
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 15, 2004**

CREDIT ACCEPTANCE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Commission File Number **000-20202**

Michigan
(State or other jurisdiction of incorporation or organization)

38-1999511
(I.R.S. Employer Identification No.)

25505 W. TWELVE MILE ROAD, SUITE 3000
Southfield, Michigan
(Address of Principal Executive Offices)

48034-8339
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 140.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

Credit Acceptance Corporation is furnishing presentation materials, included as Exhibit 99.1 to this report, which were prepared for a presentation to an institutional investor occurring on November 15, 2004. Credit Acceptance Corporation is not undertaking to update this presentation. This report should not be deemed an admission as to the materiality of any information contained in the presentation.

The information furnished in this report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

99.1 Investor Presentation Materials, dated November 15, 2004

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 hereunto duly authorized.

CREDIT ACCEPTANCE CORPORATION
(Registrant)

By: /s/ Douglas W. Busk

Douglas W. Busk

Treasurer

November 15, 2004

INDEX OF EXHIBITS

Exhibit No.	Description
99.1	Investor Presentation Materials, dated November 15, 2004



Investor Presentation

November 2004

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<u>Section</u>	<u>Discussion Topic</u>
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Forward Looking Statements

Certain statements in this presentation that are not historical facts, such as those using terms like “believes,” “expects,” “anticipates,” “assumptions,” “forecasts,” “estimates” and those regarding the Company’s future plans and objectives, are “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements represent the Company’s outlook only as of the date of this presentation. While the Company believes that its forward-looking statements are reasonable, actual results could differ materially since the statements are based on current expectations, which are subject to risks and uncertainties. The most significant risks are detailed from time to time in the Company’s filings and reports with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2003. Such risks include—but are not limited to—inability to forecast future collections, increased competition, fluctuating interest rates, reliance on capital markets, inability to generate sufficient cash flow, regulatory changes, and adverse economic conditions. 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 statements whether as a result of new information, future events or otherwise, except as required by applicable law.

Company Overview

Unique Company

- ✓ Founded in 1972
- ✓ No other successful program like CA's in 32 years
- ✓ Large underserved market
- ✓ Unique business model

Business Model Differences

Model is different from a standard auto lender....

- ✓ CA does not purchase loans at a discount
- ✓ CA does:
 - ✓ Advance a portion of expected future cash flows to the Dealer-Partner (“DP”) at loan inception
 - ✓ Service loans for a 20% fee
 - ✓ Credit 80% of the cash flows to DPs
 - ✓ Portion delivered at inception in the form of the Advance
 - ✓ Remainder as 80% of cash flows received after repayment of initial Advance

Sample Loan Example

Assumes 100% Collection Rate



<u>Basic Loan</u>		<u>Cash Flow to Dealer</u>	
Wholesale Cost	\$5,420	Advance	\$4,700
Mark-Up	<u>3,680</u>	Down Payment	<u>1,820</u>
Selling Price	9,100	Total	6,520
Down Payment	<u>(1,820)</u>	Wholesale Cost	<u>5,420</u>
Amount Financed	7,280	Immediate Profit	1,100
Interest (36 months @ 22%)	<u>2,720</u>	Holdback	<u>3,300</u>
Total Loan	\$10,000	Dealer Profit	\$4,400

Allocation

Advance	\$4,700
Holdback	<u>3,300</u>
Dealer (80%)	8,000
CAC's Servicing Fee (20%)	<u>2,000</u>
Total	\$10,000

NOTE: Loan specifics and assumptions are simplified for the purpose of illustrating the mechanics of a sample loan.
Detail of CA's actual loan size and collection experience can be found in its most recent published financials on form 10K or 10Q.

