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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**SCHEDULE TO**  
**(RULE 14d-100)**

**Tender Offer Statement under Section 14(d)(1) or section 13(e)(1)  
of the Securities Exchange Act of 1934**

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**CREDIT ACCEPTANCE CORPORATION**

(Name of Subject Company (issuer))

**CREDIT ACCEPTANCE CORPORATION**  
(Name of Filing Person (Offeror))

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**COMMON STOCK, PAR VALUE \$.01 PER SHARE**  
(Title of Class Securities)

**225310-10-1**  
(CUSIP Number of Class of Securities)

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**Charles A. Pearce**  
**Chief Legal Officer**  
**Credit Acceptance Corporation**  
**25505 West Twelve Mile Road**  
**Southfield, MI 48034-8339**  
**(248) 353-2700**

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

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**With a copy to:**  
**Richard C. Witzel, Jr., Esq.**  
**Skadden, Arps, Slate, Meagher & Flom LLP**  
**155 N. Wacker Dr.**  
**Chicago, IL 60606**  
**(312) 407-0700**

**CALCULATION OF FILING FEE**

<b>Transaction valuation*</b>	<b>Amount of filing fee**</b>
\$114,999,885	\$14,811.99

\* Estimated for purposes of calculating the amount of the filing fee only. The amount assumes the purchase of a total of 915,750 shares of the outstanding common stock at a price of \$125.58 per share in cash.

\*\* The amount of the filing fee equals \$128.80 per million dollars of the transaction value, which is estimated in accordance with Rule 0-11 under the Securities Exchange Act of 1934.

- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A  
Form of Registration No.: N/A

Filing Party: N/A  
Date Filed: N/A

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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This Tender Offer Statement on Schedule TO (“Schedule TO”) relates to the offer by Credit Acceptance Corporation, a Michigan corporation (“CA”), to purchase for cash up to 915,750 shares of its common stock, par value \$0.01 per share, at a price of \$125.58 per share, net to the seller in cash, without interest. The tender offer is being made upon the terms and subject to the conditions described in the Offer to Purchase, dated May 16, 2014 (the “Offer to Purchase”), and the related Letter of Transmittal (the “Letter of Transmittal”), which, in each case, as amended and supplemented from time to time, together constitute the tender offer.

This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4 under the Securities Exchange Act of 1934, as amended. The information contained in the Offer to Purchase and the Letter of Transmittal, copies of which are attached to this Schedule TO as Exhibits (a)(1)(i) and (a)(1)(ii), respectively, is incorporated herein by reference in response to all of the items of this Schedule TO. All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

### **Item 1. Summary Term Sheet.**

The information set forth in the section of the Offer to Purchase entitled “Summary Term Sheet” is incorporated herein by reference.

### **Item 2. Subject Company Information.**

(a) The name of the issuer is Credit Acceptance Corporation. The address of CA’s principal executive offices is 25505 West Twelve Mile Road, Southfield, MI 48034-8339. CA’s telephone number is (248) 353-2700.

(b) The information set forth on the cover page of the Offer to Purchase, in the section of the Offer to Purchase entitled “Introduction” and in the section of the Offer to Purchase entitled “Section 11 — Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares” is incorporated herein by reference.

(c) The information set forth in the section of the Offer to Purchase entitled “Section 8 — Price Range of Shares; Dividends” is incorporated herein by reference.

### **Item 3. Identity and Background of Filing Person.**

(a) This Schedule TO is filed by CA, the subject company. CA’s business address is 25505 West Twelve Mile Road, Southfield, MI 48034-8339. CA’s business telephone number is (248) 353-2700.

Pursuant to Instruction C to Schedule TO, the following persons are the directors and/or executive officers of CA:

<u>NAME</u>	<u>POSITION</u>
Donald A. Foss	Director, Chairman of the Board of Directors
Brett A. Roberts	Director, Chief Executive Officer
Steven M. Jones	President
Kenneth S. Booth	Chief Financial Officer
Douglas W. Busk	Senior Vice President and Treasurer
John P. Neary	Chief Administrative Officer
Charles A. Pearce	Chief Legal Officer
Arthur L. Smith	Chief Analytics Officer
Daniel A. Ulatowski	Chief Sales Officer
Glenda J. Flanagan	Director
Thomas N. Tryforos	Director
Scott J. Vassalluzzo	Director

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The business address and telephone number of each of the above directors and executive officers is c/o Credit Acceptance Corporation, 25505 West Twelve Mile Road, Southfield, MI 48034-8339, telephone number (248) 353-2700, except for Glenda J. Flanagan, whose business address and telephone number is 550 Bowie Street, Austin, TX 78703, telephone number (512) 542-0148 and Scott J. Vassalluzzo, whose business address and telephone number is c/o Prescott Investors, Inc., 323 Railroad Avenue, Greenwich, CT 06830, telephone number (203) 661-1200.

### **Item 4. *Terms of the Transaction.***

(a) The information set forth in the sections of the Offer to Purchase entitled “Summary Term Sheet,” “Section 1 — Number of Shares; Proration,” “Section 2 — Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals,” “Section 3 — Procedures for Tendering Shares,” “Section 4 — Withdrawal Rights,” “Section 5 — Purchase of Shares and Payment of Purchase Price,” “Section 13 — U.S. Federal Income Tax Consequences” and “Section 14 — Extension of the Tender Offer; Termination; Amendment” and in the Letter of Transmittal is incorporated herein by reference.

(b) The information set forth in the sections of the Offer to Purchase entitled “Section 1 — Number of Shares; Proration,” “Section 2 — Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals — Purpose of the Tender Offer,” “Section 3 — Procedures for Tendering Shares” and “Section 11 — Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares” is incorporated herein by reference.

### **Item 5. *Past Contacts, Transactions, Negotiations and Agreements.***

(a) The information set forth in the section of the Offer to Purchase entitled “Section 11 — Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares” is incorporated herein by reference.

### **Item 6. *Purposes of the Transaction and Plans or Proposals.***

(a) The information set forth in the section of the Offer to Purchase entitled “Section 2 — Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals — Purpose of the Tender Offer” is incorporated herein by reference.

(b) The information set forth in the section of the Offer to Purchase entitled “Section 2 — Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals — Certain Effects of the Tender Offer” is incorporated herein by reference.

(c) The information set forth in the section of the Offer to Purchase entitled “Section 2 — Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals — Plans and Proposals” is incorporated herein by reference.

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### **Item 7. *Source and Amount of Funds or Other Consideration.***

(a) The information set forth in the section of the Offer to Purchase entitled “Section 9 — Source and Amount of Funds” is incorporated herein by reference.

(b) The information set forth in the section of the Offer to Purchase entitled “Section 9 — Source and Amount of Funds” is incorporated herein by reference.

(c) The information set forth in the section of the Offer to Purchase entitled “Section 9 — Source and Amount of Funds” is incorporated herein by reference.

### **Item 8. *Interest in Securities of the Subject Company.***

(a) The information set forth in the section of the Offer to Purchase entitled “Section 11 — Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares” is incorporated herein by reference.

(b) The information set forth in the section of the Offer to Purchase entitled “Section 11 — Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares” is incorporated herein by reference.

### **Item 9. *Persons/Assets Retained, Employed, Compensated or Used.***

(a) The information set forth in the section of the Offer to Purchase entitled “Section 15 — Fees and Expenses” is incorporated herein by reference.

### **Item 10. *Financial Statements.***

Not applicable. In accordance with the instructions to Item 10 of Schedule TO, the financial statements are not considered material because: (1) the consideration offered consists solely of cash; (2) the tender offer is not subject to any financing condition; and (3) CA is a public reporting company under Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, that files reports electronically on EDGAR.

### **Item 11. *Additional Information.***

(a) The information set forth in the sections of the Offer to Purchase entitled “Section 2 — Purpose of the Tender Offer; Certain Effects of the Tender Offer; Plans and Proposals,” “Section 10 — Certain Information Concerning CA,” “Section 11 — Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Shares” and “Section 12 — Legal Matters; Regulatory Approvals” is incorporated herein by reference.

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(b) The information set forth in the Offer to Purchase and the related Letter of Transmittal, as each may be amended or supplemented from time to time, is incorporated herein by reference.

**Item 12. Exhibits.**

See Exhibit Index, which is incorporated herein by reference, following the signature page.

**Item 13. Additional Information Required by Schedule 13E-3.**

Not applicable.

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CREDIT ACCEPTANCE CORPORATION

By: /s/ Douglas W. Busk

Name: Douglas W. Busk

Title: Senior Vice President and Treasurer

Dated: May 16, 2014

EXHIBIT INDEX

The following documents are filed as part of this report. Those exhibits previously filed and incorporated herein by reference are identified below. Exhibits not required for this report have been omitted. CA's commission file number is 000-20202.

