



Credit Acceptance Corporation Announces Completion of \$61 Million Secured Financing

Southfield, Michigan – July 23, 2001 – Credit Acceptance Corporation (Nasdaq: CACC) announced today the completion of a \$61 million non-recourse secured financing. Pursuant to this transaction, the Company contributed dealer advances having a net book value of approximately \$77 million to a wholly-owned special purpose corporation (the “SPC”) and received approximately \$61 million in financing from Kitty Hawk Funding Corporation, a multi-asset conduit owned by Bank of America. The proceeds of the financing were used to repay indebtedness under the Company’s line of credit. The financing bears interest at a floating rate equal to the commercial paper rate plus 50 basis points with a maximum rate of 7.5%, is anticipated to fully amortize within 20 months, and is secured by the dealer advances and the rights to collections on the related installment contracts receivable contributed to the SPC up to the sum of the related dealer advance and the Company’s servicing fee.

The Company will retain 6% of the cash flows related to the underlying installment contracts to cover servicing expenses. The remaining 94%, less amounts due to dealers for payments of dealer holdback, will be used to repay the indebtedness.

Using a unique financing structure, the Company’s contracted relationship with its dealers remains unaffected with the dealer’s rights to future payments of dealer holdback preserved. The Company will continue to receive its 20% servicing fee on amounts collected.

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