

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): DECEMBER 13, 2004

CREDIT ACCEPTANCE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Commission File Number 000-20202

MICHIGAN

38-1999511

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

25505 W. TWELVE MILE ROAD, SUITE 3000

48034-8339

SOUTHFIELD, MICHIGAN

(Zip Code)

(Address of Principal Executive Offices)

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))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

(a) On December 13, 2004, Credit Acceptance Corporation (the "Company") executed the First Amendment, dated as of December 10, 2004, to the Third Amended and Restated Credit Agreement, dated as of June 9, 2004, among the Company, Comerica Bank, as Administrative Agent and Collateral Agent, and the banks signatory thereto. Amendment expands the Company's borrowing base and reduces the minimum tangible net worth the Company must maintain under the Credit Agreement, which governs the Company's principal line of credit. The Amendment is attached as Exhibit 4(c)(14) to this Form 8-K and incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

4(c)(14) First Amendment, dated as of December 10, 2004, to Third Amended and Restated Credit Agreement, dated as of June 9, 2004, among the Company, Comerica Bank, as Administrative Agent and Collateral Agent, and the banks signatory thereto.

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
December 16, 2004

INDEX OF EXHIBITS

EXHIBIT NO.
- - - - -

DESCRIPTION
- - - - -

4(c) (14)

First Amendment, dated as of December 10, 2004, to Third Amended and Restated Credit Agreement, dated as of June 9, 2004, among the Company, Comerica Bank, as Administrative Agent and Collateral Agent, and the banks signatory thereto.

FIRST AMENDMENT
TO
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This FIRST AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT ("First Amendment") is made as of this 10th day of December, 2004 by and among Credit Acceptance Corporation, a Michigan corporation ("Company"), Comerica Bank and the other banks signatory hereto (individually, a "Bank" and collectively, the "Banks") and Comerica Bank, as administrative agent for the Banks (in such capacity, "Agent").

RECITALS

A. Company, Agent and the Banks entered into that certain Third Amended and Restated Credit Acceptance Corporation Credit Agreement dated as of June 9, 2004 (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 has requested that Agent and the Banks agree to certain amendments to the Credit Agreement and Agent and the Banks are willing to do so, but only on the terms and conditions set forth in this First Amendment.

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

1. Section 1 of the Credit Agreement is hereby amended by amending and restating, the definition of Borrowing Base as follows:

"Borrowing Base Limitation" shall mean, as of any date of determination, an amount equal to (i) sixty-five percent (65%) of Advances to Dealers, plus (ii) sixty-five percent (65%) of the Outright Contract Balance minus (iii) the Hedging Reserve and minus (iv) the aggregate principal amount outstanding from time to time of any Debt (other than the Indebtedness) secured by any of the Collateral; provided, however, that, at any time, the portion of the Borrowing Base Limitation derived from the Outright Contract Balance under clause (ii) of this definition shall not exceed a maximum of twenty-five percent (25%) of the aggregate Borrowing Base Limitation."

2. Section 7 of the Credit Agreement is amended by amending and restating Section 7.6 as follows:

"7.6 Minimum Tangible Net Worth. On a Consolidated basis, maintain Consolidated Tangible Net Worth of not less than Two Hundred Ten Million Dollars (\$210,000,000), plus the sum of (i) eighty percent (80%) of Consolidated Net Income for each fiscal quarter of the Company (A) beginning on or after April 1, 2004, (B) ending on or before the applicable date of determination thereof, and (C) for which Consolidated Net Income as determined above is a positive amount and (ii) the Equity Offering Adjustment."

3. Replacement Exhibit O (Form of Borrowing Base Certificate) to the Credit Agreement set forth on Attachment 1 hereto shall replace, in its entirety, existing Exhibit O to the Credit Agreement.
4. This First Amendment shall become effective, according to the terms and as of the date hereof, upon satisfaction by the Company of the following conditions:
 - (a) Agent shall have received counterpart originals of this First Amendment, in each case duly executed and delivered by the Company and the requisite Banks, in form satisfactory to Agent and the Banks; and
 - (b) Agent shall have received from a responsible senior officer of the Company a certification (i) that all necessary actions have been taken by the Company to authorize execution and delivery of this First Amendment, supported by such resolutions or other evidence of corporate authority or action as reasonably required by Agent and the Majority Banks and that no consents or other authorizations of any third parties are required in connection therewith; and (ii) that, after giving effect to this First Amendment, no Default or Event of Default has occurred and is continuing on the proposed effective date of the First Amendment.
5. The Company ratifies and confirms, as of the date hereof and after giving effect to the amendments contained herein, each of the representations and warranties set forth in Sections 6.1 through 6.18, inclusive, of the Credit Agreement and acknowledges that such representations and warranties are and shall remain continuing representations and warranties during the entire life of the Credit Agreement.
6. Except as specifically set forth above, this First 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 or a consent to any transaction not meeting the terms and conditions of the Credit Agreement, any of the Notes issued thereunder or any of the other Loan Documents.
7. Unless otherwise defined to the contrary herein, all capitalized terms used in this First Amendment shall have the meaning set forth in the Credit Agreement.
8. This First Amendment may be executed in counterpart in accordance with Section 13.10 of the Credit Agreement.
9. This First Amendment shall be construed in accordance with and governed by the laws of the State of Michigan.