EXHIBIT NUMBER	DESCRIPTION
(a)(1)(i)	Offer to Purchase.
(a)(1)(ii)	Letter of Transmittal.
(a)(5)(i)	Notice of Guaranteed Delivery.
(a)(5)(ii)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(5)(iii)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(5)(iv)	Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust.
(a)(5)(v)	Press release dated May 16, 2014 announcing the commencement of the offer (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated May 16, 2014).
(b)(1)	Fifth Amended and Restated Credit Agreement, dated as of June 17, 2011, among CA, the Banks which are parties thereto from time to time, and Comerica Bank as Administrative Agent and Collateral Agent for the Banks (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated June 22, 2011).
(b)(2)	First Amendment to the Fifth Amended and Restated Credit Agreement, dated as of June 15, 2012, among CA, the Banks which are parties thereto from time to time, and Comerica Bank as Administrative Agent and Collateral Agent for the Banks (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated June 15, 2012).
(b)(3)	Second Amendment to the Fifth Amended and Restated Credit Agreement, dated as of June 20, 2013, among CA, the Banks which are parties thereto from time to time, and Comerica Bank as Administrative Agent and Collateral Agent for the Banks (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated June 24, 2013).
(b)(4)	Third Amendment to the Fifth Amended and Restated Credit Agreement, dated as of December 9, 2013, among CA, the Banks which are parties thereto from time to time, and Comerica Bank as Administrative Agent and Collateral Agent for the Banks (incorporated by reference to an exhibit to CA's Annual Report on Form 10-K for the year ended December 31, 2013).
(b)(5)	Fourth Amendment to the Fifth Amended and Restated Credit Agreement, dated as of January 15, 2014, by and among CA, Comerica Bank and the other banks signatory thereto and Comerica Bank, as administrative agent for the Banks (incorporated by reference to an exhibit to CA's Annual Report on Form 10-K for the year ended December 31, 2013).
(b)(6)	Fifth Amended and Restated Loan and Security Agreement dated as of December 27, 2012 among CA, CAC Warehouse Funding Corporation II, Variable Funding Capital Company LLC, Wells Fargo Securities, LLC, and Wells Fargo Bank, National Association (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated January 3, 2013).

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- (b)(7) Amendment No. 1 to Fifth Amended and Restated Loan and Security Agreement, dated as of December 2, 2013, among CA, CAC Warehouse Funding Corporation II, Variable Funding Capital Company LLC, Wells Fargo Securities, LLC, and Wells Fargo Bank, National Association (incorporated by reference to an exhibit to CA's Annual Report on Form 10-K for the year ended December 31, 2013).
- (b)(8) Amended and Restated Loan and Security Agreement, dated as of June 29, 2012 among CA, CAC Warehouse Funding III, LLC, Fifth Third Bank and Systems & Services Technologies, Inc. (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated July 6, 2012).
- (b)(9) First Amendment to Amended and Restated Loan and Security Agreement, dated as of August 16, 2013, among CA, CAC Warehouse Funding III, LLC, Fifth Third Bank and Systems & Services Technologies, Inc. (incorporated by reference to an exhibit to CA's Form 10-Q, for the quarterly period ended September 30, 2013).
- (b)(10) Loan and Security Agreement dated as of August 19, 2011 among CA, CAC Warehouse Funding LLC IV, BMO Capital Markets Corp., Bank of Montreal and Wells Fargo Bank, National Association (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated August 24, 2011).
- (b)(11) First Amendment to Loan and Security Agreement dated as of April 5, 2013 among CA, CAC Warehouse Funding LLC IV, Bank of Montreal, BMO Capital Markets Corp., and Wells Fargo Bank, National Association (incorporated by reference to an exhibit to CA's Current Report on Form 8-K, dated April 5, 2013).
- (b)(12) Second Amendment to Loan and Security Agreement, dated as of December 4, 2013, among CA, CAC Warehouse Funding LLC IV, Bank of Montreal, BMO Capital Markets Corp., and Wells Fargo Bank, National Association (incorporated by reference to an exhibit to CA's Annual Report on Form 10-K for the year ended December 31, 2013).
- (d)(1) Credit Acceptance Corporation Amended and Restated Incentive Compensation Plan, as amended, March 26, 2012 (incorporated by reference to Annex A to CA's Definitive Proxy Statement on Schedule 14A dated April 5, 2012).
- (d)(2) Credit Acceptance Corporation 1992 Stock Option Plan, as amended and restated May 1999 (incorporated by reference to CA's Form 10-Q for the quarterly period ended June 30, 1999).
- (d)(3) Credit Acceptance Corporation Director Stock Option Plan (incorporated by reference to CA's Form 10-K for the year ended December 31, 2001).

**OFFER TO PURCHASE FOR CASH  
BY  
CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 915,750 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE OF \$125.58 PER SHARE**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JUNE 16, 2014, UNLESS THE TENDER OFFER IS EXTENDED.**

Credit Acceptance Corporation, a Michigan corporation (“CA,” “we” or “us”), is offering to purchase up to 915,750 shares of its common stock, par value \$0.01 per share, at a price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which together, as they may be amended and supplemented from time to time, constitute the tender offer. Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, par value \$0.01 per share, of CA.

Only shares properly tendered and not properly withdrawn pursuant to the tender offer will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered may not be purchased if more than the number of shares we seek are properly tendered. Shares tendered but not purchased pursuant to the tender offer will be returned at our expense promptly after the expiration date. See Section 1. We reserve the right, in our sole discretion, to purchase more than 915,750 shares in the tender offer, subject to applicable law.

**THE TENDER OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.**

Our shares are listed and traded on the NASDAQ Global Select Market under the symbol “CACC.” On May 15, 2014, the last trading day prior to the commencement of the tender offer, the last sale price of our shares reported on the NASDAQ Global Select Market was \$125.58 per share. **YOU ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE SHARES BEFORE DECIDING WHETHER TO TENDER YOUR SHARES. SEE SECTION 8.**

**OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER CA, OUR BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. YOU SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT WITH YOUR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE YOUR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.**

**DONALD FOSS, OUR CHAIRMAN OF THE BOARD, HAS INDICATED HIS NON-BINDING INTENTION TO TENDER 4.4 MILLION SHARES IN THE TENDER OFFER. GLENDA FLANAGAN, ONE OF OUR DIRECTORS, HAS INDICATED THAT SHE MAY TENDER UP TO 28,000 SHARES IN THE TENDER OFFER. NONE OF OUR OTHER DIRECTORS OR OFFICERS HAVE INDICATED THEIR INTENTION TO TENDER SHARES IN THE TENDER OFFER.**

Questions and requests for assistance may be directed to Georgeson Inc., the Information Agent for the tender offer, at its address and telephone number set forth on the back cover page of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery, or any document incorporated herein by reference, may be directed to the Information Agent.

May 16, 2014

**IMPORTANT**

If you wish to tender all or any part of your shares, you should either (1)(a) complete and sign the Letter of Transmittal, or a facsimile of it, according to the instructions in the Letter of Transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, to Computershare Trust Company, N.A., the Depositary for the tender offer, and mail or deliver the share certificates to the Depositary together with any other documents required by the Letter of Transmittal, or (b) tender the shares according to the procedure for book-entry transfer described in Section 3, or (2) request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that person if you desire to tender your shares. If you are a participant in CA's 401(k) Plan and Trust (the "401(k) Plan") and you wish to have the trustee tender shares attributable to your 401(k) Plan account, you must follow the separate instructions and procedures described in Section 3 and you must review the separate materials related to the plan provided with this Offer to Purchase for instructions. If you desire to tender shares pursuant to the tender offer and the certificates for your shares are not immediately available or you cannot deliver certificates for your shares and all other required documents to the Depositary before the expiration of the tender offer, or your shares cannot be delivered before the expiration of the tender offer under the procedure for book-entry transfer, you must tender your shares according to the guaranteed delivery procedure described in Section 3.

The tender offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would not be in compliance with the laws of the jurisdiction, provided that CA will comply with the requirements of Rule 13e-4(f)(8) of the Securities Exchange Act of 1934, as amended.

You should only rely on the information contained in this Offer to Purchase and the Letter of Transmittal. We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the tender offer. We have not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this Offer to Purchase or in the Letter of Transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by us, the Information Agent or the Depositary.

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## SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights the most material information in this Offer to Purchase, but you should understand that it does not describe all of the details of the tender offer to the same extent described in this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the tender offer. We have included references to the sections of this Offer to Purchase where you will find a more complete discussion.

Who is offering to purchase my shares?	Credit Acceptance Corporation, which we refer to as “CA,” “we” or “us” is offering to purchase shares of its common stock, par value \$0.01 per share, in a tender offer.
What will the purchase price for the shares be and what will be the form of payment?	We are offering to purchase your shares at a price of \$125.58 per share. If your shares are purchased in the tender offer, you will be paid the purchase price in cash, without interest, promptly after the expiration of the tender offer. Under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment. See Sections 1 and 5.
How many shares will CA purchase?	We are offering to purchase 915,750 shares validly tendered in the tender offer, or such fewer number of shares as are properly tendered and not properly withdrawn prior to the expiration date (as defined below). 915,750 shares represents 4.1% of our outstanding common stock as of May 1, 2014. We also expressly reserve the right to purchase an additional number of shares not to exceed 2% of the outstanding shares, and could decide to purchase more shares, subject to applicable legal requirements. As of May 1, 2014, there were 22,509,684 shares issued and outstanding. See Section 11. The tender offer is not conditioned on any minimum number of shares being tendered. See Section 7.
Why is CA making the tender offer?	We believe that the tender offer is a prudent use of our financial resources given our business profile, assets and current market price of our shares, and that investing in our own shares is an attractive use of capital and an efficient means to provide value to our shareholders. The tender offer also will provide increased liquidity to holders of shares and the opportunity for holders to sell shares without the usual transaction costs associated with open market sales. See Section 2 for additional information about the purpose of the tender offer. On May 15, 2014, the CA board of directors authorized CA to enter into the tender offer and approved spending approximately \$115 million to repurchase the shares tendered. CA has previously engaged in repurchases of its shares, and depending on market conditions and the availability of capital, CA’s board may authorize additional repurchases, including through additional tender offers. Pursuant to existing board authority, management is authorized to purchase up to 324,456 shares in market or private transactions in the future. See Section 2.
How will CA pay for the shares?	Assuming we purchase 915,750 shares in the tender offer, approximately \$115 million will be required to purchase such shares. We anticipate that we will obtain all of the funds necessary to purchase shares tendered in the tender offer, and to pay related fees and expenses, by borrowing under our revolving secured line of credit facility and/or one or more of our revolving secured