Sample Loan

- ✓ DP enters into loan with customer
 - ✓ Assigns loan to CA
 - ✓ Customer makes payments to CA
- ✓ DP earns modest profit at loan origination thru a combination of an advance from CA and a down payment from customer
- ✓ Advance is conservative compared to expected future cash flows on loan and wholesale value of vehicle
- ✓ A significant down payment is received from customer
- ✓ Loan terms are short relative to “C” lenders
- ✓ DP has significant profit potential (dealer holdback) if loan performs

Sample Balance Sheet

(Assumes 10 Loans Exactly Like The Previous Sample)

ASSETS

Cash	(\$47,000)
Loans receivable	\$100,000
Unearned finance charges	(20,000)
Loans receivable, net	\$ <u>80,000</u>
Total Assets	<u>\$33,000</u>

LIABILITIES

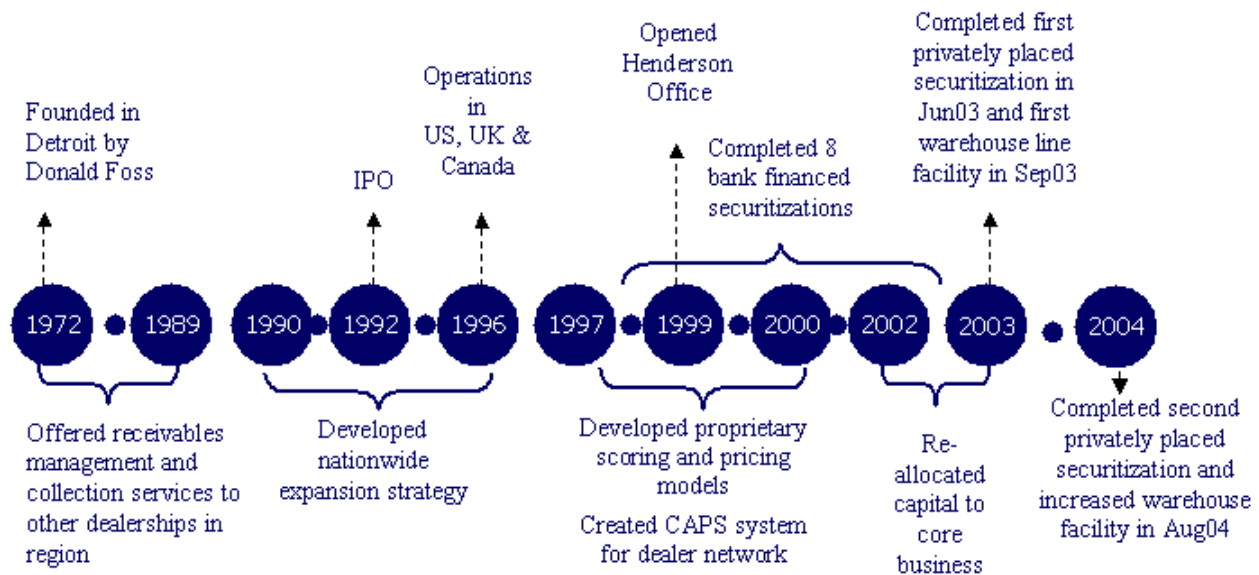
Dealer holdbacks	\$80,000
Advances	(47,000)
Dealer holdbacks, net	<u>\$33,000</u>

Loan Pooling

- ✓ DPs can group loans in discrete “pools” of not less than 100 loans
- ✓ DPs share of the collections (80%) applied to reduce the aggregate advance owing on pool
- ✓ Once the advance on a pool has been repaid, CA remits the DPs share of collections to the DP
- ✓ DP’s aggregate advance balance is secured by the future collections on all loans originated by the DP that are assigned to CA

32 Years of Operating History

CA has been operating with the same business model for 32 years



Market Overview

Large market opportunity....

✓ Annual US Vehicle Sales

- ✓ 16 Million New
- ✓ 44 Million Used

✓ Dealerships

- ✓ 20,000 Franchised
- ✓ 54,000 Independent

✓ Adult Population

- ✓ 15% or 32 million
- ✓ 30% or 63 million

Beacon Score

below 550

below 640

.... and CA has a very small piece of the market today..

