agreement are secured by a lien on most of the Company's assets. The Company must pay an annual agent's fee and a quarterly commitment fee of 0.60% on the amount of the commitment. As of March 31, 2003, there was approximately \$55.6 million outstanding under this facility. Since this credit facility expires on June 9, 2003, the Company will be required to renew the facility or refinance any amounts outstanding under this facility on or before such date. The Company believes that the \$135.0 million credit facility will be renewed with similar terms and a similar commitment amount. The Company also maintains a small line of credit agreement in Canada to fund daily cash requirements within its Canadian operation.

Secured Financing -- During 2002, the Company's wholly-owned subsidiary, CAC Warehouse Funding Corp. ("Warehouse Funding"), completed a secured financing transaction with another institutional investor, in which Warehouse Funding received \$75.0 million in financing. In connection with this transaction, the Company contributed dealer-partner advances having a carrying amount of approximately \$109.0 million to Warehouse Funding, which, in turn, pledged them as collateral to an institutional investor to secure loans that funded the purchase price of the dealer-partner advances. The proceeds of the secured financing was used by the Company to reduce outstanding borrowings under the Company's credit facility. The secured financing creates loans for which Warehouse Funding is liable and are non-recourse to the Company, even though Warehouse Funding and the Company are consolidated for financial reporting purposes. Such loans bear interest at a floating rate equal to the commercial paper rate plus 75 basis points with a maximum rate of 6.25%. As Warehouse Funding is organized as a separate legal entity from the Company, assets of Warehouse Funding (including the contributed dealer-partner advances) will not be available to satisfy the general obligations of the Company. Substantially all the assets of Warehouse Funding have been encumbered to secure Warehouse Funding's obligations to its creditors. This financing is secured primarily by Warehouse Funding's dealer-partner advances and the Company's servicing fee. The Company receives a monthly servicing fee paid by the institutional investor equal to 6% of the collections on Funding's Loans receivable for the secured financing. Except for the servicing fee and payments due to dealer-partners, the Company does not receive, or have any rights in, any portion of collections on the Loans receivable until Warehouse Funding's underlying indebtedness is paid in full either through collections on the related Loans or through a prepayment of the indebtedness.

The Company has completed a total of eight secured financing transactions, seven of which have been repaid in full. Information about the currently outstanding secured financing transaction is as follows (dollars in thousands):

Issue Number	Close Date	Original Balance	Secured Financing Balance at March 31, 2003	Secured Dealer Advance Balance at March 31, 2003	Balance as Percent of Original Balance
2002-A	October 2002	\$75,000	\$32,904 *	\$89,209	43.9%

* Bears an interest rate equal to the commercial paper rate plus 75 basis points (2.2% as of March 31, 2003) and is anticipated to fully amortize within 4 months.

Mortgage Loan -- The Company has a mortgage loan from a commercial bank that is secured by a first mortgage lien on the Company's headquarters building and an assignment of all leases, rents, revenues and profits under all present and future leases of the building. The loan matures on May 1, 2004 and requires monthly payments of \$99,582, bearing interest at a fixed rate of 7.07%. The Company believes that the mortgage loan repayments can be made from cash resources available to the Company at the time such repayments are due.

Capital Lease Obligations -- As of March 31, 2003, the Company has nine capital lease obligations outstanding related to various computer equipment, with monthly payments totaling \$81,728. These capital lease obligations bear interest at rates ranging from 4.45% to 9.22% and have maturity dates between June 2004 and January 2006. The Company believes that capital lease obligation payments can be made from cash resources available to the Company at the time such payments are due.

The Company's total balance sheet indebtedness decreased to \$96.3 million at March 31, 2003 from \$109.8 million at December 31, 2002. In addition to the balance sheet indebtedness as of March 31, 2003, the Company also has contractual obligations resulting in future minimum payments under operating leases. A summary of the total future contractual obligations requiring repayments is as follows (in thousands):

CONTRACTUAL OBLIGATIONS	PERIOD OF REPAYMENT			TOTAL
	< 1 YEAR	1-3 YEARS	> 3 YEARS	
Secured financing	\$ 32,904	\$ -	\$ -	\$ 32,904
Lines of credit	55,627	-	-	55,627
Mortgage loan	790	5,215	-	6,005
Capital lease obligations	884	619	224	1,727
Non-cancelable operating lease obligations	369	427	320	1,116
Total contractual cash obligations	\$ 90,574	\$ 6,261	\$ 544	\$ 97,379