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	warehouse facilities. The tender offer is not conditioned upon the receipt of financing. See Sections 7 and 9.
How long do I have to tender my shares?	You may tender your shares until the tender offer expires. The tender offer will expire on June 16, 2014 at 5:00 p.m., New York City time, unless we extend it. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the tender offer on your behalf. We urge you to immediately contact your broker, dealer, commercial bank, trust company or other nominee to find out their deadline. You have an earlier deadline (three business days prior to the expiration date of the tender offer) if you wish to tender shares held in the 401(k) Plan. See the “Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust” sent to each participant in the plan. See Section 1.
	We may choose to extend the tender offer for any reason, subject to applicable laws. We cannot assure you, however, that we will extend the tender offer or, if we extend it, for how long. If we extend the tender offer, we will delay the acceptance of any shares that have been tendered. See Section 14.
How will I be notified if CA extends the tender offer?	We will issue a press release by 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date if we decide to extend the tender offer. See Section 14.
What will happen if I do not tender my shares?	Upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in us and thus in our future earnings and assets, subject to our right to issue additional shares of common stock and other equity securities in the future. See Section 2
Are there any conditions to the tender offer?	Yes. Our obligation to accept and pay for your tendered shares depends upon a number of conditions, including: <ul style="list-style-type: none"><li>• No legal action shall have been proposed, instituted or pending, nor shall we have received notice of such action that challenges or otherwise relates to the tender offer.</li><li>• No general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter markets in the United States, declaration of a banking moratorium or any suspension of payment in respect of banks in the United States, or any governmental or regulatory limitation or any event or adverse change in the financial or capital markets generally, that, in our reasonable judgment, might affect the extension of credit by banks or other lending institutions in the United States, shall have occurred.</li><li>• No changes in the general political, market, economic or financial conditions in the United States or abroad that could have a material adverse effect on our business, financial condition, income, operations or business or financial prospects shall have occurred.</li></ul>

- No commencement or escalation of war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including, but not limited to, an act of terrorism, shall have occurred.
- No decline of 10% or more in the market price of our common stock or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard & Poor's 500 Composite Index measured from the close of trading on May 15, 2014 shall have occurred.
- No person shall have proposed, announced or made a tender or exchange offer (other than this tender offer), merger, business combination or other similar transaction involving us or any of our subsidiaries nor shall we or any of our subsidiaries have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, business combination or other similar transaction.
- No person (including a group) shall have acquired or proposed to acquire beneficial ownership of more than 5% of the outstanding shares (other than anyone who publicly disclosed such ownership in a filing with the Securities and Exchange Commission (the "Commission") on or before May 15, 2014). No person or group which has made such a filing on or before May 15, 2014 shall acquire or propose to acquire an additional 2% or more of our outstanding shares. In addition, no new group shall have been formed that beneficially owns (as a group) more than 5% of our outstanding shares. No one shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or made a public announcement reflecting an intent to acquire us or any of our subsidiaries or any of our respective assets or securities.
- No change, condition or event (or any condition or event involving a prospective change) shall have occurred in our and our subsidiaries' business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, licenses, franchises, permits, permit applications, results of operations or business or financial prospects that, in our reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on us and our subsidiaries, on the value of or trading in our common stock, on our ability to consummate the tender offer or on the benefits of the tender offer to us.
- Neither Standard & Poor's nor Moody's shall have downgraded or withdrawn the rating accorded CA or have publicly announced that it has under surveillance or review, with possible negative implications, its rating of CA.
- No determination shall have been made by CA that there shall be any reasonable likelihood, as determined by CA in its reasonable judgment, that the consummation of the tender offer and the purchase of shares could result in the tender offer being considered a "going private transaction" under Rule 13e-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The tender offer is subject to these conditions and a number of other conditions. See Section 7.

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How do I tender my shares?

To tender your shares, prior to 5:00 p.m., New York City time, on June 16, 2014 (unless the tender offer is extended):

- you must deliver your share certificate(s) and a properly completed and duly executed Letter of Transmittal to the Depositary at one of its addresses appearing on the back cover page of this Offer to Purchase; or
- the Depositary must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed Letter of Transmittal or “agent’s message”; or
- you must comply with the guaranteed delivery procedure.

If your shares are held through a broker, dealer, commercial bank or other nominee, you must request such broker, dealer, commercial bank or other nominee to effect the transaction for you. You may also contact the Information Agent for assistance.

See Section 3 and the instructions to the Letter of Transmittal.

How do participants in the CA 401(k) Plan and Trust participate in the tender offer?

Participants in the 401(k) Plan who wish to have the trustee tender shares attributable to their plan account must follow the instructions included in the “Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust” sent to each participant in the plan and may not use the Letter of Transmittal to direct the tender of their shares held in the plan. Pursuant to the instructions included in the “Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust,” if you are a participant in the 401(k) Plan and wish to have the trustee tender shares attributable to your plan account, you must complete, execute and return to the tabulator the separate election form included in such letter at least three business days prior to the expiration date of the tender offer. See Section 3.

How do holders of vested stock options for shares participate in the tender offer?

Options to purchase shares cannot be tendered in the tender offer. If you hold vested but unexercised options, you may exercise such options in accordance with the terms of our share-based compensation plans and CA’s policies and practices, and tender the shares received upon such exercise in accordance with the tender offer. Exercises of options cannot be revoked even if some or all of the shares received upon the exercise thereof and tendered in the tender offer are not purchased pursuant to the tender offer for any reason. You should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to you based on your stock option exercise prices and the expiration date of your options and the provisions for pro rata purchases by CA. We strongly encourage optionholders to discuss the tender offer with their own financial or tax advisor.

Please be advised that it is the optionholder’s responsibility to tender shares in the tender offer to the extent such holder wants to participate and it may be difficult to secure delivery of shares issued pursuant to vested stock options in a time period sufficient to allow tender of those shares prior to the expiration date. Accordingly, we suggest that you exercise your vested options and satisfy the

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	exercise price for such shares in accordance with the terms of the related stock option plan and option agreement and CA policies and practices at least four business days prior to the expiration date. See Section 3.
How do holders of restricted share awards participate in the tender offer?	Holders of restricted share awards may not tender such restricted shares in the tender offer unless and until such shares have vested and the restrictions on such shares have lapsed. See Section 3.
How do holders of restricted stock units participate in the tender offer?	Holders of restricted stock units may not tender the underlying shares of such units in the tender offer unless and until the restrictions on such units have lapsed and such units have been settled in shares. See Section 3.
Once I have tendered shares in the tender offer, can I withdraw my tender?	You may withdraw any shares you have tendered at any time before 5:00 p.m., New York City time, on June 16, 2014, unless we extend the tender offer, in which case you may withdraw tendered shares until the tender offer, as so extended, expires. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after July 14, 2014. See Section 4.
How do I withdraw shares I previously tendered?	You must deliver, on a timely basis, a written or facsimile notice of your withdrawal to the Depositary at one of its addresses appearing on the back cover page of this Offer to Purchase. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of these shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the Depositary or if your shares have been tendered under the procedure for book-entry transfer set forth in Section 3. If you have tendered shares by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct that person to arrange for withdrawal of your shares. Participants in the 401(k) Plan who wish to withdraw their shares must follow the instructions found in the "Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust" sent to each participant in the plan. See Section 4.
Has CA or its board of directors adopted a position on the tender offer?	Our board of directors has approved the tender offer. However, neither we nor our board of directors makes any recommendation to you as to whether you should tender or refrain from tendering your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender. See Section 2. In doing so, you should read carefully the information in this Offer to Purchase and in the Letter of Transmittal.
Will CA's directors and officers tender shares in the tender offer?	Donald Foss, our Chairman of the board, has indicated his non-binding intention to tender 4.4 million shares in the tender offer. Glenda Flanagan, one of our directors, has indicated that she may tender up to 28,000 shares in the tender offer. None of our other directors or officers have indicated their intention to tender shares in the tender offer. See Sections 1 and 11.