Value to Dealer-Partners

- ✓ Guaranteed Credit Approval delivered instantly through the Internet
- ✓ Incremental vehicle sales
 - ✓ Repeat and referral business
 - ✓ Increases traditional sales
- ✓ Incremental service and body shop business
- ✓ Benefit from other services (sales training and marketing assistance)

Value to Customers

Customer Options

Outcome

Without our program

- ✓ Pay cash for a vehicle
- ✓ Do without a vehicle
- ✓ Finance thru a BHPH

- ✓ No opportunity to reestablish credit

With our program

- ✓ Finance an affordable vehicle

- ✓ Opportunity to reestablish credit

Current Business Summary

Current Business Summary

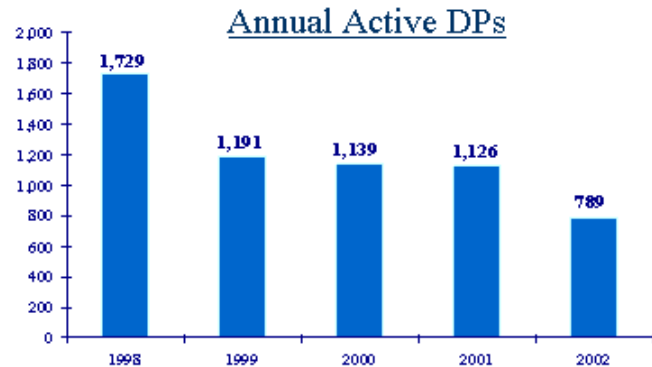
- ✓ Consists of:
 - ✓ An active United States retail operation
 - ✓ A liquidating portfolio of discontinued operations
- ✓ US retail operation
 - ✓ Increasing the number of active DPs
 - ✓ Modest reduction in originations per active DP
 - ✓ Increasing Return on Capital
- ✓ Liquidating portfolio expected to return \$12.8 million in capital for investment in US over next two years:

✓ UK	\$10.5
✓ Canada	1.7
✓ Leasing	<u>0.6</u>
Total	<u>\$12.8</u>

US Active Dealer-Partners

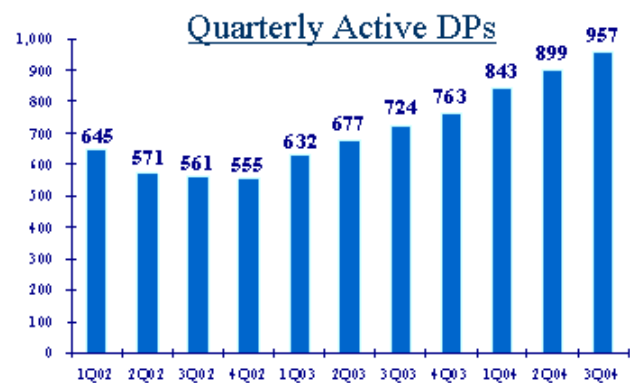
1998 - 2002

- ✓ Five year trend of declining number of active DPs
- ✓ Focus on increasing Return on Capital (ROC) resulted in termination of DP relationships that were not meeting CA's ROC targets



Since 1Q02

- ✓ Declining trend ceased at end of 2002
- ✓ 33% increase YTD 2004 vs. same period in 2003



Note: An "Active" DP originated at least one loan in the period

US Originations Per Active Dealer-Partner

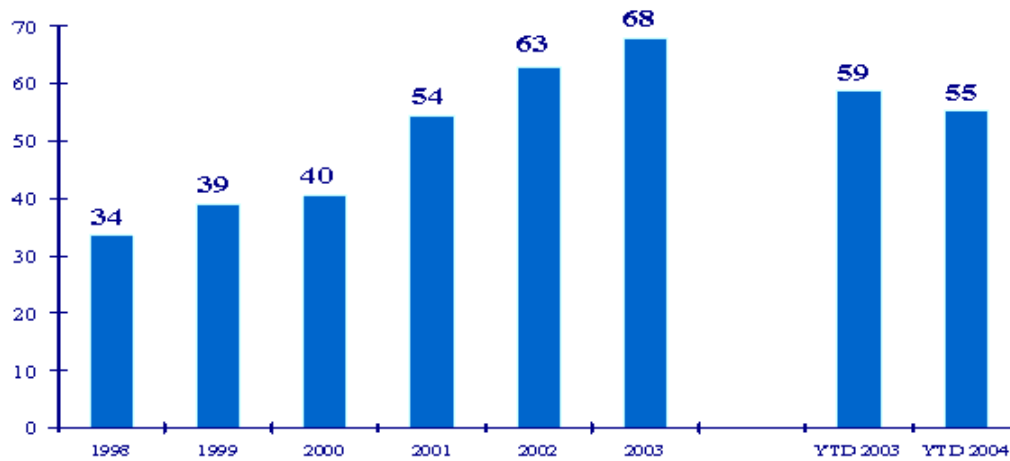


1998 - 2003

- ✓ Increased originations per active DP
- ✓ 2001 introduction of CAPS resulted in significantly increased originations per active DP