Repurchase and Retirement of Common Stock -- In 1999, the Company began acquiring shares of its common stock in connection with a stock repurchase program announced in August 1999. That program authorized the Company to purchase up to 1.0 million common shares on the open market or pursuant to negotiated transactions at price levels the Company deems attractive. On each of February 7, 2000, June 7, 2000, July 13, 2000, November 10, 2000, and May 20, 2002, the Company's Board of Directors authorized increases in the Company's stock repurchase program of an additional 1.0 million shares. As of March 31, 2003, the Company has repurchased approximately 5.0 million shares of the 6.0 million shares authorized to be repurchased under this program at a cost of \$30.7 million. The 6.0 million shares, which can be repurchased through the open market or in privately negotiated transactions, represent approximately 13.0% of the shares outstanding at the beginning of the program. See "--Stock Options" for a description of the relationship between stock repurchases by the Company and the granting of stock options.

Based upon anticipated cash flows, management believes that cash flows from operations, various financing alternatives available to the Company, and amounts available under its credit agreement will provide sufficient financing for debt maturities and for future operations. The Company's ability to borrow funds may be impacted by many economic and financial market conditions. If the various financing alternatives were to become limited or unavailable to the Company, the Company's operations could be materially and adversely affected.

FORWARD-LOOKING STATEMENTS

The Company makes forward-looking statements in this report and may make such statements in future filings with the Securities and Exchange Commission. It may also make forward-looking statements in its press releases or other public or shareholder communications. The Company's forward-looking statements are subject to risks and uncertainties and include information about its expectations and possible or assumed future results of operations. When the Company uses any of the words "believes," "expects," "anticipates," "estimates" or similar expressions, it is making forward-looking statements.

The Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all of its forward-looking statements. These forward-looking statements represent the Company's outlook only as of the date of this report. While the Company believes that its 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, without limitation, include the following:

- increased competition from traditional financing sources and from non-traditional lenders,
- the unavailability of funding at competitive rates of interest,
- the Company's potential inability to continue to obtain third party financing on favorable terms,
- the Company's potential inability to generate sufficient cash flow to service its debt and fund its future operations,
- 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 potential inability to maintain or increase the volume of Loans,
- 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 increase in the amount or severity of litigation against the Company,
- the loss of key management personnel,
- the effect of terrorist attacks and potential attacks, and
- the effect of war in Iraq.

Other factors not currently anticipated by management may also materially and adversely affect the Company's results of operations. The Company does not undertake, and expressly disclaims any obligation, to update or alter its forward-looking 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 RISKS.

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 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 2002 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES.

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to cause the material information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 to be recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

PART II. - OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

- (a) On March 11, 2003, the Board of Directors approved amendments to the Company's Bylaws modifying the notice provisions in Section 5.01 and 6.01 and the description of the duties of the various officers in Article VIII. The Amended and Restated Bylaws are attached to this Form 10-Q as an exhibit.

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 three months ended March 31, 2003 and none were filed during that period.

SIGNATURE

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/ Douglas W. Busk

Douglas W. Busk
Chief Financial Officer and Treasurer
April 24, 2003

(Principal Financial, Accounting Officer and
Duly Authorized Officer)

CERTIFICATIONS

I, Brett A. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Credit Acceptance Corporation (the "registrant");
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

April 24, 2003
/s/ Brett A. Roberts

Chief Executive Officer

I, Douglas W. Busk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Credit Acceptance Corporation (the "registrant");
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

April 24, 2003
/s/ Douglas W. Busk

Chief Financial Officer

INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
3(b)	Bylaws of the Company, as amended
99(a)	Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99(b)	Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

AMENDED AND RESTATED
BYLAWS
OF
CREDIT ACCEPTANCE CORPORATION

ARTICLE I

OFFICES

1.01 Principal Office. The principal office of the corporation shall be at such place within or outside the State of Michigan as the Board of Directors shall determine from time to time.

1.02 Other Offices. The corporation also may have offices at such other places as the Board of Directors from time to time determines or the business of the corporation requires.

