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 June 30, 1996

OR

[___] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File Number 000-20202

CREDIT ACCEPTANCE CORPORATION
(Exact name of registrant as specified in its charter)

Michigan	38-1999511
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification)
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	(810) 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 X . No .

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

Class	Outstanding at August 9, 1996
Common Stock - $.005 par value	45,613,393

TABLE OF CONTENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)	As of 12/31/95	As of 6/30/96 (Unaudited)
ASSETS		
Cash and cash equivalents	$ 1	$ 1
Investments	2,525	3,801
Installment contracts receivable	660,209	818,951
Allowance for credit losses	(7,757)	(9,357)
Installment contracts receivable, net	652,452	809,594
Floor plan receivables	13,249	14,996
Notes receivable	3,232	3,008
Property and equipment, net	10,342	11,922
Other assets, net	4,639	3,729
TOTAL ASSETS	$686,440	$847,051
LIABILITIES		
Senior notes	60,000	60,000
Lines of credit	31,559	105,590
Mortgage loan payable to bank	4,221	4,120
Accounts payable and accrued liabilities	18,279	20,330
Income taxes payable	214	-
Deferred dealer enrollment fees, net	1,649	2,392
Dealer holdbacks, net	363,519	426,693
Deferred income taxes	8,024	8,651
TOTAL LIABILITIES	487,465	627,776
SHAREHOLDERS' EQUITY		
Common stock	228	228
Paid-in capital	124,105	124,754
Retained earnings	74,977	94,302
Cumulative translation adjustment	(335)	(9)
TOTAL SHAREHOLDERS' EQUITY	198,975	219,275
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$686,440	$847,051

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED INCOME STATEMENTS
(Unaudited)

(Dollars in thousands, except per share data)	3 Months Ended 6/30/95	3 Months Ended 6/30/96	6 Months Ended 6/30/95	6 Months Ended 6/30/96
REVENUE				
Finance charges	$ 16,599	$ 22,159	$ 30,760	$ 42,532
Interest and other income	1,872	3,556	3,469	6,459
Dealer enrollment fees	663	1,261	1,249	2,225
Premiums earned	1,478	2,236	2,845	4,601
Total revenue	20,612	29,212	38,323	55,817
COSTS AND EXPENSES				
Salaries and wages	2,358	2,965	4,446	5,705
General and administrative	2,439	3,513	4,616	6,753
Provision for credit losses	1,580	2,721	3,090	5,447
Sales and marketing	480	945	871	1,847
Provision for claims	440	777	866	1,534
Interest	2,376	2,751	4,165	4,824
Total costs and expenses	9,673	13,672	18,054	26,110
OPERATING INCOME	10,939	15,540	20,269	29,707
Foreign exchange gain(loss)	(130)	3	(47)	1
INCOME BEFORE INCOME TAXES	10,809	15,543	20,222	29,708
Provision for income taxes	3,782	5,406	7,024	10,383
NET INCOME	$ 7,027	$ 10,137	$ 13,198	$ 19,325
Net income per common share	$ 0.17	$ 0.22	$ 0.31	$ 0.42
Weighted average shares outstanding	42,507,229	46,479,968	42,482,352	46,458,038

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Dollars in thousands)	6 Months Ended 6/30/95	6 Months Ended 6/30/96
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 13,198	$ 19,325
Adjustments to reconcile net income to net cash provided by operating activities -		
Provision for deferred income taxes	1,293	627
Depreciation and amortization	402	651
Provision for credit losses	3,090	5,447
Change in operating assets and liabilities -		
Accounts payable and accrued liabilities	5,680	2,051
Income taxes payable	88	(214)
Unearned insurance premiums, insurance reserves, and fees	1,156	660
Deferred dealer enrollment fees, net	408	743
Other assets	(1,371)	910
Net cash provided by operating activities	23,944	30,200
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal collected on installment contracts receivable	90,231	133,874
Purchase of investments	(727)	(1,276)
Increase in floor plan receivables	(4,094)	(1,747)
Decrease(increase) in notes receivable	(565)	224
Purchase of property and equipment	(967)	(2,231)
Net cash provided by investing activities	83,878	128,844
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage loan payable to bank	(95)	(101)
Advances to dealers and payments of dealer holdback	(161,776)	(233,949)
Net borrowings under line of credit agreement	53,807	74,031
Proceeds from stock options exercised	210	683
Payment of stock issuance costs	-	(34)
Net cash used in financing activities	(107,854)	(159,370)
Effect of exchange rate changes on cash	(3)	326
NET DECREASE IN CASH	(35)	0
Cash and cash equivalents - beginning of period	105	1
Cash and cash equivalents - end of period	$ 70	$ 1