2004

- ✓ Modest reduction in loans per active DP



Sales & Marketing

Sales Force

- ✓ Current sales force
 - ✓ 58 Market Area Managers
 - ✓ 9 Regional Area Managers

- ✓ Sales representative responsibilities
 - ✓ Enroll new DPs
 - ✓ Enhance relationships with existing DPs

New DP Enrollment

- ✓ New DPs selected from
 - ✓ CA direct marketing
 - ✓ Referrals and inquiries
 - ✓ Cold calling
 - ✓ Industry conferences and trade shows

- ✓ New DPs pay \$9,850 enrollment fee

Enhancement of Existing DP Relationships



- ✓ Other services provided to DPs to assist them in servicing the below 640 Beacon score market
 - ✓ Marketing Assistance
 - ✓ Direct mailers
 - ✓ Point of sale materials
 - ✓ Internet leads
 - ✓ Radio, TV, Print ads
 - ✓ Training
 - ✓ CA University
 - ✓ In-Dealership training
 - ✓ Regional training seminars
 - ✓ E-Learning internet training

Risk Management

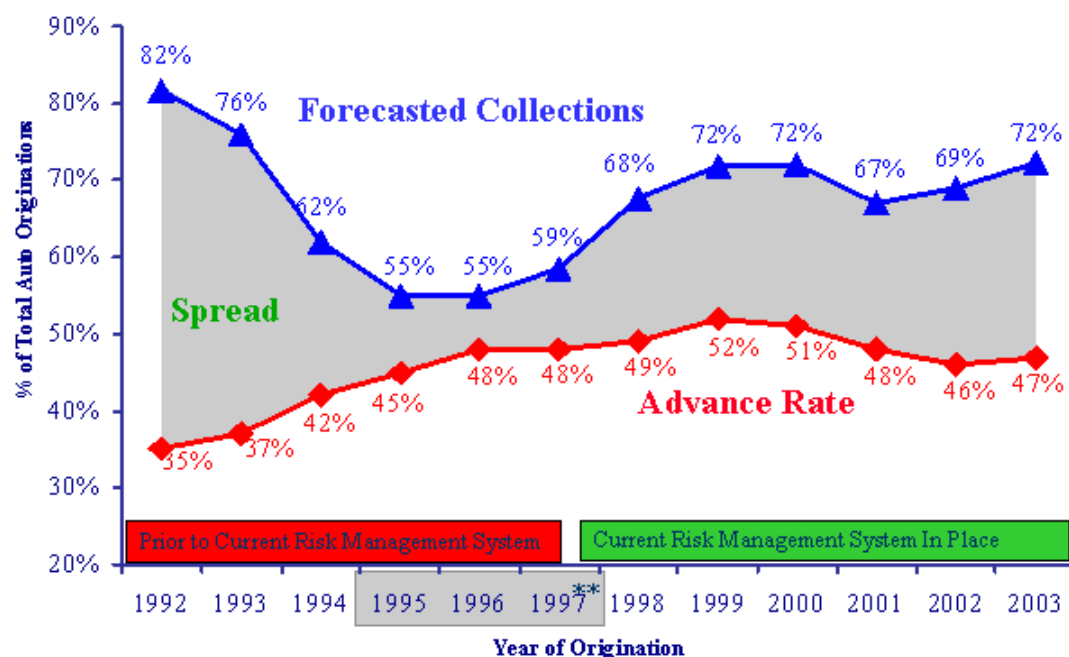
Risk Management

Appropriately managing the spread between the forecasted collection rate and the advance rate is critical to CA's success

Benefits of Increasing Spread

- ✓ Increases the margin for error
- ✓ Improves Return on Capital
- ✓ Increases long-term DP commitment