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Following the tender offer, will CA continue as a public company?	We do not believe that our purchase of shares in the tender offer will cause us to be eligible for deregistration under the Exchange Act or delisted from the NASDAQ Global Select Market.
What happens if more than 915,750 shares are tendered in the tender offer?	We will purchase shares: <ul style="list-style-type: none"><li>• first, from all holders of “odd lots” of less than 100 shares who properly tender all of their shares and do not properly withdraw them before the expiration date;</li><li>• second, after purchasing the shares from the “odd lot” holders, from all other shareholders who properly tender shares and who do not properly withdraw them before the expiration date, on a pro rata basis, subject to the conditional tender provisions described in Section 6, with appropriate adjustments to avoid purchases of fractional shares until we have purchased 915,750 shares; and</li><li>• third, only if necessary to permit us to purchase 915,750 shares, from holders who have tendered shares subject to the condition that a specified minimum number of the holder’s shares be purchased if any shares are purchased in the tender offer as described in Section 6 (for which the condition was not initially satisfied) and not properly withdrawn before the expiration date by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares. Therefore, all of the shares that you tender on a conditional basis in the tender offer may not be purchased. See Section 1.</li></ul>
When will CA pay for the shares I tender?	We will pay the purchase price, net to you in cash, without interest, for the shares we purchase within three business days after the expiration of the tender offer and the acceptance of the shares for payment. In the event of proration, we do not expect to be able to commence payment for shares until approximately five business days after the expiration date. See Sections 1 and 5.
What is the recent market price of my CA shares?	On May 15, 2014, the last trading day prior to the commencement of the tender offer, the last sale price for our shares reported on the NASDAQ Global Select Market was \$125.58 per share. <b>You are urged to obtain current market quotations for the shares before deciding whether to tender your shares.</b> See Section 8.
Will I have to pay brokerage commissions if I tender my shares?	If you are a registered shareholder and you tender your shares directly to the Depository, you will not incur any brokerage commissions. If you hold shares through a broker or bank, we urge you to consult your broker or bank to determine whether transaction costs are applicable. See Sections 1 and 3.
What are the U.S. federal income tax consequences if I tender my shares?	Generally, you will be subject to U.S. federal income taxation when you receive cash from us in exchange for the shares you tender. In

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addition, the receipt of cash for your tendered shares will be treated either as (1) a sale or exchange eligible for capital gains treatment, or (2) a dividend. Non-United States holders are urged to consult their tax advisors regarding the application of U.S. federal income tax withholding and backup withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedure. See Sections 3 and 13. **All shareholders should review the discussion in Sections 3 and 13 regarding material U.S. federal income tax issues and consult their own tax advisor regarding the tax consequences of the tender offer.**

Will I have to pay any stock transfer tax if I tender my shares? We will pay all stock transfer taxes unless payment is made to, or if shares not tendered or accepted for payment are to be registered in the name of, someone other than the registered holder, or tendered certificates are registered in the name of someone other than the person signing the letter of transmittal. See Section 5.

To whom can I talk if I have questions? The Information Agent can help answer your questions. The Information Agent is Georgeson Inc. Its contact information is set forth on the back cover page of this Offer to Purchase. Participants in the 401(k) Plan who have questions relating to the plan should contact the relevant party set forth in the "Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust" sent to each participant in the plan.

## FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this Offer to Purchase and may make such statements in future filings with the Commission. We may also make forward-looking statements in our press releases or other public or shareholder communications. Our forward-looking statements are subject to risks and uncertainties and include information about our expectations and possible or assumed future results of operations. When we use any of the words “may,” “will,” “should,” “believe,” “expect,” “anticipate,” “assume,” “forecast,” “estimate,” “intend,” “plan,” “target” or similar expressions, we are making forward-looking statements.

These forward-looking statements represent our outlook only as of the date of this Offer to Purchase. While we believe that our forward-looking statements are reasonable, actual results could differ materially since the statements are based on our current expectations, which are subject to risks and uncertainties. Factors that might cause such a difference include, but are not limited to, the factors set forth in Item 1A of our Form 10-K for the year ended December 31, 2013 filed with the Commission on February 14, 2014 other risk factors discussed herein or listed from time to time in our reports filed with the Commission and the following:

- Our inability to accurately forecast and estimate the amount and timing of future collections could have a material adverse effect on results of operations.
- We may be unable to execute our business strategy due to current economic conditions.
- We may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow our business.
- The terms of our debt limit how we conduct our business.
- A violation of the terms of our asset-backed secured financing facilities or revolving secured warehouse facilities could have a materially adverse impact on our operations.
- The conditions of the U.S. and international capital markets may adversely affect lenders with which we have relationships, causing us to incur additional costs and reducing our sources of liquidity, which may adversely affect our financial position, liquidity and results of operations.
- Our substantial debt could negatively impact our business, prevent us from satisfying our debt obligations and adversely affect our financial condition.
- Due to competition from traditional financing sources and non-traditional lenders, we may not be able to compete successfully.
- We may not be able to generate sufficient cash flows to service our outstanding debt and fund operations and may be forced to take other actions to satisfy our obligations under such debt.
- Interest rate fluctuations may adversely affect our borrowing costs, profitability and liquidity.
- Reduction in our credit rating could increase the cost of our funding from, and restrict our access to, the capital markets and adversely affect our liquidity, financial condition and results of operations.
- We may incur substantially more debt and other liabilities. This could exacerbate further the risks associated with our current debt levels.
- The regulation to which we are or may become subject could result in a material adverse effect on our business.
- Adverse changes in economic conditions, the automobile or finance industries, or the non-prime consumer market could adversely affect our financial position, liquidity and results of operations, the ability of key vendors that we depend on to supply us with services, and our ability to enter into future financing transactions.
- Litigation we are involved in from time to time may adversely affect our financial condition, results of operations and cash flows.
- Changes in tax laws and the resolution of uncertain income tax matters could have a material adverse effect on our results of operations and cash flows from operations.

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- Our dependence on technology could have a material adverse effect on our business.
- Reliance on third parties to administer our ancillary product offerings could adversely affect our business and financial results.
- We are dependent on our senior management and the loss of any of these individuals or an inability to hire additional team members could adversely affect our ability to operate profitably.
- Our reputation is a key asset to our business, and our business may be affected by how we are perceived in the marketplace.
- The concentration of automotive dealers that participate in our program in several states could adversely affect us.
- Failure to properly safeguard confidential consumer information could subject us to liability, decrease our profitability and damage our reputation.
- A small number of our shareholders have the ability to significantly influence matters requiring shareholder approval and such shareholders have interests which may conflict with the interests of other security holders.
- Reliance on our outsourced business functions could adversely affect our business.
- Natural disasters, acts of war, terrorist attacks and threats or the escalation of military activity in response to these attacks or otherwise may negatively affect our business, financial condition and results of operations.
- Other factors not currently anticipated by management may also materially and adversely affect our results of operations. We do not undertake, and expressly disclaim any obligation, to update or alter our statements whether as a result of new information, future events or otherwise, except as required by applicable law.

## INTRODUCTION

To the Shareholders of Credit Acceptance Corporation:

Credit Acceptance Corporation, a Michigan corporation (“CA”), is offering to purchase up to 915,750 shares of its common stock, par value \$0.01 per share, at a price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which, as amended and supplemented from time to time, together constitute the tender offer. Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, par value \$0.01 per share, of CA.

Only shares properly tendered and not properly withdrawn pursuant to the tender offer will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered may not be purchased if more than the number of shares CA seeks are properly tendered. Shares tendered but not purchased pursuant to the tender offer will be returned at CA’s expense promptly after the expiration date. See Section 1. CA reserves the right, in its sole discretion, to purchase more than 915,750 shares in the tender offer, subject to applicable law.

The tender offer will expire at 5:00 p.m., New York City time, on June 16, 2014, unless the tender offer is extended.

**THE TENDER OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.**

**CA’S BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER CA, THE CA BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. CA HAS NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.**

**Donald Foss, our Chairman of the board, has indicated his non-binding intention to tender 4.4 million shares in the tender offer. Glenda Flanagan, one of our directors, has indicated that she may tender up to 28,000 shares in the tender offer. None of our other directors or officers have indicated their intention to tender shares in the tender offer. See Sections 1 and 11.**

The purchase price will be paid net to the tendering shareholder in cash, without interest, for all the shares purchased. Tendering shareholders who hold shares registered in their own name and who tender their shares directly to the Depositary will not be obligated to pay brokerage commissions, solicitation fees or, subject to Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of shares in the tender offer. Shareholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs may apply if shareholders tender shares through the brokers or banks and not directly to the Depositary. Also, any tendering shareholder or other payee who fails to complete, sign and return to the Depositary the Substitute Form W-9 that is included as part of the Letter of Transmittal or the applicable Form W-8 obtained from the Depositary may be subject to required United States federal income tax backup withholding equal to 28% of the gross proceeds payable to the tendering shareholder or other payee pursuant to the offer. See Section 3.

As of May 1, 2014, CA had 22,509,684 issued and outstanding shares, excluding 236,850 shares of common stock currently reserved for issuance under its stock compensation plans, none of which have been issued. The 915,750 shares that CA is offering to purchase represent 4.1% of the shares outstanding on May 1, 2014. On May 15, 2014, the last trading day before the date of announcement of the tender offer, the last reported sale price of the shares on the NASDAQ Global Select Market was \$125.58 per share. **Shareholders are urged to obtain current market quotations for their shares before deciding whether to tender shares pursuant to the tender offer.** See Section 8.

## THE TENDER OFFER

### SECTION 1. NUMBER OF SHARES; PRORATION

*GENERAL.* Upon the terms and subject to the conditions of the tender offer, CA will purchase 915,750 shares, or such fewer number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the scheduled expiration date of the tender offer, at a price of \$125.58 per share, net to the seller in cash, without interest.

The term “expiration date” means 5:00 p.m., New York City time, on June 16, 2014, unless and until CA, in its sole discretion, shall have extended the period of time during which the tender offer will remain open, in which event the term “expiration date” shall refer to the latest time and date at which the tender offer, as so extended by CA, shall expire. See Section 14 for a description of CA’s right to extend, delay, terminate or amend the tender offer. In accordance with the rules of the Commission, CA may, and CA expressly reserves the right to, purchase pursuant to the tender offer an additional number of shares not to exceed 2% of the outstanding shares without amending or extending the tender offer. See Section 14. In the event of an over-subscription of the tender offer as described below, shares tendered will be subject to proration, except for odd lots. Except as described herein, withdrawal rights expire on the expiration date.