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Unaudited)

(Dollars in thousands)	Common Stock	Paid-In Capital	Cumulative Translation Adjustment	Retained Earnings
Balance as of December 31, 1995	$ 228	$124,105	$(335)	$74,977
Net income	-	-	-	19,325
Foreign currency translation adjustment	-	-	326	-
Stock options exercised	-	683	-	-
Stock issuance costs	-	(34)	-	-
Balance as of June 30, 1996	$ 228	$124,754	$ (9)	$94,302

CREDIT ACCEPTANCE CORPORATION
Notes to Consolidated Financial Statements
(Unaudited)

1. GENERAL

The unaudited consolidated operating results have been prepared on the same basis as the audited financial statements and, in the opinion of management, include all adjustments, consisting of normal recurring items, necessary for a fair presentation of the periods. The results of operations for interim periods are not necessarily indicative of actual results achieved for full fiscal years.

As contemplated by the Securities and Exchange Commission under rule 10-01 of Regulation S-X, the accompanying consolidated financial statements and related notes have been condensed and do not contain certain information included in the Company's annual consolidated financial statements and notes thereto.

2. NET INCOME PER SHARE

The net income per share amounts are based on the average number of common shares and common stock equivalents outstanding. All per share amounts have been adjusted to reflect all stock splits declared by the Company.

3. STATEMENT OF FINANCIAL ACCOUNTING STANDARD NO. 121

Effective January 1, 1996, the Company adopted Statement of Financial Accounting Standard No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of." This new accounting standard requires impairment losses on long-lived assets to be recognized when an asset's book value exceeds its expected future cash flows (undiscounted). Measurement of the impairment loss is based on the fair value of the asset. The adoption of this accounting standard did not impact the Company's financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Three and Six Months Ended June 30, 1996 Compared to Three and Six Months Ended June 30, 1995

Total Revenue. Total revenue increased from $20.6 million and $38.3 million for the three and six months ended June 30, 1995 to $29.2 million and $55.8 million for the same periods in 1996, representing increases of 41.7% and 45.6%, respectively. These increases are primarily due to an increase in finance charge revenue resulting from an increase in the dollar value of installment contracts receivable. The increase in contracts receivable is primarily the result of an increase in the number of dealers participating in the Company's program and an increase in the average contract size. The Company enrolled 1,423 new dealers into the Company's program during the six months ended June 30, 1996, bringing the total number of dealers as of June 30, 1996 to 4,511 compared to 2,455 as of June 30, 1995.

The average yield on the Company's installment contract portfolio was approximately 13.1% and 11.5% for the six months ended June 30, 1995 and 1996, respectively. The decrease in the average yield principally resulted from an increase in the percent of installment contracts which were greater than 120 days contractually past due (which were 26.1% and 32.8% of gross installment contracts as of June 30, 1995 and 1996, respectively). The increase in the level of contractual past due contracts, while significant, is mitigated by the fact that when an installment contract is 120 days contractually past due, the Company (i) transfers the contract to a non-accrual status; and (ii) makes a provision to credit losses equal to the earned but unpaid revenue previously recognized on such installment contract. To a lesser extent, the decline in the average yield was also the result of an increase in the average outstanding term of the Company's installment contract portfolio.