ARTICLE II

SEAL

2.01 Seal. The corporation may have a seal in such form as the Board of Directors may from time to time determine. The seal may be used by causing it or a facsimile to be impressed, affixed, reproduced or otherwise.

ARTICLE III

CAPITAL STOCK

3.01 Issuance of Shares. The shares of capital stock of the corporation shall be issued in such amounts, at such times, for such consideration and on such terms and conditions as the Board shall deem advisable, subject to the Articles of Incorporation and any requirements of the laws of the State of Michigan.

3.02 Certificates for Shares. The shares of the corporation shall be represented by certificates signed by the Chairman of the Board, Vice Chairman of the Board, President or a Vice President of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. A certificate representing shares shall state upon its face that the corporation is formed under the laws of the State of Michigan, the name of the person to whom it is issued, the number and class of shares, and the designation of the series, if any, which the certificate represents and such other provisions as may be required by the laws of the State of Michigan.

3.03 Transfer of Shares. The shares of the capital stock of the corporation are transferable only on the books of the corporation upon surrender of the certificate therefor, properly endorsed for transfer, and the presentation of such evidences of ownership and validity of the assignment as the corporation may require.

3.04 Registered Shareholders. The corporation shall be entitled to treat the person in whose name any share of stock is registered as the owner thereof for purposes of dividends and other distributions in the course of business, or in the course of recapitalization, consolidation, merger, reorganization, sale of assets, liquidation or otherwise and for the purpose of votes, approvals and consents by shareholders, and for the purpose of notices to shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not the corporation shall have notice thereof, save as expressly required by the laws of the State of Michigan.

3.05 Lost or Destroyed Certificates. Upon the presentation to the corporation of a proper affidavit attesting the loss, destruction or mutilation of any certificate or certificates for shares of stock of the corporation, the Board of Directors shall direct the issuance of a new certificate or certificates to replace the certificates so alleged to be lost, destroyed or mutilated. The Board of Directors may require as a condition precedent to the issuance of new certificates a bond or agreement of indemnity, in such form and amount and with such sureties, or without sureties, as the Board of Directors may direct or approve.

ARTICLE IV

SHAREHOLDERS AND MEETINGS OF SHAREHOLDERS

4.01 Place of Meetings. All meetings of shareholders shall be held at the principal office of the corporation or at such other place as shall be determined by the Board of Directors and stated in the notice of meeting.

4.02 Annual Meeting. The annual meeting of the shareholders of the corporation shall be held on the last Monday of the fifth calendar month after the end of the corporation's fiscal year at 2 o'clock in the afternoon, or on such other date and at such other time as may be determined by the Board of Directors. Directors shall be elected at each annual meeting and such other business transacted as may come before the meeting.

4.03 Special Meetings. Special meetings of shareholders may be called by the Board of Directors, the Chairman of the Board (if such office is filled) or the President and shall be called by the President or Secretary at the written request of shareholders holding a majority of the shares of stock of the corporation outstanding and entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called.

4.04 Notice of Meetings. Except as otherwise provided by statute, written notice of the time, place and purposes of a meeting of shareholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each shareholder of record entitled to vote at the meeting, either personally or by mailing such notice to his last address as it appears on the books of the corporation. No notice need be given of an adjourned meeting of the shareholders provided the time and place to which such meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice as provided in this Bylaw.

4.05 Record Dates. The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at a

meeting of shareholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action. The date fixed shall not be more than 60 nor less than 10 days before the date of the meeting, nor more than 60 days before any other action. In such case only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or adjournment thereof, or to express consent or to dissent from such proposal, or to receive payment of such dividend or to receive such allotment of rights, or to participate in any other action, as the case may be, notwithstanding any transfer of any stock on the books of the corporation, or otherwise, after any such record date. Nothing in this Bylaw shall affect the rights of a shareholder and his transferee or transferor as between themselves.

4.06 List of Shareholders. The Secretary of the corporation or the agent of the corporation having charge of the stock transfer records for shares of the corporation shall make and certify a complete list of the shareholders entitled to vote at a shareholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with the address of, and the number of shares held by, each shareholder; be produced at the time and place of the meeting; be subject to inspection by any shareholder during the whole time of the meeting; and be prima facie evidence as to who are the shareholders entitled to examine the list or vote at the meeting.

