

CREDIT ACCEPTANCE CORPORATION

**Moderator: Douglas Busk
October 30, 2013
5:00 p.m. ET**

Operator: Good day everyone and welcome to the Credit Acceptance Corporation Third Quarter 2013 Earnings Call. Today's call is being recorded. A webcast and transcript of today's earnings call will be made available on Credit Acceptance's website.

At this time, I would like to turn the call over to Credit Acceptance Senior Vice President and Treasurer, Doug Busk.

Douglas Busk: Thank you, Sam. Good afternoon and welcome to the Credit Acceptance Corporation Third Quarter 2013 Earnings Call. As you read our news release posted on the Investor Relations section of our website at creditacceptance.com, and as you listen to this conference call, please recognize that both contain forward-looking statements within the meaning of federal securities law.

These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and which could cause actual results to differ materially from such statements. These risks and uncertainties include those spelled out in the Cautionary Statement Regarding Forward-Looking Information included in the news release. Consider all forward-looking statements in light of those and other risks and uncertainties.

Additionally, I should mention that to comply with the SEC's Regulation G, please refer to the Adjusted Financial Results section of our news release, which provide tables showing how non-GAAP measures reconcile to GAAP measures.

At this time, Brett Roberts, our Chief Executive Officer, Ken Booth, our Chief Financial Officer, and I will take your questions.

Operator: Thank you. Ladies and gentlemen, if you have a question at this time, please press star then the one key on your touchtone telephone. If your question has been answered or you wish to remove yourself from the queue, please press the pound key.

Our first question comes from Kyle Joseph of Stephens. Your line is now open.

Kyle Joseph: Afternoon guys and thanks for taking my questions. It looked like loan growth trends were improving in the quarter, in terms of the volume per active dealer appears to be declining less rapidly. Can you give us an idea about what's driving that? Is it consumer demand? Did you see competition fall back a bit in the quarter?

Brett Roberts: It's tough to say. There are lots of things that affect loan volume. As you pointed out, the volume per dealer declined, as it has for the quarters preceding this quarter, but it declined at a less rapid pace. The number of dealers increased, but not as rapidly as it had in the past, and the combination produced a little better outcome in the third quarter. If you remember, the second quarter was assisted a little bit by the delayed tax season. We think that you are right, that the third quarter does represent a little bit of a change in the trend line.

Kyle Joseph: OK. Thanks. Geographically, can you tell me which markets are the best for you right now? Where you're seeing the most growth and which markets are kind of lagging?

Brett Roberts: We are strong in the Midwest, where we have been the longest. East Coast and Southeast are always strong markets for us, and it is primarily where the growth is taking place.

Kyle Joseph: All right, thank you for taking my questions and congrats on a good quarter.

Operator: Thank you. Our next question comes from David Henley of DLH Capital. Your line is now open.

David Henley: Yes, hi. Good afternoon. Could you guys just talk a little bit about what's going on with the sales force? I assume you've had good success with the number of new dealers that have come onboard. Could you just give us a quick update as to where that stands, and what plans might be over the course of the next 12 to 18 months in terms of expanding that further or not?

Brett Roberts: We are at 228 sales reps in the field today. The target is 250. We increased that rapidly throughout 2012. We are now in more of a maintenance mode. We are trying to get to 250, but because we increased the size of the sales force so rapidly, there is a little bit of attrition going on. We are back filling. The big increases in the numbers occurred in 2012, so we are not going to see that in the near future. What we are seeing obviously is the guys that have been around a little bit longer are starting to be productive. We won't see an increase in the size of the sales force like we did last year, but ultimately, we will see an increase in the productivity.

David Henley: Great, thank you.

Operator: Thank you. And, again, ladies and gentlemen, if you do have a question, please press star then one on your touchtone telephone. We'll pause one moment to see if there are any further questions.

With no further questions in the queue, I'd like to turn the conference back over to Mr. Busk for any additional or closing remarks.

Douglas Busk: We'd like to thank everyone for their support and for joining us on our conference call today. If you have any additional follow-up questions, please direct them to our Investor Relations mailbox at IR@creditacceptance.com. We look forward to talking to you again next quarter. Thank you.

Operator: Once again, this does conclude today's conference. We thank you for your participation. Everyone, have a great day.

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