Also contributing to the increase in total revenue were premiums earned on the Company's credit life and service contract programs. Premiums earned increased from $1.5 million and $2.8 million for the three and six months ended June 30, 1995 to $2.2 million and $4.6 million for the same periods in 1996, representing increases of 51.3% and 61.7%, respectively. Interest and other income increased from $1.9 million and $3.5 million during the three and six months ended June 30, 1995 to $3.6 million and $6.5 million during the same periods in 1996, representing increases of 90.0% and 86.2%, respectively. This increase is primarily due to an increase in revenue earned from the Company's dual interest collateral protection insurance program. To a lesser extent, the increase is due to commissions earned on credit life and service contract products offered by dealers in the United Kingdom, and an increase in interest earned on floor plan financing which resulted from increased floor plan balances in 1996. Earned dealer enrollment fees increased from $663,000 and $1.2 million for the three and six months ended June 30, 1995 to $1.3 million and $2.2 million for the same periods in 1996, representing increases of 90.2% and 78.1%, respectively. The increase is due to the continued increase in the number of dealers participating in the Company's financing program.

Salaries and Wages. Salaries and wages, as a percent of total revenue, decreased from 11.4% and 11.6% for the three and six months ended June 30, 1995 to 10.1% and 10.2% for the same periods in 1996. The Company continues to benefit from increased efficiencies which have allowed it to increase revenue with a less than proportionate increase in personnel costs.

General and Administrative. General and administrative expenses, as a percent of total revenue, increased from 11.8% and 12.0% for the three and six months ended June 30, 1995 to 12.0% and 12.1% for the same periods in 1996. This increase is primarily due to investments in technology which have enabled the

Company to more effectively service its growing installment contract portfolio while having a positive impact on personnel costs.

Provision for Credit Losses. The amount provided for credit losses, as a percent of total revenue, increased from 7.7% and 8.1% for the three and six months ended June 30, 1995 to 9.3% and 9.8% for the same periods in 1996. This increase is the result of an increase in the Company's reserve on advances made to dealers. The increase is partially offset by a decrease, as a percent of total revenue, in amounts provided for earned but unpaid revenue on contracts which have become 120 days contractually past due.

Sales and Marketing. Sales and marketing expenses, as a percent of total revenue, increased from 2.3% during the three and six months ended June 30, 1995 to 3.2% and 3.3% during the same periods in 1996. This increase is primarily the result of increased sales commissions as a result of the increased enrollment of new dealers into the Company's program, as well as an increase in other costs directly associated with the enrollment of new dealers.

Provision for Claims. The amount provided for insurance and service contract claims, as a percent of total revenue, increased from 2.1% and 2.3% during the three and six months ended June 30, 1995 to 2.7% during the same periods in 1996. The increase is principally attributable to an increase in the level of reserves necessary to cover unpaid claims, including incurred but unreported claims. The increase is proportionate with the growth in the Company's credit life and service contract programs.

Interest Expense. Interest expense, as a percent of total revenue, decreased from 11.5% and 10.9% for the three and six months ended June 30, 1995 to 9.4% and 8.6% for the same periods in 1996. The decrease, as a percent of revenue, is primarily a result of a decrease in the level of borrowings under the Company's revolving credit facility, as proceeds from the Company's equity offering in September of 1995 were used to pay down this debt. To a lesser extent, the decrease is also a result of lower average borrowing rates on the revolving credit facility in 1996.

Operating Income. As a result of the aforementioned factors, operating income increased from $10.9 million and $20.3 million for the three and six months ended June 30, 1995 to $15.5 million and $29.7 million for the same periods in 1996, representing increases of 42.1% and 46.6%, respectively.

Foreign Exchange Loss. The Company incurred a foreign exchange loss of $130,000 and $47,000 for the three and six months ended June 30, 1995 and a foreign exchange gain of $3,000 and $1,000 for the three and six months ended June 30, 1996. The gain and loss result from the effect of exchange rate fluctuations between the U.S. dollar and British pound sterling on unhedged intercompany balances between the Company and its subsidiary that operates in the United Kingdom.