4.07 Quorum. Unless a greater or lesser quorum is required in the Articles of Incorporation or by the laws of the State of Michigan, the shareholders present at a meeting in person or by proxy who, as of the record date for such meeting, were holders of a majority of the outstanding shares of the corporation entitled to vote at the meeting shall constitute a quorum at the meeting. Whether or not a quorum is present, a meeting of shareholders may be adjourned by a vote of the shares present in person or by proxy. When the holders of a class or series of shares are entitled to vote separately on an item of business, this Bylaw applies in determining the presence of a quorum of such class or series for transaction of such item of business.

4.08 Proxies. A shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize other persons to act for the shareholder by proxy. A proxy shall be signed by the shareholder or the shareholder's authorized agent or representative and shall not be valid after the expiration of three years from its date unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the shareholder executing it except as otherwise provided by the laws of the State of Michigan.

4.09 Voting. Each outstanding share is entitled to one vote on each matter submitted to a vote, unless otherwise provided in the Articles of Incorporation. Votes shall be cast in writing and signed by the shareholder or the shareholder's proxy. When an action, other than the election of directors, is to be taken by a vote of the shareholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, unless a greater vote is required by the Articles of Incorporation or by the laws of the State of Michigan. Except as otherwise provided by the Articles of Incorporation, directors shall be elected by a plurality of the votes cast at any election.

ARTICLE V

DIRECTORS

5.01 Number. The business and affairs of the corporation shall be managed by a Board of not less than one nor more than eleven directors as shall be fixed from time to time by the Board of Directors. The directors need not be residents of Michigan or shareholders of the corporation.

5.02 Election, Resignation and Removal. Directors shall be elected at each annual meeting of the shareholders, each to hold office until the next annual meeting of shareholders and until the director's successor is elected and qualified, or until the director's resignation or removal. A director may resign by written notice to the corporation. The resignation is effective upon its receipt by the corporation or a subsequent time as set forth in the notice of resignation. A director or the entire Board of Directors may be removed, with or without cause, by vote of the holders of a majority of the shares entitled to vote at an election of directors.

5.03 Vacancies. Vacancies in the Board of Directors occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, unless filled by proper action of the shareholders of the corporation. Each person so elected shall be a director for a term of office continuing only until the next election of directors by the shareholders.

5.04 Annual Meeting. The Board of Directors shall meet each year immediately after the annual meeting of the shareholders, or within three (3) days of such time excluding Sundays and legal holidays if such later time is deemed advisable, at the place where such meeting of the shareholders has been held or such other place as the Board may determine, for the purpose of election of officers and consideration of such business that may properly be brought before the meeting; provided, that if less than a majority of the directors appear for an annual meeting of the Board of Directors the holding of such annual meeting shall not be required and the matters which might have been taken up therein may be taken up at any later special or annual meeting, or by consent resolution.

5.05 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such times and places as the majority of the directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all the directors. Special meetings of the Board may be called by the Chairman of the Board (if such office is filled) or the President and shall be called by the President or Secretary upon the written request of any two directors.

5.06 Notices. No notice shall be required for annual or regular meetings of the Board or for adjourned meetings, whether regular or special. Twenty-four hours written notice, or by telephone or electronic transmission, shall be given for special meetings of the Board, and such notice shall state the time, place and purpose or purposes of the meeting.

5.07 Quorum. A majority of the Board of Directors then in office, or of the members of a committee thereof, constitutes a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board or of the committee, except as a larger vote may be required by the laws of the State of Michigan. A member of the Board or of a committee designated by the Board may

participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with the other participants. Participation in a meeting in this manner constitutes presence in person at the meeting.

5.08 Executive and Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, appoint three or more members of the Board as an executive committee to exercise all powers and authorities of the Board in management of the business and affairs of the corporation, except that the committee shall not have power or authority to (a) amend the Articles of Incorporation; (b) adopt an agreement of merger or consolidation; (c) recommend to shareholders the sale, lease or exchange of all or substantially all of the corporation's property and assets; (d) recommend to shareholders a dissolution of the corporation or revocation of a dissolution; (e) amend these Bylaws; (f) fill vacancies in the Board; or (g) unless expressly authorized by the Board, declare a dividend or authorize the issuance of stock.