If (1)(a) CA increases or decreases the price to be paid for shares, (b) CA increases the number of shares being sought in the tender offer and the increase exceeds 2% of the outstanding shares, or (c) CA decreases the number of shares being sought, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of any increase or decrease is first published, sent or given in the manner specified in Section 14, the tender offer will be extended until the expiration of ten business days from the date that notice of any increase or decrease is first published. For the purposes of the tender offer, a “business day” means any day other than a Saturday, Sunday or U.S. federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

The tender offer is not conditioned upon obtaining financing or on any minimum number of shares being tendered. The tender offer is, however, subject to other conditions. See Section 7.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the odd lot priority, proration and conditional tender provisions of the tender offer, all of the shares tendered will not be purchased if more than the number of shares CA seeks are properly tendered. All shares tendered and not purchased pursuant to the tender offer, including shares not purchased because of proration or conditional tenders, will be returned at CA’s expense promptly after the expiration date. Shareholders also can specify the order in which the specified portions will be purchased in the event that, as a result of the proration provisions or otherwise, some but not all of the tendered shares are purchased pursuant to the tender offer. In the event a shareholder does not designate the order and fewer than all shares are purchased due to proration, the order of shares purchased will be selected by the Depositary.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 915,750 shares, or such greater number of shares as CA may elect to purchase, subject to applicable law, CA will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

*PRIORITY OF PURCHASES.* Upon the terms and subject to the conditions of the tender offer, if greater than 915,750 shares, or such greater number of shares as CA may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, CA will purchase properly tendered shares on the basis set forth below:

- (1) First, CA will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any odd lot holder (as defined below) who:
  - (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference); and
  - (b) completes the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

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(2) Second, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6, CA will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until CA has purchased 915,750 shares (or such greater number of shares as CA may elect to purchase).

(3) Third, only if necessary to permit CA to purchase 915,750 shares (or such greater number of shares as CA may elect to purchase), CA will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

As a result of the foregoing priorities applicable to the purchase of shares tendered, it is possible that fewer than all shares tendered by a shareholder will be purchased or that, if a tender is conditioned upon the purchase of a specified number of shares, none of those shares will be purchased.

*ODD LOTS.* For purposes of the tender offer, the term “odd lots” shall mean all shares properly tendered prior to the expiration date and not properly withdrawn by any person referred to as an “odd lot holder” who owns beneficially or of record an aggregate of fewer than 100 shares and so certifies in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. To qualify for this preference, an odd lot holder must tender all shares owned beneficially or of record by the odd lot holder in accordance with the procedures described in Section 3. As set forth above, odd lots will be accepted for payment before proration, if any, of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have share certificates representing fewer than 100 shares. By accepting the tender offer, an odd lot holder who holds shares in its name and tenders its shares directly to the Depositary would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the odd lot holder’s shares. Any odd lot holder wishing to tender all of its shares pursuant to the tender offer should complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

*PRORATION.* If proration of tendered shares is required, CA will determine the proration factor as soon as practicable following the expiration date. Subject to adjustment to avoid the purchase of fractional shares, proration for each shareholder tendering shares, other than odd lot holders, shall be based on the ratio of the number of shares properly tendered and not properly withdrawn by the shareholder to the total number of shares properly tendered and not properly withdrawn by all shareholders, other than odd lot holders, subject to conditional tenders. If Mr. Foss tenders the 4.4 million shares as he has indicated, the proration factor in the tender offer would be substantially impacted. As a result, only a limited number of shares properly tendered by shareholders other than odd lot holders would be purchased and it is likely that no shares conditionally tendered would be purchased. See Section 11.

Because of the difficulty in determining the number of shares properly tendered, including shares tendered by the guaranteed delivery procedure, as described in Section 3, and not properly withdrawn, and because of the odd lot procedure described above and the conditional tender procedure described in Section 6, CA does not expect that it will be able to announce the final proration factor or commence payment for any shares purchased pursuant to the tender offer until approximately five business days after the expiration date. The preliminary results of any proration will be announced by press release promptly after the expiration date. Shareholders may obtain preliminary proration information from the Information Agent and may be able to obtain this information from their brokers.

As described in Section 13, the number of shares that CA will purchase from a shareholder pursuant to the tender offer may affect the U.S. federal income tax consequences to that shareholder and, therefore, may be relevant to that shareholder’s decision whether or not to tender shares and whether or not to condition any tender upon the purchase of a minimum number of shares held by such shareholder. The Letter of Transmittal affords each shareholder who tenders shares registered in such shareholder’s name directly to the Depositary the opportunity to designate the order of priority in which shares tendered are to be purchased in the event of proration as well as the ability to condition such tender on a minimum number of shares being purchased. See Section 6.

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This Offer to Purchase and the Letter of Transmittal will be mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee shareholders and similar persons whose names, or the names of whose nominees, appear on CA's shareholder list or, if applicable, that are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

### **SECTION 2. PURPOSE OF THE TENDER OFFER; CERTAIN EFFECTS OF THE TENDER OFFER; PLANS AND PROPOSALS**

*PURPOSE OF THE TENDER OFFER.* CA's management and its board of directors have evaluated CA's operations, strategy and expectations for the future and believe that the tender offer is a prudent use of CA's financial resources given its business profile, assets and the current market price for its shares. As of March 31, 2014, and May 12, 2014, CA had approximately \$337.4 million and \$489.7 million in unused and available capacity, respectively, on its revolving lines of credit.

CA believes that the tender offer set forth herein represents a mechanism to provide all shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of CA's capital if they so elect. This format of repurchase also provides a method for shareholders not participating to increase their relative percentage interest in CA and its future operations at no additional cost. As a result, the board of directors believes that investing in CA's own shares in this manner is an attractive use of capital and an efficient means to provide value to shareholders. The tender offer also provides liquidity to shareholders (particularly those with large shareholdings) by providing them the opportunity to sell all or a portion of their shares at a price of \$125.58 per share without potential disruption to the share price and the usual transaction costs associated with market sales.

On May 15, 2014, the CA board of directors authorized CA to enter into this tender offer and approved spending approximately \$115 million to repurchase shares tendered. Prior to the authorization of this tender offer, CA had authorization to repurchase an additional 324,456 shares of common stock under its previously announced share repurchase program, which will remain available for repurchases of common stock under the share repurchase program after the consummation of the tender offer. In addition, depending on market conditions and the availability of capital, CA's board may authorize additional repurchases in the future, including repurchases pursuant to additional tender offers.

After the tender offer is completed, CA believes that its anticipated cash flow from operations, access to credit facilities and capital markets and financial condition will be adequate for its needs.

Depending on the number of shares purchased in the tender offer, the result and prospects of CA's business, prevailing economic and market conditions and the market price of the shares, CA may continue its previously authorized repurchase program subsequent to the termination of the tender offer. However, Rule 13e-4 under the Exchange Act prohibits CA and its affiliates from purchasing any shares, other than in the tender offer, until at least ten business days after the expiration date.

**CA'S BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER CA, CA'S BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. CA HAS NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.**

Donald Foss, our Chairman of the board, has indicated his non-binding intention to tender 4.4 million shares in the tender offer. Glenda Flanagan, one of our directors, has indicated that she may tender up to 28,000 shares in the tender offer. None of our other directors or officers have indicated their intention to tender shares in the tender offer. See Sections 1 and 11.

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*CERTAIN EFFECTS OF THE TENDER OFFER.* Upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in CA and thus in CA's future earnings and assets, subject to CA's right to issue additional shares of common stock and other equity securities in the future, but will bear the attendant risks associated with owning CA's common stock, including risks associated with our higher leverage resulting from the consummation of the tender offer and additional borrowing under our revolving secured line of credit facility and/or one or more of our revolving secured warehouse facilities to fund the tender offer. Shareholders may be able to sell non-tendered shares in the future in market transactions or otherwise, at a net price higher or lower than the purchase price in the tender offer. CA can give no assurance, however, as to the price at which a shareholder may be able to sell his or her shares in the future, which price may be higher or lower than the purchase price paid in the tender offer.

Shares that CA acquires pursuant to the tender offer will be cancelled and will have the status of authorized but unissued shares.

The purchase of shares in the tender offer will reduce the number of shares that might otherwise trade publicly and is likely to reduce the number of CA shareholders. As of May 1, 2014, there were 22,509,684 shares issued and outstanding. Assuming CA acquires 915,750 shares in the tender offer, approximately 21,593,934 shares will be outstanding immediately after the tender offer. This may reduce the volume of trading in the shares and make it more difficult to buy or sell significant amounts of the shares without materially affecting the market price.

The shares are registered under the Exchange Act, which requires, among other things, that CA furnish information to its shareholders and to the Commission and comply with the Commission's proxy rules in connection with meetings of shareholders. CA believes that the purchase of shares pursuant to the tender offer will not result in the shares becoming eligible for deregistration under the Exchange Act or delisting from the NASDAQ Global Select Market.

The shares are currently "margin securities" under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit to their customers using the shares as collateral. CA believes that, following the purchase of the shares pursuant to the tender offer, the shares will continue to be "margin securities" for purposes of the Federal Reserve Board's margin rules and regulations as long as CA's shares continue to be listed on the NASDAQ Global Select Market.

