

Select Inquiries Received Year to Date 2025

Select Inquiries Received through October 20, 2025

1) Credit Acceptance has experienced a declining loan forecast over the last two years and there have been recent negative headlines surrounding the auto industry. Can you elaborate on the quality of your loans, the risk to purchasers of your securitizations and other debt investors, as well as your philosophy on credit risk in general?

We endeavor to run our business conservatively, with a large margin of safety in loan pricing in the aggregate, low leverage on the balance sheet, and significant unused availability on our revolving credit facilities. Our forecasting models have performed best during relatively stable economic periods but have been less accurate during periods of volatility like we have experienced in recent years. Since forecasting collection rates is challenging, our business model is designed to produce acceptable returns in the aggregate even if loan performance is worse than forecasted. When needed, we have made adjustments to our forecasts on both new and existing loans, and our recent forecasts incorporate underperformance of post-pandemic vintages. We have also reduced advance rates to the dealer on more recent vintages, which we believe increases the margin of safety in our business. Based on our current estimates, total forecasted collections for the portfolio as of September 30, 2025 are \$12.3 billion, which provides over \$4.5 billion of cushion to our lenders after considering \$1.4 billion of estimated interest and operating expenses and \$6.4 billion of outstanding debt.

Since 1998, we have completed 59 term securitizations totaling \$16.6 billion of debt issued. We believe our securitization trusts contain a significant margin of safety for investors, including structural features such as overcollateralization, subordination, and reserve accounts to protect our investors against credit risk. Our securitization trusts have paid timely interest and principal of all maturing securities in full and have never experienced an early amortization event, event of default, or other adverse event that would cause early or late repayment. Our securitization transactions are generally structured to withstand a 35% decline in the forecasted collection rate before the most junior bond is at risk of taking a principal loss. Accordingly, we believe future net cash flows from collateral securing our outstanding securitization debt are more than sufficient to repay all future obligations of our outstanding securitization trusts.

Regarding liquidity, we maintained approximately \$1.6 billion of available borrowing capacity on our revolving credit facilities as of September 30, 2025.

Select Inquiries Received through September 12, 2025

1) How is loan performance so far this quarter?

For the two-month period ended August 31, 2025, consumer loan performance was generally consistent with the trends we have reported in recent quarters. We continue to monitor consumer loan performance closely and will provide a full update in our third quarter earnings release and Form 10-Q.

2) What percentage of your loan portfolio and new originations involve borrowers without SSNs or ITINs?

Our underwriting policies require borrowers to provide either a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN), with the sole exception being a small pilot program launched in 2025 to evaluate collections performance among borrowers who do not possess SSNs or ITINs. Participation in this program is currently limited to five designated market areas, and all borrowers are required to provide a valid government-issued photo identification to ensure identity verification. The volume of originations under this pilot remains de minimis relative to both our total originations during the pilot period and our overall loan portfolio. In the aggregate, collections performance within the pilot has been consistent with expectations. We currently have no plans to expand the pilot beyond its existing scope.

Credit Acceptance Corporation, in disclosing this information, is not acknowledging any obligation to have done so and is not undertaking any obligation to disclose this information in the future.