The Board of Directors from time to time may, by like resolution, appoint such other committees of one or more directors to have such authority as shall be specified by the Board in the resolution making such appointments. The Board of Directors may designate one or more directors as alternate members of any committee who may replace an absent or disqualified member at any meeting thereof.

5.09 Dissents. A director who is present at a meeting of the Board of Directors, or a committee thereof of which the director is a member, at which action on a corporate matter is taken is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation promptly after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a written dissent with the Secretary of the corporation within a reasonable time after the director has knowledge of the action.

5.10 Compensation. The Board of Directors, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the corporation as directors or officers.

ARTICLE VI

NOTICES, WAIVERS OF NOTICE AND MANNER OF ACTING

6.01 Notices. All notices of meetings required to be given to shareholders, directors, or any committee of directors may be given personally or by mail to any shareholder, director, or committee member at his or her last address as it appears on the books of the corporation or by electronic transmission, but in the case of shareholders, only in the form consented to by the shareholder. The notice shall be deemed to be given at the time it is mailed or otherwise dispatched or, if given by electronic transmission, when electronically transmitted to the person entitled to the notice, but in the case of shareholders only if sent in a manner authorized by the shareholder. Telephonic notice may also be given for special meetings of the board of directors or committees thereof as provided in Section 5.06.

6.02 Waiver of Notice. Notice of the time, place and purpose of any meeting of shareholders, directors or committee of directors may be waived by telecopy, telegram, radiogram, cablegram or other writing, either before or after the meeting, or in such other manner as may be permitted by the laws of the State of Michigan. Attendance of a person at any meeting of shareholders, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

6.03 Action Without a Meeting. Except as may be provided otherwise in the Articles of Incorporation for action to be taken by shareholders, any action required or permitted at any meeting of shareholders or directors or committee of directors may be taken without a meeting, without prior notice and without a vote, if all of the shareholders or directors or committee members entitled to vote thereon consent thereto in writing.

ARTICLE VII

OFFICERS

7.01 Number. The Board of Directors shall elect or appoint a President, a Secretary and a Treasurer, and may select a Chairman of the Board, a Vice Chairman of the Board, a Chief Executive Officer, a Chief Operating Officer and one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. Any two or more of the above offices, except those of President and Vice President, may be held by the same person. No officer shall execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law, the Articles of Incorporation or these Bylaws to be executed, acknowledged, or verified by one or more officers.

7.02 Term of Office, Resignation and Removal. An officer shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed and qualified, or until his resignation or removal. An officer may resign by written notice to the corporation. The resignation is effective upon its receipt by the corporation or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. The election or appointment of an officer does not of itself create contract rights.

7.03 Vacancies. The Board of Directors may fill any vacancies in any office occurring for whatever reason.

7.04 Authority. All officers, employees and agents of the corporation shall have such authority and perform such duties in the conduct and management of the business and affairs of the corporation as may be designated by the Board of Directors and these Bylaws.

ARTICLE VIII

DUTIES OF OFFICERS

8.01 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the shareholders and of the Board of Directors at which the Chairman is present.

8.02 Chief Executive Officer. The Chief Executive Officer shall see that all orders and resolutions of the Board are carried into effect and shall have the general powers of supervision and management usually vested in the chief executive officer of a corporation, including the authority to vote all securities of other corporations and organizations held by the corporation. The Chief Executive Officer shall preside at all meetings of the shareholders and of the Board of Directors at which the Chairman is not present, shall have the power to act on behalf of and perform the duties and exercise the powers and authorities of the Chairman in case of the Chairman's absence or disability, and may execute any documents in the name of the corporation. The Chief Executive Officer shall be ex officio a member of all management committees.

8.03 President. The President of the corporation shall direct and coordinate the activities of the organization in accordance with policies, goals and objectives established by the Chief Executive Officer. The President shall assist the Chief Executive Officer in seeing that all orders and resolutions of the Board are carried into effect. He may execute any documents in the name of the corporation and shall have such other powers and duties as may be prescribed by the Board or delegated by the Chief Executive Officer.