Historical Spread *



* Excludes UK originations

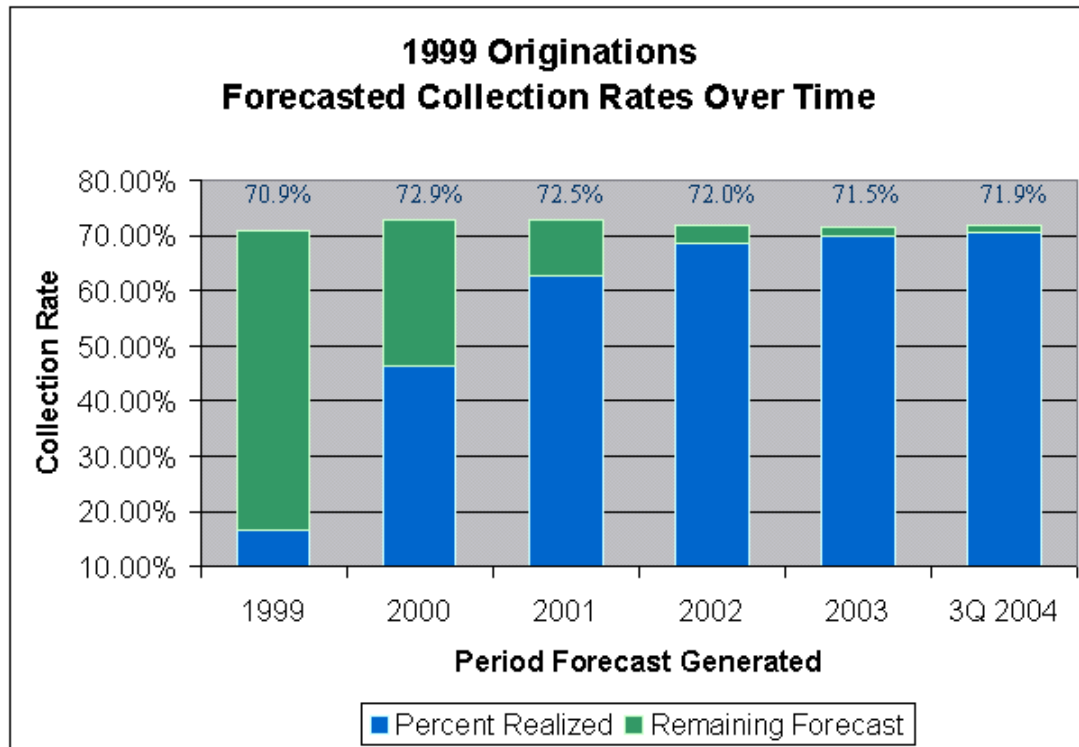
** 1995-1997 Loan originations produced high levels of advance losses due to the narrow spread between the forecasted collection rate and the advance rate.

Collection Rate Forecasts

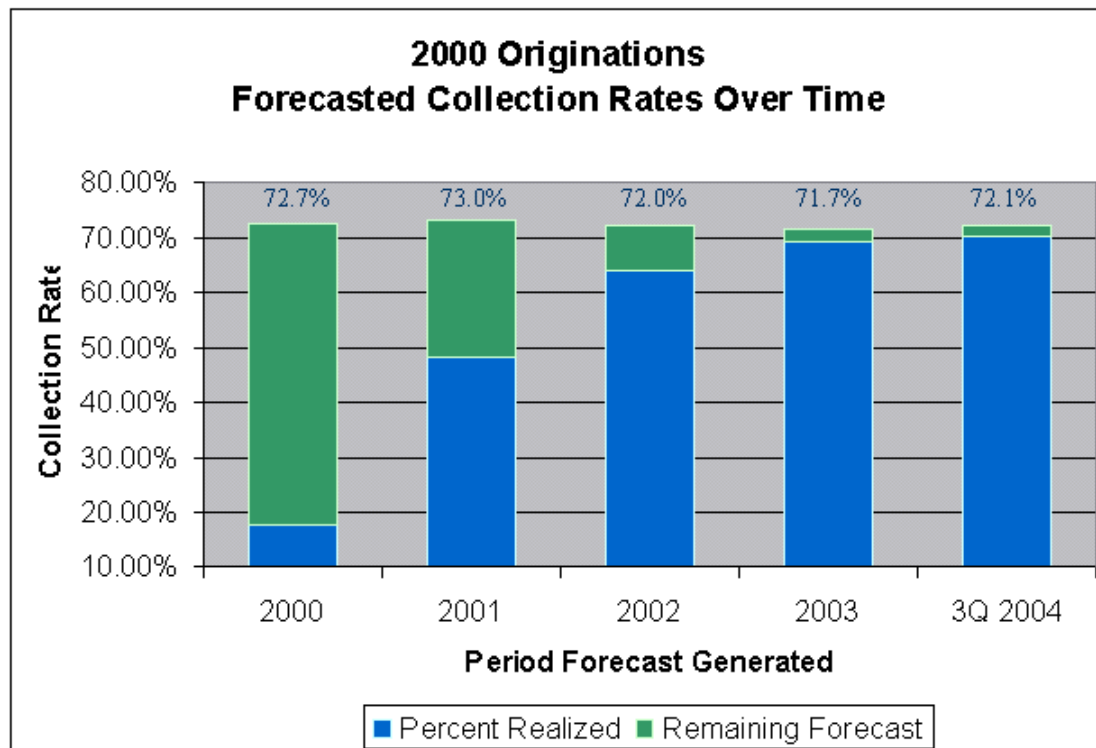
- ✓ Largest risk to future performance
- ✓ Over 80% of forecast realized in first 36 months following loan origination
- ✓ Forecasts become more precise as loan pools mature