*PLANS AND PROPOSALS.* Except as disclosed elsewhere in this Offer to Purchase, or as may occur in the ordinary course of its business, CA currently has no plans, proposals or negotiations that relate to or would result in:

- an extraordinary transaction, such as a merger, reorganization or liquidation, involving CA or any of its subsidiaries;
- any purchase, sale or transfer of a material amount of CA's assets or any of its subsidiaries' assets;
- any material change in CA's present dividend rate or policy, indebtedness or capitalization;
- any change in CA's present board of directors or management, including, but not limited to, any plans or proposals to change the number or the term of directors, or to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer;
- any other material change in CA's corporate structure or business;
- a class of CA's equity security being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotations system of a registered national securities association;
- a class of CA's equity securities becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act;
- the suspension of CA's obligation to file reports pursuant to Section 15(d) of the Exchange Act;
- the acquisition by any person of additional securities of CA, or the disposition by any person of securities of CA; or

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- any changes in CA's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of CA.

CA reserves the right to change its plans and intentions at any time, as it deems appropriate.

### **SECTION 3. PROCEDURES FOR TENDERING SHARES**

*PROPER TENDER OF SHARES.* For shares to be tendered properly pursuant to the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer set forth below), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an "agent's message" (as defined below) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received prior to the expiration date by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth below.

Brokers, dealers, commercial banks, trust companies or other nominee holders of shares likely will have an earlier deadline for shareholders to act to instruct them to accept the tender offer on a their behalf. Shareholders who hold shares through nominee holders are urged to immediately contact the nominee holder of their shares to determine the applicable deadline.

Odd lot holders who tender all shares must complete the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to odd lot holders as set forth in Section 1.

Shareholders may tender shares subject to the condition that all or a specified minimum number of their shares be purchased. Any shareholder desiring to make such a conditional tender should so indicate in the box entitled "Conditional Tender" on the Letter of Transmittal, and, if appropriate, the Notice of Guaranteed Delivery. It is the tendering shareholder's responsibility to determine the minimum number of shares to be purchased. **SHAREHOLDERS SHOULD CONSULT THEIR OWN FINANCIAL OR TAX ADVISOR WITH RESPECT TO THE EFFECT OF PRORATION OF THE TENDER OFFER AND THE ADVISABILITY OF MAKING A CONDITIONAL TENDER.** See Sections 6 and 13.

Shareholders who hold shares through a broker, dealer, commercial bank, trust company or other nominee, must contact their broker, dealer, commercial bank, trust company or other nominee in order to tender their shares. Shareholders who hold their shares through nominee holders are urged to consult the nominee holders of their shares to determine whether transaction costs are applicable if they tender shares through the brokers or banks and not directly to the Depository.

*SIGNATURE GUARANTEES AND METHOD OF DELIVERY.* No signature guarantee is required: (1) if the Letter of Transmittal is signed by the registered holder of the shares (which term, for purposes of this Section 3, shall include any participant in The Depository Trust Company, referred to as the "book-entry transfer facility," whose name appears on a security position listing as the owner of the shares) tendered therewith and such holder has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" in the Letter of Transmittal, or (2) if shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing is referred to as an "Eligible Institution"). See Instruction 1 of the Letter of Transmittal. In all other cases, all signatures on any Letter of Transmittal for shares tendered thereby must be guaranteed by an Eligible Institution. If a certificate for shares tendered is registered in the name of a person other than the person executing the Letter of Transmittal, or if payment is to be made to, or certificates for shares not tendered or not accepted for payment are to be registered in the name of, a person other than the registered holder of the certificates surrendered, then the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the certificates, with the signature guaranteed by an Eligible Institution.

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In all cases, payment for shares tendered and accepted for payment pursuant to the tender offer will be made only after timely receipt by the Depositary of share certificates or a timely confirmation of the book-entry transfer of the shares into the Depositary's account at the book-entry transfer facility as described above, a properly completed and duly executed Letter of Transmittal or a manually signed facsimile thereof including any required signature guarantees, or an agent's message in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal.

**THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.**

**BOOK-ENTRY DELIVERY.** The Depositary will establish an account with respect to the shares for purposes of the tender offer at the book-entry transfer facility within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of the shares by causing the book-entry transfer facility to transfer shares into the Depositary's account in accordance with the book-entry transfer facility's procedure for transfer. Although delivery of shares may be effected through a book-entry transfer into the Depositary's account at the book-entry transfer facility, either (1) a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an agent's message, and any other required documents must, in any case, be transmitted to and received by the Depositary at one of its addresses set forth on the back cover page of this Offer to Purchase before the expiration date, or (2) the guaranteed delivery procedure described below must be followed. **Delivery of the Letter of Transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the Depositary.**

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the Depositary, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and that CA may enforce such agreement against such participant.

**FEDERAL BACKUP WITHHOLDING TAX.** Under the United States federal backup withholding tax rules, 28% of the gross proceeds payable to a shareholder or other payee pursuant to the tender offer must be withheld and remitted to the United States Treasury, unless the shareholder or other payee provides such person's taxpayer identification number (employer identification number or social security number) to the Depositary and certifies under penalties of perjury that such number is correct or otherwise establishes an exemption. If the Depositary is not provided with the correct taxpayer identification number or another adequate basis for exemption, the holder may be subject to certain penalties imposed by the Internal Revenue Service. Therefore, each tendering shareholder should complete and sign the Substitute Form W-9 included as part of the Letter of Transmittal in order to provide the information and certification necessary to avoid backup withholding, unless such shareholder otherwise establishes to the satisfaction of the Depositary that the shareholder is not subject to backup withholding. Specified shareholders (including, among others, all corporations and certain foreign shareholders (in addition to foreign corporations)) are exempted from the backup withholding and reporting requirements rules. In order for a foreign shareholder to qualify as an exempt recipient, that shareholder must submit the applicable IRS Form W-8, signed under penalties of perjury, attesting to that shareholder's exempt status. The applicable form can be obtained from the Information Agent. See Instructions 9 and 10 of the Letter of Transmittal.

To prevent federal backup withholding tax equal to 28% of the gross payments made to shareholders for shares purchased pursuant to the tender offer, each shareholder who does not otherwise establish an exemption from such withholding must provide the Depositary with the shareholder's correct taxpayer identification number and provide other information by completing the substitute Form W-9 included with the Letter of Transmittal. For a discussion of United States federal income tax consequences to tendering shareholders, see Section 13.

**FEDERAL INCOME TAX WITHHOLDING ON FOREIGN SHAREHOLDERS.** Even if a foreign shareholder has provided the required certification as described in the preceding paragraph to avoid backup

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withholding, the Depository will withhold United States federal income taxes at a rate of 30% of the gross payment payable to a foreign shareholder or his or her agent unless the Depository determines that an exemption from, or a reduced rate of, withholding tax is available under a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business of the foreign shareholder within the United States or that such proceeds are subject to capital gains treatment. For this purpose, a foreign shareholder is any shareholder that is not a “United States holder” (as defined in Section 13). In order to obtain a reduced rate of withholding under a tax treaty, a foreign shareholder must deliver to the Depository before the payment the applicable completed and executed IRS Form W-8. In order to obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a foreign shareholder must deliver to the Depository before the payment a properly completed and executed IRS Form W-8ECI or any other equivalent form. A foreign shareholder may be eligible to obtain a refund of all or a portion of any tax withheld if such shareholder satisfies one of the “Section 302 tests” for capital gain treatment described in Section 13 or is otherwise able to establish that no withholding or a reduced amount of withholding is due. Federal backup withholding generally will not apply to amounts subject to the 30% or a treaty-reduced rate of federal income tax withholding.

Foreign shareholders are urged to consult their tax advisors regarding the application of U.S. federal income tax withholding, including eligibility for a reduction of or an exemption from withholding tax, and the refund procedure. See Instructions 9 and 10 of the Letter of Transmittal.

**GUARANTEED DELIVERY.** If a shareholder desires to tender shares pursuant to the tender offer and the certificates for the shareholder’s shares are not immediately available or the shareholder cannot deliver certificates for its shares and all other required documents to the Depository before the expiration date, or the shareholder’s shares cannot be delivered before the expiration date under the procedure for book-entry transfer, the shares may nevertheless be tendered, provided that all of the following conditions are satisfied:

- the tender is made by or through an Eligible Institution;
- the Depository receives by mail, overnight courier or facsimile transmission, before the expiration date, a properly completed and duly executed Notice of Guaranteed Delivery in the form CA has provided with this Offer to Purchase, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in such Notice of Guaranteed Delivery; and
- the share certificates, in proper form for transfer, or confirmation of book-entry transfer of the shares into the Depository’s account at the book-entry transfer facility, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, and including any required signature guarantees, or an agent’s message, in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, are received by the Depository within three business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery.

**CA 401(K) PLAN AND TRUST.** Participants in the 401(k) Plan who wish to have the trustee tender shares attributable to their plan account must follow the instructions included in the “Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust” sent to each participant in the plan and may not use the Letter of Transmittal to direct the tender of their shares held in the plan. Pursuant to the instructions included in the “Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust,” if you are a participant in the 401(k) Plan and wish to have the trustee tender shares attributable to your plan account, you must complete, execute and return to the tabulator (as described in the “Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust”) the separate election form included in such letter at least three business days prior to the expiration date of the tender offer. Although the tender offer will remain open to all shareholders until the expiration date, if the tabulator does not receive a participant’s instructions by 2:00 p.m., New York City time, on the date that is at least three business days prior to the expiration date, the trustee will not tender shares attributable to the participant’s account. Participants are urged to read the “Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust.”