Provision for Income Taxes. The provision for income taxes increased from $3.8 million and $7.0 million during the three and six months ended June 30, 1995 to $5.4 million and $10.4 million during the same periods in 1996. The increase is due to a higher level of pretax income in 1996. For the six months ended June 30, the effective tax rate was 35.0% in 1996 and 34.7% in 1995. The increase in the effective tax rate is due to the elimination of certain deductions previously available to the Company's credit insurance subsidiary.

INSTALLMENT CONTRACTS RECEIVABLE

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

(Dollars in thousands)	AS OF 12/31/95	AS OF 06/30/96 (Unaudited)
Gross installment contracts receivable	$ 790,607	$ 981,145
Unearned finance charges	(125,536)	(156,672)
Unearned insurance premiums, insurance reserves, and fees	(4,862)	(5,522)
Installment contracts receivable	$660,209	$818,951
Non-accrual installment contracts as a percent of total gross installment contracts	31.8%	32.8%

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

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 1995	THREE MONTHS ENDED JUNE 30, 1996	SIX MONTHS ENDED JUNE 30, 1995	SIX MONTHS ENDED JUNE 30, 1996
	(Unaudited)		(Unaudited)	
Balance, beginning of period	$553,341	$885,121	$486,897	$790,607
Gross amount of installment contracts accepted	171,703	220,288	308,352	424,214
Cash collections on installment contracts receivable	(64,354)	(92,514)	(122,437)	(179,792)
Charge offs	(18,362)	(31,750)	(30,484)	(53,884)
Balance, end of period	$642,328	$981,145	$642,328	$981,145

DEALER HOLDBACKS

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

(Dollars in thousands)	AS OF 12/31/95	AS OF 06/30/96 (Unaudited)
Dealer Holdbacks	$ 628,386	$ 781,846
Less: Advances (net of reserves of $3,214 and $5,780 at December 31, 1995 and June 30, 1996, respectively)	(264,867)	(355,153)
Dealer holdbacks, net	$ 363,519	$ 426,693

CREDIT POLICY AND EXPERIENCE

The Company maintains an allowance for credit losses which, in the opinion of management, adequately reserves against expected future losses. The risk of loss to the Company related to the installment contracts receivable balance relates primarily to the earned but unpaid servicing fee or finance charge recognized on contractually delinquent accounts. To the extent that the Company does not collect the gross amount of the contract, the remaining gross installment receivable contract balance is charged off against the related unearned finance charges and dealer holdback first, pursuant to the dealer servicing agreement, and then against the allowance for credit losses, as necessary. The Company also maintains a reserve against advances to dealers that are not expected to be recovered through collections on the related installment contract receivable portfolio. Advance balances are reviewed by management on a monthly basis, and those which are deemed to be unrecoverable are charged against the reserve. Credit loss experience, changes in the character and size of the receivables portfolio and the advance balance, and management's judgment are primary factors used in assessing the overall adequacy of the allowance and advance reserve and the resulting provisions for credit losses. Ultimate losses may vary from current estimates and the amount of the provision, which is a current expense, may be either greater or less than actual charge offs.

Servicing fees, which are booked as finance charges, are recognized under the interest method of accounting until the underlying obligation is 120 days contractually past due. At such time, the Company suspends the accrual of revenue and makes a provision for credit losses equal to the earned but unpaid revenue. In all cases, installment contracts on which no material payment has been received for one year are charged off against the related dealer holdback and the allowance for credit losses. As future payments on any remaining aggregate contracts from a given dealer are available to recover all advances from such dealer, the risk of loss to the Company is mitigated.

The following table sets forth information relating to charge offs, the allowance for credit losses, the reserve on advances, and dealer holdbacks.