8.04 Chief Operating Officer. The Chief Operating Officer of the corporation shall direct and coordinate the activities of the organization in accordance with policies, goals and objectives established by the Chief Executive Officer. The Chief Operating Officer shall assist the Chief Executive Officer in seeing that all orders and resolutions of the Board are carried into effect. The Chief Operating Officer may execute any documents in the name of the corporation and shall have such other powers and duties as may be prescribed by the Board or delegated by the Chief Executive Officer.

8.05 Vice-Presidents. The Vice Presidents, in order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President may from time to time prescribe.

8.06 Secretary. The Secretary shall attend all meetings of the Board of Directors and of shareholders and shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the shareholders and of the Board of Directors, and shall keep in safe custody the seal of the corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an Assistant Secretary. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless the Board disapproves such delegation.

8.07 Treasurer. The Treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books of the corporation; and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall render to the Chief Executive Officer and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the corporation. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless the Board of Directors disapproves such delegation.

8.08 Assistant Secretaries and Treasurers. The Assistant Secretaries, in order of their seniority, shall perform the duties and exercise the powers and authorities of the

Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform such duties as may be delegated to them by the Chairman, Chief Executive Officer. Secretary and Treasurer, respectively, and also such duties as the Board of Directors may prescribe.

ARTICLE IX

SPECIAL CORPORATE ACTS

9.01 Orders for Payment of Money. All checks, drafts, notes, bonds, bills of exchange and orders for payment of money of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

9.02 Contracts and Conveyances. The Board of Directors of the corporation may in any instance designate the officer and/or agent who shall have authority to execute any contract, conveyance, mortgage or other instrument on behalf of the corporation, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the Chairman of the Board, the President or any Vice President, and the Secretary or Assistant Secretary or Treasurer or Assistant Treasurer, may execute the same in the name and on behalf of this corporation and may affix the corporate seal thereto.

ARTICLE X

BOOKS AND RECORDS

10.01 Maintenance of Books and Records. The proper officers and agents of the corporation shall keep and maintain such books, records and accounts of the corporation's business and affairs, minutes of the proceedings of its shareholders, Board and committees, if any, and such stock ledgers and lists of shareholders, as the Board of Directors shall deem advisable, and as shall be required by the laws of the State of Michigan and other states or jurisdictions empowered to impose such requirements. Books, records and minutes may be kept within or without the State of Michigan in a place which the Board shall determine.

10.02 Reliance on Books and Records. In discharging his or her duties, a director or an officer of the corporation is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following: (a) one or more directors, officers, or employees of the corporation, or of a business organization under joint control or common control whom the director or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence, or (c) a committee of the Board of Directors of which he or she is not a member if the director or officer reasonably believes the Committee merits confidence. A director or officer is not entitled to rely on such information if he or she has knowledge concerning the matter in question that makes such reliance unwarranted.

ARTICLE XI

INDEMNIFICATION

11.01 Non-Derivative Actions. Subject to all of the other provisions of this Article XI, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the corporation), by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

11.02 Derivative Actions. Subject to all of the provisions of this Article XI, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the corporation unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

11.03 Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 11.01 or 11.02 of these Bylaws, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against expenses (including attorneys' fees) incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.03.

11.04 Definitions. For the purposes of Sections 11.01 and 11.02, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; "serving at the request of the corporation" shall include any service as a director, officer, employee, or agent of the

corporation which imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the corporation or its shareholders" as referred to in Sections 11.01 and 11.02.

11.05 Contract Right; Limitation on Indemnity. The right to indemnification conferred in this Article XI shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the corporation as well as in such person's capacity as a director or officer. Except as provided in Section 11.03 of these Bylaws, the corporation shall have no obligations under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board of Directors.

11.06 Determination That Indemnification is Proper. Any indemnification under Section 11.01 or 11.02 of these Bylaws (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 11.01 or 11.02, whichever is applicable. Such determination shall be made in any of the following ways:

(i) By a majority vote of a quorum of the Board consisting of directors who were not parties to such action, suit or proceeding.

(ii) If the quorum described in clause (i) above is not obtainable, then by a committee of directors who are not parties to the action, suit or proceeding. The committee shall consist of not less than two disinterested directors.