**STOCK OPTIONS.** Options to purchase shares cannot be tendered in the tender offer. Holders of vested but unexercised options may exercise such options in accordance with the terms of CA’s share-based

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compensation plans and CA's policies and practices, and tender the shares received upon such exercise in accordance with the tender offer. Exercises of options cannot be revoked even if some or all of the shares received upon the exercise thereof and tendered in the tender offer are not purchased pursuant to the tender offer for any reason. Holders of vested but unexpired options should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to them based on their stock option exercise prices and the expiration date of their options, the tender price and the provisions for pro rata purchases by CA. CA strongly encourages optionholders to discuss the tender offer with their own financial or tax advisor.

Please be advised that it is the optionholder's responsibility to tender shares in the tender offer to the extent such holder wants to participate and it may be difficult to secure delivery of shares issued pursuant to vested stock options in a time period sufficient to allow tender of those shares prior to the expiration date. Accordingly, CA suggests that options for such shares be exercised in accordance with the terms of the related stock option plan and option agreement and CA policies and practices at least four business days prior to the expiration date.

*RESTRICTED SHARE AWARDS.* Holders of restricted share awards under CA's share-based compensation plans may not tender the shares underlying such restricted share awards in the tender offer unless and until the restrictions on the restricted share awards have lapsed. If the restrictions on the restricted share awards have lapsed, some or all of such shares may be tendered in the tender offer. See "— Proper Tender of Shares" above.

*RESTRICTED STOCK UNITS.* Holders of restricted stock units under CA's share-based compensation plans may not tender the shares underlying such restricted stock units in the tender offer unless and until the restrictions on the restricted stock units have lapsed and such units are settled in shares. If shares have been issued in respect of vested restricted stock units, some or all of such shares may be tendered in the tender offer. See "— Proper Tender of Shares" above.

*RETURN OF UNPURCHASED SHARES.* If any tendered shares are not purchased pursuant to the tender offer or are properly withdrawn before the expiration date, or if fewer than all shares evidenced by share certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the tender offer or the proper withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering shareholder at the book-entry transfer facility, in each case without expense to the shareholder.

*DETERMINATION OF VALIDITY; REJECTION OF SHARES; WAIVER OF DEFECTS; NO OBLIGATION TO GIVE NOTICE OF DEFECTS.* All questions as to the number of shares to be accepted, the price to be paid for shares to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by CA, in its sole discretion, and CA's determination will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. CA reserves the absolute right to reject any or all tenders of any shares that it determines are not in proper form or the acceptance for payment of or payment for which CA determines may be unlawful. CA also reserves the absolute right to waive any of the conditions of the tender offer prior to the expiration of the tender offer or any defect or irregularity in any tender with respect to any particular shares or any particular shareholder, whether or not CA waives similar defects or irregularities in the case of any other shareholder, and CA's interpretation of the terms of the tender offer will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. In the event a condition to the tender offer is waived with respect to any particular shareholder prior to the expiration of the tender offer, the same condition will be waived with respect to all shareholders. No tender of shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering shareholder or waived by CA. None of CA, the Depositary, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any tender, nor will any of them incur any liability for failure to give this notice.

*TENDERING SHAREHOLDER'S REPRESENTATION AND WARRANTY; CA'S ACCEPTANCE CONSTITUTES AN AGREEMENT.* A tender of shares under any of the procedures described above will constitute the tendering shareholder's acceptance of the terms and conditions of the tender offer, as well as the tendering shareholder's representation and warranty to CA that (1) the shareholder has a net long position in the

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shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 promulgated by the Commission under the Exchange Act, and (2) the tender of shares complies with Rule 14e-4. It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender shares for that person's own account unless, at the time of tender and at the end of the period during which shares are accepted by lot (including any extensions thereof), the person so tendering (1) has a net long position equal to or greater than the amount tendered in (a) the subject securities, or (b) securities immediately convertible into, or exchangeable or exercisable for, the subject securities, and (2) will deliver or cause to be delivered the shares in accordance with the terms of the tender offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. CA's acceptance for payment of shares tendered pursuant to the tender offer will constitute a binding agreement between the tendering shareholder and CA upon the terms and conditions of the tender offer.

*LOST OR DESTROYED CERTIFICATES.* Shareholders whose share certificate for part or all of their shares has been lost, stolen, destroyed or mutilated may contact the Depository at (800) 546-5141 for instructions as to obtaining the necessary documents. Those documents will then be required to be submitted together with the Letter of Transmittal in order to receive payment for shares that are tendered and accepted for payment. A bond will be required to be posted by the shareholder to secure against the risk that the share certificates may be subsequently recirculated. Shareholders are urged to contact the Depository immediately in order to permit timely processing of this documentation.

**Share certificates, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any signature guarantees, and any other required documents must be delivered to the Depository and not to CA or the Information Agent. Any such documents delivered to CA or the Information Agent will not be forwarded to the Depository and, therefore, will not be deemed to be properly tendered.**

## SECTION 4. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section 4, tenders of shares pursuant to the tender offer are irrevocable. Shares tendered pursuant to the tender offer may be withdrawn at any time prior to the expiration date and, unless previously accepted for payment by CA pursuant to the tender offer, also may be withdrawn at any time after July 14, 2014. Shareholders who tendered their shares by giving instructions to a bank, broker, dealer, trust company or other nominee must instruct that person to arrange for the withdrawal of their shares.

For a withdrawal to be effective, a written or facsimile notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the tendering shareholder, the number of shares to be withdrawn and the name of the registered holder of the shares. If the share certificates to be withdrawn have been delivered or otherwise identified to the Depository, then, before the release of the share certificates, the tendering shareholder also must submit the serial numbers shown on the share certificates for those shares to be withdrawn to the Depository and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless the shares have been tendered for the account of an Eligible Institution. If shares have been tendered under the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with the book-entry transfer facility's procedure.

All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by CA, in its sole discretion, and CA's determination will be final and binding, subject to a court of law having jurisdiction regarding such matters. CA reserves the absolute right to waive any defect or irregularity in the notice of withdrawal or method of withdrawal of shares by any shareholder, whether or not CA waives similar defects or irregularities in the case of any other shareholder. None of CA, the Depository, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor will any of them incur any liability for failure to give any such notice.

Withdrawals may not be rescinded and any shares properly withdrawn thereafter will be deemed not properly tendered for purposes of the tender offer, unless the withdrawn shares are properly re-tendered before the expiration date by following one of the procedures described in Section 3.

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If CA extends the tender offer, is delayed in its purchase of shares or is unable to purchase shares pursuant to the tender offer for any reason, then, without prejudice to CA's rights under the tender offer, the Depositary may, subject to applicable law, retain tendered shares on behalf of CA, and these shares may not be withdrawn except to the extent tendering shareholders are entitled to withdrawal rights as described in this Section 4. The right to retain shares is subject to CA's legal obligation to pay for shares properly tendered and not properly withdrawn promptly following the expiration date (subject to the terms and conditions of the tender offer) or to return the tendered securities promptly after the termination of the tender offer.

Participants in the 401(k) Plan who wish to have the trustee withdraw previously tendered shares attributable to their plan account must follow the procedures set forth in the "Letter to Participants in the Credit Acceptance Corporation 401(k) Plan and Trust," sent to each participant in the plan.

### **SECTION 5. PURCHASE OF SHARES AND PAYMENT OF PURCHASE PRICE**

Upon the terms and subject to the conditions of the tender offer, promptly following the expiration date, CA will accept for payment and pay for, and thereby purchase, shares properly tendered and not properly withdrawn prior to the expiration date. For purposes of the tender offer, CA will be deemed to have accepted for payment, and therefore purchased shares, that are properly tendered and not properly withdrawn, subject to the proration and conditional tender provisions of the tender offer, only when, as and if it gives oral or written notice to the Depositary of its acceptance of the shares for payment pursuant to the tender offer.

Upon the terms and subject to the conditions of the tender offer, promptly after the expiration date, CA will accept for payment and pay the per share purchase price of \$125.58 for 915,750 shares, subject to increase or decrease as provided in Section 14, if properly tendered and not properly withdrawn, or such fewer number of shares as are properly tendered and not properly withdrawn. In all cases, payment for shares tendered and accepted for payment pursuant to the tender offer will be made promptly, but only after timely receipt by the Depositary of:

- certificates for shares or a timely book-entry confirmation of shares into the Depositary's account at the book-entry transfer facility;
- a properly completed and duly executed Letter of Transmittal, or manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an agent's message, in the case of a book-entry transfer; and
- any other required documents.

CA will pay for shares purchased pursuant to the tender offer by depositing the aggregate purchase price for these shares with the Depositary, which will act as agent for tendering shareholders for the purpose of receiving payment from CA and transmitting payment to the tendering shareholders.

In the event of proration, CA will determine the proration factor and pay for those tendered shares accepted for payment promptly after the expiration date; however, CA does not expect to be able to announce the final results of any proration and commence payment for shares purchased until approximately five business days after the expiration date. Certificates for all shares tendered and not purchased, including shares not purchased due to proration or conditional tenders, will be returned, or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant therein who so delivered the shares, at CA's expense promptly after the expiration date or termination of the tender offer.

**Under no circumstances will interest on the purchase price be paid by CA regardless of any delay in making the payment. In addition, if certain events occur, CA may not be obligated to purchase shares pursuant to the tender offer. See Section 7.**

CA will pay all stock transfer taxes, if any, payable on the transfer to it of shares purchased pursuant to the tender offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted by the tender offer) if unpurchased shares are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted. See Instruction 6 of the Letter of Transmittal.