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 1995	THREE MONTHS ENDED JUNE 30, 1996	SIX MONTHS ENDED JUNE 30, 1995	SIX MONTHS ENDED JUNE 30, 1996
	(Unaudited)		(Unaudited)	
Provision for credit losses-installment contracts	$ 1,013	$ 1,295	$ 2,268	$ 2,814
Provision for credit losses-advances	567	1,426	822	2,633
Charged against dealer holdbacks	14,745	25,379	24,502	43,092
Charged against unearned finance charges	3,148	5,663	5,203	9,578
Charged against allowance for credit losses	469	708	779	1,214
Total contracts charged off	$18,362	$31,750	$30,484	$53,884
Net charge offs against the reserve on advances	$ -	$ 23	$ -	$ 67

(Dollars in thousands)	AS OF JUNE 30, 1995	AS OF JUNE 30, 1996
	(Unaudited)	
Allowance for credit losses as a percent of gross installment contracts receivable	0.9%	1.0%
Reserve on advances as a percent of advances	1.2%	1.6%
Dealer holdbacks as a percent of gross installment contracts receivable	79.3%	79.7%

The Company's relatively low level of amounts charged against the allowance for credit losses is due to, among other factors:

(i) the requirement that each installment contract accepted must meet established, formula-based criteria prior to the Company making an advance on such contract;
(ii) experienced personnel, using computer-assisted accounts receivable management and collection systems;
(iii) the security interest the Company receives in the vehicle at the time it accepts an installment contract; and
(iv) the high level of dealer holdbacks, relative to the amount of installment contracts.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal need for capital is to fund cash advances made to dealers in connection with the acceptance of installment contracts and for the payment of dealer holdbacks to dealers who have repaid their advance balances. These cash outflows to dealers increased from $161.8 million during the six months ended June 30, 1995 to $233.9 million during the same period in 1996. These amounts were funded from cash collections on installment contracts, income from operations, and advances under the Company's credit agreement. During the first six months of 1996, the Company borrowed approximately $74.0 million under its line of credit agreements to assist in funding the Company's operations. The increased need for capital is primarily a result of the continued growth in new installment contracts accepted. To a lesser extent, the increased need for capital is also due to an increase in the amount advanced per contract, continued increases in dealers' utilization of service contract products offered by the Company, and amounts needed to fund the continued growth of the Company's operations in the United Kingdom.

The Company has a $152 million credit agreement with a commercial bank syndicate. The agreement consists of a $92 million line of credit facility with a commitment period through January 12, 1997 and a $60 million revolving credit facility with a commitment period through January 13, 1999. Both facilities are subject to annual extension for additional one year periods at the request of the Company with the consent of each of the banks in the facility. The borrowings are unsecured with interest payable at the Eurocurrency rate plus a minimum of 80 basis points and a maximum of 140 basis points (currently 105 basis points) dependent on the Company's debt rating, or at the prime rate. The Eurocurrency borrowings may be fixed for periods up to one year. The credit agreement has certain restrictive covenants, including limits on the ratio of the Company's debt-to-equity, limits on the Company's investment in its subsidiary in the United Kingdom, and requirements that the Company maintain a specified minimum level of net worth. As of June 30, 1996, there was approximately $103.0 million outstanding under these facilities.

The Company also has a 2.0 million British pound sterling line of credit agreement with a commercial bank in the United Kingdom, which is used to fund the day to day cash flow requirements of the Company's subsidiary which operates in the United Kingdom. The borrowings are secured by a letter of credit issued by the Company's principal commercial bank with interest payable at the United Kingdom bank's base rate (currently 5.75%) plus 65 basis points or at the LIBOR rate plus 56.25 basis points. The rates may be fixed for periods up to six months. As of June 30, 1996, there was approximately 1.7 million British pounds ($2.6 million U.S. dollars) outstanding under this facility.

The Company maintains a significant dealer holdback on installment contracts accepted which assists the Company in funding its long-term cash flow requirements. In future periods, the Company's short and long-term cash flow requirements will continue to be funded primarily through earnings from operations, cash flow from the collection of installment contracts, and the Company's credit facilities. The Company will continue to utilize various sources of financing available from time to time to fund the continuing growth of the Company, both in the United States and the United Kingdom. The Company believes that such amounts will be sufficient to meet its short-term and long-term cash flow requirements.

PART II.

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its Annual Meeting of Shareholders on May 20, 1996, at which the shareholders considered and voted on the election of six directors. Each of the nominees for director at the meeting was an incumbent and all nominees were elected. The following table sets forth the number of shares for and withheld with respect to each nominee.