[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: /s/ Harve Light

By: /s/ Douglas W. Busk

Its: VP

Its: TREASURER

Signature Page For
CAC First Amendment

BANKS:

COMERICA BANK

By: /s/ Harve Light

Its: VP

Signature Page For
CAC First Amendment

BANK OF AMERICA, N.A.

By: /s/ MARY P RIGGINS

Its: Senior Vice President

Signature Page For
CAC First Amendment

LASALLE BANK NATIONAL ASSOCIATION

By: /s/ DANIEL J. VASILE

Its: ASST. VICE PRESIDENT

Signature Page For
CAC First Amendment

HARRIS TRUST AND SAVINGS BANK

By: /s/ Paul Rubrich

Its: VICE PRESIDENT

Signature Page For
CAC First Amendment

FIFTH THIRD BANK
(EASTERN MICHIGAN)

By: /s/ MICHAEL BLACKBURN

MICHAEL BLACKBURN

Its: VICE PRESIDENT

Signature Page For
CAC First Amendment

NATIONAL CITY BANK OF THE
MIDWEST, FORMERLY KNOWN AS
NATIONAL CITY BANK OF
MICHIGAN/ILLINOIS

By: /s/ Ken R. Ehrhardt

Its: SENIOR VICE PRESIDENT

Signature Page For
CAC First Amendment

EXHIBIT O
BORROWING BASE CERTIFICATE

This certificate submitted for the _____ [quarter or month]
ending _____, as follows:

(A)	Advances to Dealers(1)	\$ _____	
	times Advance Rate (65%)	\$ _____	
(B)	Outright Contract Balance(1)	\$ _____	(cannot exceed 25% of the aggregate Borrowing Base Limitation).
	times Advance Rate (65%)	\$ _____	
	Total (A PLUS B)		\$ _____
	MINUS:		
(C)	Hedging Reserve(2) (see attached breakdown)		\$ _____
	MINUS		
(D)	Other Debt Secured by the Collateral (excluding Indebtedness under Credit Agreement) (3)		
(1)	Future Debt	\$ [0]	
	Subtotal		\$ _____
	Borrowing Base Limitation		\$ _____

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- (1) Calculated as of the most recent quarter end for regular quarterly certificates and as of the most recent month end for which financial information is available for all other certificates
- (2) Calculated as of the most recent quarter end, and with disclosure of additional Hedging Agreements not included in calculation Adequacy of reserve subject to review and approval of Majority Banks and affected Banks, upon request
- (3) These amounts calculated as of the date of the certificate set forth in the signature block

The undersigned authorized officer certifies the matters contained in this Borrowing Base Certificate as correct, accurate and complete as of the date set forth below.

CREDIT ACCEPTANCE CORPORATION

By: _____

Its: _____

Date: _____

ATTACHMENT TO BORROWING BASE CERTIFICATE

(Breakdown of Hedging Reserve
for _____ [month or quarter) ending _____)

(i) HEDGING RESERVE AS ALLOCATED TO BANKS OR AFFILIATES BY CREDIT ACCEPTANCE CORPORATION AS OF MOST RECENT QUARTER END:

1.	Bank (or Affiliate)	_____	\$ _____
2.	Bank (or Affiliate)	_____	\$ _____
3.	Bank (or Affiliate)	_____	\$ _____
Subtotal			\$ _____
Maximum: Hedging Reserve Cannot Exceed \$1,000,000			\$ _____

(ii) HEDGING AGREEMENTS NOT INCLUDED IN HEDGING RESERVE CALCULATION (ENTERED INTO AFTER MOST RECENT QUARTER END):

1.	Bank (or affiliate)	_____	_____
2.	Bank (or affiliate)	_____	_____
3.	Bank (or affiliate)	_____	_____

[Brief description, including
date, nature of instrument,
etc.]