Forecast Accuracy

1999 Originations

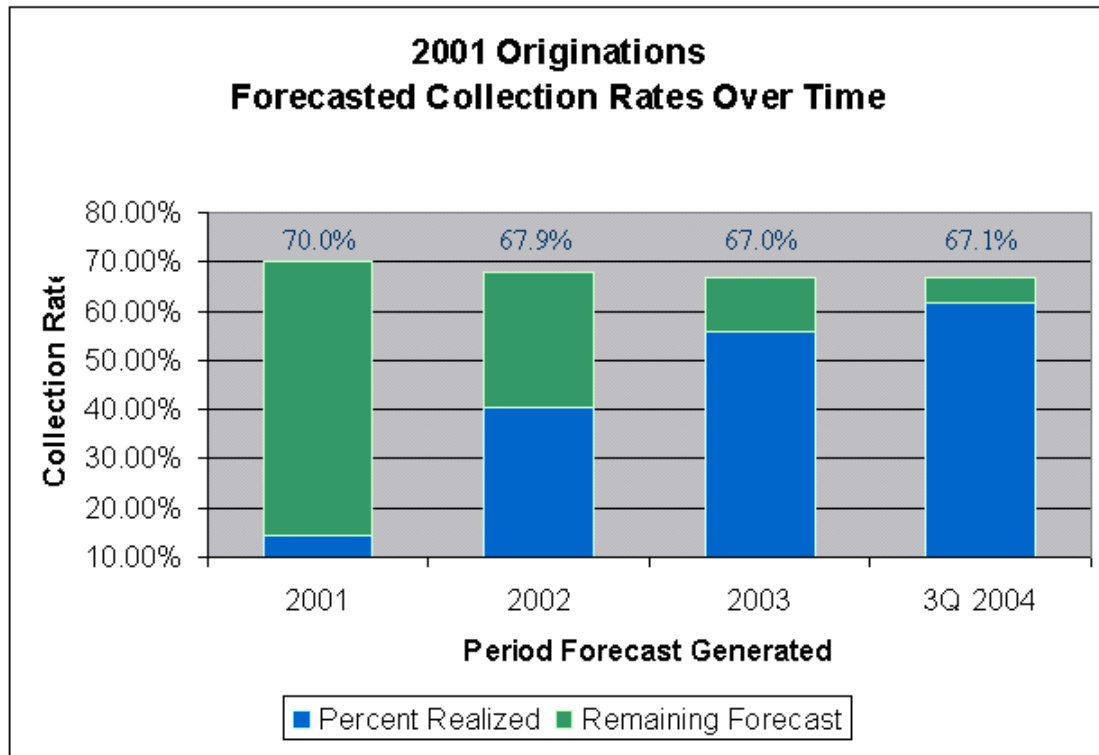


Forecast Accuracy 2000 Originations

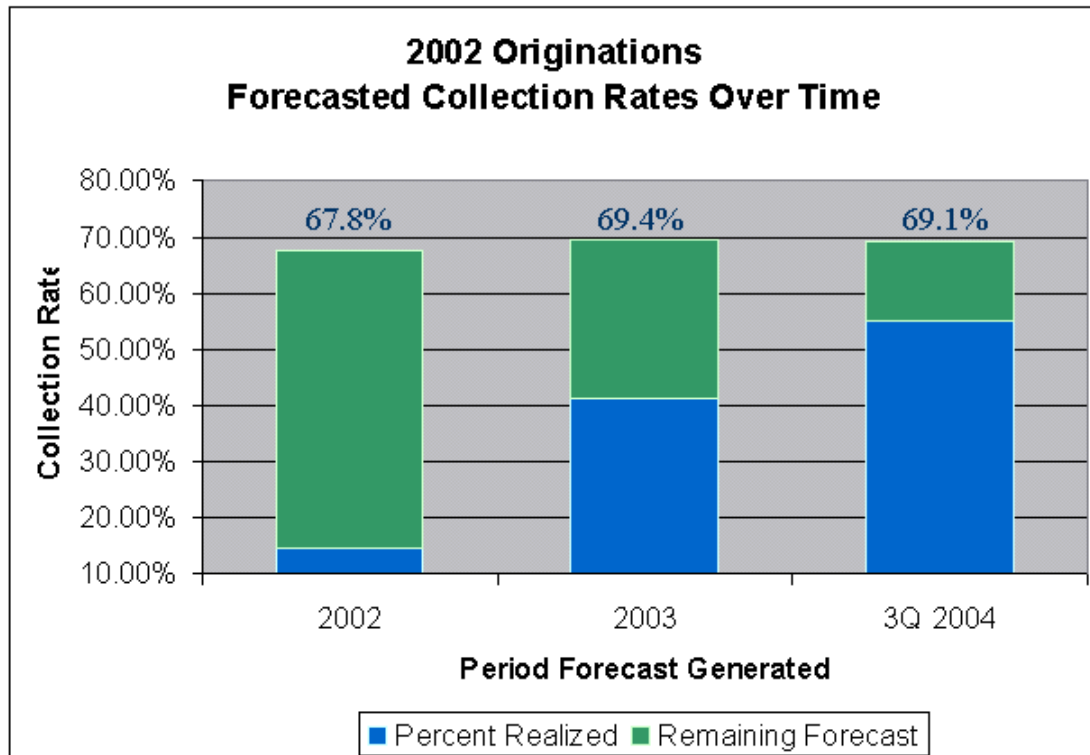


Forecast Accuracy

2001 Originations



Forecast Accuracy 2002 Originations



Liquidity

Liquidity Summary

- ✓ \$76M available on \$135M revolving credit facility as of September 30, 2004
- ✓ \$160M available on the \$200M warehouse facility as of September 30, 2004
- ✓ Completion of privately placed securitizations improves future access to debt capital

Revolving Credit Facility

- ✓ \$135 Million Capacity
 - ✓ \$76.3 million of availability as of September 30, 2004
- ✓ Renewed in June of 2004
- ✓ Two Year Facility Term
- ✓ Covenants and borrowing base not presently restrictive
- ✓ Six Commercial Banks in Syndicate

Securitizations

- ✓ Completed eight bank-financed securitizations to date
 - ✓ \$510 million in debt financing raised via two different commercial bank conduits
 - ✓ The last seven were accounted for as On-Balance-Sheet
 - ✓ All repaid as of June 30, 2003

- ✓ Completed a bank-financed revolving warehouse securitization September 2003
 - ✓ \$200 million in debt financing available
 - ✓ Accounted for as On-Balance-Sheet
 - ✓ Renewed August 2004
 - ✓ One year term

Securitizations Cont'd

- ✓ Completed two privately placed securitization to date
 - ✓ 1st Completed June 2003
 - ✓ \$100 million
 - ✓ 6 month revolving period
 - ✓ Paid in full September 2004
 - ✓ 2nd Completed August 2004
 - ✓ \$100 million
 - ✓ 6 month revolving period
- ✓ Improves future access to capital



**For more information about
Credit Acceptance, please see our
internet website at:**

www.creditacceptance.com