Nominee	Votes For	Votes Withheld
Donald A. Foss	42,099,881	47,804
Richard E. Beckman	42,099,981	47,704
Harry E. Craig	42,117,381	30,304
Thomas A. FitzSimmons	42,099,981	47,704
David T. Harrison	42,123,181	24,504
Sam M. LaFata	42,123,481	24,204

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

See Index of Exhibits following the signature page.

(b) Reports on Form 8-K

The Company was not required to file a current report on Form 8-K during the quarter ended June 30, 1996 and none were filed during that period.

SIGNATURES

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

CREDIT ACCEPTANCE CORPORATION
(Registrant)

Date: August 12, 1996

/S/Brett A. Roberts

Treasurer and Chief Financial Officer

Signing on behalf of the registrant and as principal financial officer.

Date: August 12, 1996

/S/John P. Cavanaugh

John P. Cavanaugh
Corporate Controller and Assistant Secretary

Principal accounting officer.

INDEX OF EXHIBITS

Exhibit Number	Description
10(q) (3)	Second Amendment to Credit Acceptance Corporation $152,000,000 Amended and Restated Credit Agreement dated as of January 8, 1996
11(1)	Statement of Computation of Net Income Per Common Share
27	Financial Data Schedule

EXHIBIT 10q(3)

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT ("Second Amendment") is made as of this 1st day of July, 1996 by and among Credit Acceptance Corporation, a Michigan corporation ("Company"), Credit Acceptance Corporation UK Limited, a corporation organized under the laws of England ("Permitted Borrower"), Comerica Bank and the other banks signatory hereto (individually, a "Bank" and collectively, the "Banks") and Comerica Bank, as agent for the Banks (in such capacity, "Agent").

RECITALS

A. Company, Permitted Borrower, Agent and the Banks entered into that certain Amended and Restated Credit Agreement dated as of January 8, 1996, as amended by First Amendment dated April 19, 1996 (as so amended, the "Credit Agreement") under which the Banks renewed and extended (or committed to extend) credit to the Company, as set forth therein;

B. The Company and the Permitted Borrower have requested that Agent and the Banks agree to make certain amendments to the Credit Agreement (including increasing the amount of the Line of Credit), and Agent and the Banks are willing to do so, but only on the terms and conditions set forth in this Second Amendment.

NOW THEREFORE, Company, Permitted Borrower, Agent and the Banks agree:

1. Section 1.90 of the Credit Agreement (establishing the "Line of Credit Maximum Amount") is hereby amended to increase the amount shown therein from Sixty Million Dollars ($60,000,000) to Ninety-Two Million Dollars ($92,000,000).

2. Section 1.93 of the Credit Agreement (the definition of "Majority Banks") is hereby amended and restated in its entirety as follows:

> "1.93. 'Majority Banks' shall mean at any time Banks holding at least 66-2/3% of the Weighted Percentages (regardless of the aggregate principal amount of the Indebtedness then outstanding hereunder), or if all of the Banks' commitments to extend credit hereunder shall have terminated, then Banks holding 66-2/3% of the aggregate principal amount of the Indebtedness then outstanding (using the Current Dollar Equivalent of any such Indebtedness outstanding in any Alternate Currency, and provided that, for purposes of determining Majority Banks hereunder, Indebtedness outstanding under the Swing Line Note shall be allocated among the Banks based upon their respective Percentages of the Revolving Credit)."

3. Section 1.145 is added, as follows:

> "1.145. `Weighted Percentage' shall mean with respect to any Bank, its percentage share of the credit facility provided to CAC and/or the Permitted Borrower under this Agreement, such percentage share equal to (a) the aggregate amount of such Bank's commitments with respect to the Revolving Credit plus the Line of Credit divided by (b) the sum of the Revolving Credit Maximum Amount plus the Line of Credit Maximum Amount, as such

Weighted Percentage is set forth on Exhibit "D" under Column 3, as such Exhibit may be revised from time to time by Agent in accordance with Section 13.8(d)hereof."