(iii) By independent legal counsel in a written opinion. Legal counsel for this purpose shall be chosen by the Board or its committee prescribed in clauses (i) or (ii), or if a quorum of the Board cannot be obtained under clause (i) and a committee cannot be designated under clause (ii), by the Board.

(iv) By the shareholders. Shares held by directors or officers who are parties or threatened to be made parties to the action, suit or proceeding may not be voted.

11.07 Proportionate Indemnity. If a person is entitled to indemnification under Section 11.01 or 11.02 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

11.08 Expense Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 11.01 or 11.02 of these Bylaws shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding if the corporation receives from the person requesting such advance the following: (i) a written affirmation of the person's good faith belief that the person has met the applicable standard of conduct in Section 11.01 or 11.02 and (ii) a written undertaking by or on behalf of the person to

repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

11.09 Non-Exclusivity of Rights. The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

11.10 Indemnification of Employees and Agents of the Corporation. The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article XI with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

11.11 Former Directors and Officers. The indemnification provided in this Article XI continues as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

11.12 Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify the person against such liability under these Bylaws or the laws of the State of Michigan.

11.13 Changes in Michigan Law. In the event of any change of the Michigan statutory provisions applicable to the corporation relating to the subject matter of this Article XI, then the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions, but only to the extent that any such change permits the corporation to provide broader indemnification rights than such provisions permitted the corporation to provide prior to any such change. Subject to Section 11.14, the Board of Directors is authorized to amend these Bylaws to conform to any such changed statutory provisions.

11.14 Amendment or Repeal of Article XI. No amendment or repeal of this Article XI shall apply to or have any effect on any director or officer of the corporation for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

ARTICLE XII

AMENDMENTS

12.01 Amendments. Subject to Section 11.14, the Bylaws of the corporation may be amended, altered or repealed, in whole or in part, by the shareholders or by the Board of Directors at any meeting duly held in accordance with these Bylaws, provided that notice of the meeting includes notice of the proposed amendment, alteration or repeal.

ARTICLE XIII

CONTROL SHARES AND
CONTROL SHARE ACQUISITIONS

13.01 Control Share Acquisitions. The corporation is subject to Chapter 7B, "Control Share Acquisitions," of the Michigan Business Corporation Act, effective on the first day on which the corporation has 100 or more shareholders of record. As long as the corporation is subject to Chapter 7B, shares of capital stock of the corporation constituting "control shares" acquired in "control share acquisitions" (as defined in Chapter 7B) have the same voting rights as were accorded the shares before the "control share acquisition" only to the extent granted by resolution approved by the shareholders of the Company in accordance with Chapter 7B.

13.02 Redemption of Control Shares. Control shares as to which all of the following conditions are met may be redeemed by the corporation, upon approval by the Board of Directors, at any time after such conditions have been met:

- (a)
 - (i) An acquiring person statement has been filed with the corporation, a meeting of the shareholders of the corporation has been held at which the voting rights of the control shares have been submitted to the shareholders for a vote, and the shareholders do not grant full voting rights to the control shares; or
 - (ii) If an "acquiring person statement" (as such term appears in Section 795 of the Michigan Business Corporation Act) has not been filed with the corporation with respect to a control share acquisition and the redemption is completed during the period ending 60 days after the last acquisition of control shares, or the power to direct the exercise of voting power of control shares, by the acquiring persons; and
- (b) The consideration to be paid for the control shares consists of cash, property or securities of the corporation, or any combination thereof, including shares of capital stock of the corporation or debt obligations of the corporation; and
- (c) The price to be paid for the control shares does not exceed the fair value of the shares, as determined by the Board of Directors, which value shall not be less than the highest price paid per share by the acquiring person in the control share acquisition.

13.03 Procedures. The Board of Directors may, by resolution, adopt procedures for the giving of notice of such redemption to the "acquiring person" and for the delivery of certificates representing the control shares to be acquired in exchange for the corporation's payment of fair value therefor.

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 Annual Report of Credit Acceptance Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brett A. Roberts, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) 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.

/s/ Brett A. Roberts

Brett A. Roberts

Chief Executive Officer
April 24, 2003

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 Annual Report of Credit Acceptance Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas W. Busk, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) 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.

/s/ Douglas W. Busk

Douglas W. Busk

Chief Financial Officer
April 24, 2003