Credit Acceptance Corporation Announces Third Quarter Earings of $6,104,000 OR $.14 per Diluted Share

Southfield, Michigan – October 18, 2000 – Credit Acceptance Corporation (Nasdaq: CACC) announced today that consolidated net income for the quarter ended September 30, 2000, was $6,104,000 or $.14 per diluted share compared to ($33,641,000) or ($.73) per diluted share for the same period in 1999. For the nine months ended September 30, 2000, the consolidated net income was $17,983,000 or $.40 per diluted share compared to ($14,491,000) or ($.31) per diluted share for the same period in 1999. The prior year results reflect an after tax non-cash charge of $39.2 million in the third quarter of 1999 relating to dealer advance losses and the write down of a portion of the retained interest in the July 1998 securitization. The 1999 loss is partially offset by a $9.0 million after tax gain in the second quarter of 1999 relating to the sale of a subsidiary.

Cash collections on installment contracts receivable, as a percent of average gross installment contracts receivable, were 44.1% for the nine months ended September 30, 2000 compared with 43.5 % for the same period in 1999. The Company's average annualized yield on its installment contract portfolio improved to 14.1% for the nine months ended September 30, 2000 from 12.7% for the same period in 1999. The improvement in the average yield resulted from a decrease in the percentage of installment contracts which were in non-accrual status to 20.8 % as of September 30, 2000 from 23.6% for the same period in 1999.

The Company's consolidated originations totaled $ 137,166,000 and $459,820,000 for the three and nine months ended September 30, 2000 compared with $140,609,000 and $405,012,000 for the same periods in 1999, representing a decrease of 2.5% and an increase of 13.5% for the three and nine month periods, respectively.

The Company's North American operations originated $85,248,000 and $317,514,000 in new installment contracts for the three and nine months ended September 30, 2000 compared with $97,472,000 and $317,588,000 for the same periods in 1999, representing a decrease of 12.5% and no quantifiable percentage change for the three and nine month periods, respectively.

The Company's United Kingdom operations originated $43,065,000 and $110,746,000 in new installment contracts for the three and nine month periods ended September 30, 2000 compared to $40,893,000 and $ 83,750,000 for the same periods in 1999, representing an increase of 5.3% and 32.2% for the three and nine month periods respectively.

Originations for the Company's automobile leasing operations were $8,853,000 and $31,560,000 for the three and nine months ended September 30, 2000 compared with $2,244,000 and $3,674,000 for the same periods in 1999. The Company reported a net loss on its automobile leasing operations of ($499,000) for the quarter ended September 30, 2000 compared with a net loss of ($95,000) for the same period in 1999. The Company began originating operating leases of used vehicles during the first quarter of 1999.

The increase in the automobile leasing operations net loss for the quarter was primarily due to a $1.0 million increase in the provision for credit losses for the quarter ended September 30, 2000 compared to the same period in 1999. While the increase in the size of the Company's lease portfolio accounts for the largest portion of the increase in the provision for credit losses, an additional amount was provided during the quarter based on additional portfolio performance data, which caused the company to increase its forecasted repossession rate for the portfolio of leases. In addition, the provision for credit losses increased due to management's decision to increase the reserve against leased vehicle residual values based upon additional analysis of the residual values in the Company's lease portfolio.

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.