4. Section 8.5(e) is hereby amended to add at the beginning of said section the following:

"Debt consisting of interest rate protection agreements or foreign currency exchange agreements (including foreign currency hedges and swaps) entered into between the Company and/or the Permitted Borrower and a Bank, or any Affiliate of a Bank, to manage existing or anticipated interest rate or foreign exchange rate risk and not for speculative purposes, and".

5. Section 10 of the Credit Agreement is amended as follows:

(i) Section 10.2 (Application of Proceeds) is amended by deleting the word "Indebtedness" in the eighth line thereof and by adding the phrase "of the Revolving Credit and of the Line of Credit" immediately following the phrase "Percentages of the" in the seventh line thereof.

(ii) Section 10.3 (Pro-rata Recovery) is amended by adding the phrase "Revolving Credit or of the Line of Credit, as the case may be," immediately following the term "Percentages" in the eleventh line thereof.

6. Section 12 of the Credit Agreement is amended as follows:

(a) Section 12.1 (Appointment of Agent) is amended by adding the term "Weighted" between the words "such Bank's" and "Percentage" in the fifteenth line thereof.

(b) Section 12.12 (Indemnification) is amended by adding the term "Weighted" between the words "respective" and "Percentages" in the fourth line thereof.

7. Section 13 of the Credit Agreement is amended as follows:

(a) Section 13.4 (Interest) is amended by adding the phrase "of the Revolving Credit or of the Line of Credit, as applicable," immediately following the words "such Bank's Percentage" in the seventh line thereof.

(b) Section 13.11 (Amendment and Waiver) is amended by deleting the "or" immediately preceding the "(h)" in the seventh line of the carry-over page thereof and by adding the following new clause (i) immediately following the words "this Section 13.11,":

"or (i) change the definition of 'Majority Banks' or 'Weighted Percentage',".

8. New Exhibit "D" (setting forth the applicable Percentages, as revised hereunder) in the form attached to this Second Amendment as Attachment 1 shall replace existing Exhibit "D".

9. This Second Amendment shall become effective upon satisfaction by the Company and the Permitted Borrower of the following conditions:

(a) Agent shall have received counterpart originals of this Second Amendment, together with replacement Line of Credit Notes (reflecting the aforesaid increase in the Line of Credit, taking into account the new Percentages established under replacement Exhibit "D", attached hereto), in each case duly executed and delivered by Company and by the Permitted Borrower, in form satisfactory to Agent and the Banks;

(b) Agent shall have received from the Company and the Permitted Borrower a certification that all necessary actions have been taken by such parties to authorize execution and delivery of this Second Amendment and the replacement Line of Credit Notes, supported by such resolutions or other evidence of corporate authority or action as reasonably required by Agent and the Majority Banks; and

(c) Company shall have paid to Agent a closing fee in accordance with that certain fee letter entered into between Company and Agent as of June 26, 1996, for distribution to the Banks in accordance with such fee letter.

10. Company and Permitted Borrower ratify and confirm, as of the date hereof, each of the representations and warranties set forth in Sections 6.1 through 6.22, inclusive, of the Credit Agreement and acknowledge that such representations and warranties are and shall remain continuing representations and warranties during the entire life of the Credit Agreement.

11. Except as specifically set forth above, this Second Amendment shall not be deemed to amend or alter in any respect the terms and conditions of the Credit Agreement, any of the Notes issued thereunder or any of the other Loan Documents, or to constitute a waiver by the Banks or Agent of any right or remedy under the Credit Agreement, any of the Notes issued thereunder or any of the other Loan Documents.

12. Unless otherwise defined to the contrary herein, all capitalized terms used in this Second Amendment shall have the meaning set forth in the Credit Agreement.

13. This Second Amendment may be executed in counterpart in accordance with Section 13.10 of the Credit Agreement.

[SIGNATURES FOLLOW ON SUCCEEDING PAGES.]

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK, as Agent	CREDIT ACCEPTANCE CORPORATION
By: -----------------------	By: -----------------------
Its: -----------------------	Its: -----------------------
One Detroit Center 500 Woodward Avenue Detroit, Michigan 48226 Attention: Douglas Busk	
	CREDIT ACCEPTANCE CORPORATION UK LIMITED
	By: -----------------------
	Its: -----------------------

BANKS:

COMERICA BANK	LASALLE NATIONAL BANK
By: -----------------------	By: -----------------------
Its: -----------------------	Its: -----------------------
NBD BANK	BANK HAPOALIM, B.M.
By: -----------------------	By: -----------------------
Its: -----------------------	Its: -----------------------

FIFTH THIRD BANK OF NORTHWESTERN OHIO, N.A.	HARRIS TRUST AND SAVINGS BANK
By: -----------------------	By: -----------------------
Its: -----------------------	Its: -----------------------
MERCANTILE BANK OF ST. LOUIS NATIONAL ASSOCIATION	THE BANK OF NEW YORK
By: -----------------------	By: -----------------------
Its: -----------------------	Its: -----------------------

THE SUMITOMO BANK, LIMITED,
CHICAGO BRANCH

By: -----------------------

Its: -----------------------

By: -----------------------

Its: -----------------------

EXHIBIT D

Banks	Percentages of Revolving Credit	Amount of Revolving Credit Commitment	Percentages of Line of Credit
Comerica Bank	25.00000%	$15,000,000	23.36955%
LaSalle National Bank	16.66667%	$10,000,000	21.19565%
Bank Hapoalim, B.M.	12.50000%	$ 7,500,000	8.15217%
NBD Bank	12.50000%	$ 7,500,000	13.58696%
The Sumitomo Bank, Limited, Chicago Branch	8.33333%	$ 5,000,000	7.60870%
Harris Trust and Savings Bank	8.33333%	$ 5,000,000	7.60870%
The Bank of New York	8.33333%	$ 5,000,000	10.86957%
Mercantile Bank of St. Louis National Association	4.16667%	$ 2,500,000	3.80435%
Fifth Third Bank of Northwestern Ohio, N.A.	4.16667%	$ 2,500,000	3.80435%
Total	100.00000%	$60,000,000	100.00000%

Banks	Amount of Line of Credit Commitment	Weighted Percentages	Total Amount of Commitments
Comerica Bank	$21,500,000	24.01316%	$ 36,500,000
LaSalle National Bank	$19,500,000	19.40789%	$ 29,500,000
Bank Hapoalim, B.M.	$ 7,500,000	9.86842%	$ 15,000,000
NBD Bank	$12,500,000	13.15789%	$ 20,000,000
The Sumitomo Bank, Limited, Chicago Branch	$ 7,000,000	7.89474%	$ 12,000,000
Harris Trust and Savings Bank	$ 7,000,000	7.89474%	$ 12,000,000
The Bank of New York	$10,000,000	9.86842%	$ 15,000,000
Mercantile Bank of St. Louis National Association	$ 3,500,000	3.94737%	$ 6,000,000
Fifth Third Bank of Northwestern Ohio, N.A.	$ 3,500,000	3.94737%	$ 6,000,000
Total	$92,000,000	100.00000%	$152,000,000

EXHIBIT 11(1)

CREDIT ACCEPTANCE CORPORATION

STATEMENT OF COMPUTATION OF NET
INCOME PER COMMON SHARE
(Unaudited)

(Dollars in thousands, except per share data)	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1995	1996	1995	1996
Actual				
Net income	$ 7,027	$ 10,137	$ 13,198	$ 19,325
Weighted average common shares outstanding...	41,296,650	45,576,894	41,296,650	45,540,966
Common stock equivalents	1,210,579	903,074	1,185,702	917,072
Weighted average common shares and common stock equivalents	42,507,229	46,479,968	42,482,352	46,458,038
Net earnings per share	$ .17	$ .22	$ .31	$ .42

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6-MOS
DEC-31-1996
JAN-01-1996
JUN-30-1996
1
3,801
818,951
(9,357)
0
0
14,756
(2,834)
847,051
0
64,120
0
0
228
219,047
847,051
0
55,817
0
14,305
1534
5,447
4,824
29,708
10,383
19,325
0
0
0
19,325
0.42
0.42