## **SECTION 6. CONDITIONAL TENDER OF SHARES**

Subject to the exceptions for odd lot holders, in the event of an over-subscription of the tender offer, shares tendered prior to the expiration date will be subject to proration. See Section 1. As discussed in Section 13, the number of shares to be purchased from a particular shareholder may affect the tax treatment of the purchase to the shareholder and the shareholder's decision whether to tender. Accordingly, a shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered must be purchased if any shares tendered by such shareholder are purchased. Any shareholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the Letter of Transmittal, and if applicable, the Notice of Guaranteed Delivery. It is the tendering shareholder's responsibility to determine the number of shares to be purchased. Each shareholder is urged to consult with his or her own financial or tax advisor.

After the tender offer expires, if more than 915,750 shares (or such greater number of shares as CA may elect to purchase) are properly tendered and not properly withdrawn and CA must prorate its acceptance of and payment for tendered shares, CA will calculate a preliminary proration percentage, after taking into account the priority given to odd lot holders, based upon all shares properly tendered, conditionally or unconditionally, and not properly withdrawn. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any shareholder below the minimum number specified by that shareholder, the tender will automatically be regarded as withdrawn (except as provided in the next paragraph). In addition, if Mr. Foss tenders the 4.4 million shares as he has indicated, the preliminary proration would be substantially impacted and it is likely that no shares conditionally tendered would be purchased. All shares tendered by a shareholder subject to a conditional tender and regarded as withdrawn as a result of proration will be returned promptly after the expiration date at CA's expense.

After giving effect to these withdrawals, CA will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders would otherwise be regarded as withdrawn and would cause the total number of shares to be purchased to fall below 915,750 (or such greater number of shares as CA may elect to purchase) then, to the extent feasible, CA will select enough of the conditional tenders that would otherwise have been withdrawn to permit CA to purchase 915,750 shares (or such greater number of shares as CA may elect to purchase). In selecting among the conditional tenders, CA will select by random lot treating all tenders by a particular shareholder as a single lot and will limit its purchase in each case to the designated minimum of shares to be purchased. Conditional tenders will be selected by lot only from shareholders who tender all of their shares.

## **SECTION 7. CONDITIONS OF THE TENDER OFFER**

Notwithstanding any other provision of the tender offer, CA will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the tender offer or may postpone the acceptance for payment of, or the purchase of or the payment for shares tendered, subject to Rule 13e-4(f) under the Exchange Act if any of the following events or circumstance shall have occurred (or shall have been determined by CA in its reasonable judgment to have occurred):

(1) there shall have been proposed, instituted or pending, or CA shall have received notice of, any legal action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency, tribunal or arbitrator or arbitral panel that directly or indirectly (a) challenges or seeks to challenge the making of the tender offer or the acquisition of some or all of the shares pursuant to the tender offer, (b) delays or restricts or seeks to delay or restrict CA's ability to, or renders or seeks to render CA unable to, accept for payment some or all of the shares pursuant to the tender offer or (c) otherwise relates in any manner to the tender offer or seeks to obtain material damages in respect of the tender offer;

(2) there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the tender offer or CA or any of its subsidiaries, by any court or any authority, agency, tribunal or arbitrator or arbitral panel that, in CA's reasonable judgment, would or might, directly or indirectly, (a) make the acceptance for payment of, or payment for, some or all

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of the shares illegal or otherwise restrict or prohibit completion of the tender offer, or (b) delay or restrict the ability of CA, or render CA unable, to accept for payment or pay for some or all of the shares under the tender offer;

(3) there shall have occurred (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (b) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, (c) the commencement or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including, but not limited to, an act of terrorism, (d) any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event, or any adverse change in the financial or capital markets generally, that, in CA's reasonable judgment, might affect, the extension of credit by banks or other lending institutions in the United States, (e) any change in the general political, market, economic or financial conditions in the United States or abroad that could, in the reasonable judgment of CA, have a material adverse effect on the business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, results of operations or business or financial prospects of CA or any of its subsidiaries, taken as a whole, (f) any decline of 10% or more in the market price for the shares, the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard and Poor's 500 Composite Index from the close of business on May 15, 2014, or (g) in the case of any of the foregoing existing at the time of the commencement of the tender offer, a material acceleration or worsening thereof;

(4) a tender or exchange offer for any or all of the shares (other than this tender offer), or any merger, acquisition, business combination or other similar transaction with or involving CA or any of its subsidiaries, has been proposed, announced or made by any person or has been publicly disclosed or CA or any of its subsidiaries has entered into a definitive agreement or an agreement in principle with any person with respect to a merger, acquisition, business combination or other similar transaction;

(5) CA learns that (a) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the Commission on or before May 15, 2014), (b) any entity, group or person who has filed a Schedule 13D or Schedule 13G with the Commission on or before May 15, 2014 has acquired or proposes to acquire, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than by virtue of the tender offer made hereby), beneficial ownership of an additional 2% or more of the outstanding shares, or (c) any new group has been formed that beneficially owns more than 5% of CA's outstanding shares (options for and other rights to acquire shares that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause);

(6) any person, entity or group has filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire CA or any of its subsidiaries or any of the respective assets or securities of CA and its subsidiaries;

(7) any change, condition, event or development (or any condition, event or development involving a prospective change) shall have occurred (or CA learns of any such condition, event or development), in the business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, licenses, franchises, permits, permit applications, results of operations or business or financial prospects of CA or any of its subsidiaries that, in CA's reasonable judgment, has, or could reasonably be expected to have, a material adverse effect on CA and its subsidiaries, taken as a whole, on the value of or trading in the shares, on CA's ability to consummate the tender offer or on the benefits of the tender offer to CA;

(8) (a) Standard & Poor's shall have (i) downgraded or withdrawn the rating accorded CA or (ii) publicly announced that it has under surveillance or review, with possible negative implications, its rating of CA; or (b) Moody's shall have (i) downgraded or withdrawn the rating accorded CA or (ii) publicly announced that it has under surveillance or review, with possible negative implications, its rating of CA; or

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(9) there shall be any reasonable likelihood, as determined by CA in its reasonable judgment, that the consummation of the tender offer and the purchase of shares could result in the tender offer being considered a “going private transaction” under Rule 13e-3 of the Exchange Act.

The foregoing conditions are for the sole benefit of CA, and CA may assert them, and, with the exception of condition (9) above, waive them, in whole or in part, at any time and from time to time in its sole discretion prior to the expiration of the tender offer. CA’s failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted at any time and from time to time prior to the expiration of the tender offer. In certain circumstances, if CA waives any of the conditions described above, CA may be required to extend the expiration date. Any determination or judgment by CA concerning the events described above will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters.

### SECTION 8. PRICE RANGE OF SHARES; DIVIDENDS

CA’s shares are traded on the NASDAQ Global Select Market under the trading symbol “CACC.” The following table sets forth the high and low sales prices per share reported on the NASDAQ Global Select Market for each of the fiscal periods indicated.

	<u>High</u>	<u>Low</u>
<b>2011</b>		
First Quarter	\$ 72.55	\$ 53.04
Second Quarter	84.50	71.00
Third Quarter	86.87	56.55
Fourth Quarter	93.10	60.09
<b>2012</b>		
First Quarter	\$107.09	\$ 76.95
Second Quarter	101.81	80.00
Third Quarter	104.97	83.82
Fourth Quarter	102.58	80.40
<b>2013</b>		
First Quarter	\$128.90	\$ 95.54
Second Quarter	121.85	95.71
Third Quarter	115.65	101.26
Fourth Quarter	132.20	107.25
<b>2014</b>		
First Quarter	\$150.89	\$127.01
Second Quarter (through May 15, 2014)	144.70	124.35

On May 15, 2014, the last trading day before the date of announcement of the tender offer, the last reported sale price of the shares on the NASDAQ Global Select Market was \$125.58 per share. As shown in the table, during 2014, the common stock has traded at prices higher than \$125.58 per share. As a result, it is possible that you may receive less for your shares if you tender them than you would receive in a market sale of your shares. **Shareholders are urged to obtain current market quotations for their shares before deciding whether to tender shares pursuant to the tender offer.**

CA has not paid any dividends on its common stock during the periods presented above. CA’s Credit Agreement contains financial covenants that require a minimum fixed charge coverage ratio, limit the maximum ratio of our funded debt to tangible net worth and require CA to maintain consolidated net income of not less than \$1 for the two most recently ended fiscal quarters. Some of these debt covenants may indirectly limit the repurchase of common stock or payment of dividends on common stock.

## SECTION 9. SOURCE AND AMOUNT OF FUNDS

Assuming CA purchases 915,750 shares in the tender offer, approximately \$115 million will be required to purchase such shares. CA anticipates that it will obtain all of the funds necessary to purchase shares tendered in the tender offer, and to pay related fees and expenses, by borrowing under its \$235.0 million revolving secured line of credit facility and/or by obtaining a cash distribution from one or more of CAC Warehouse Funding Corporation II (“Warehouse Funding II”), CAC Warehouse Funding III, LLC (“Warehouse Funding III”) and CAC Warehouse Funding LLC IV (“Warehouse Funding IV”) (collectively, the “Warehouse Subsidiaries”). Each of the Warehouse Subsidiaries is a wholly-owned subsidiary of CA that maintains a revolving secured warehouse facility. Each such cash distribution will be made either as a dividend or in payment of the purchase price in respect of certain loans conveyed by CA to the Warehouse Subsidiary making such distribution. Each Warehouse Subsidiary that pays a cash distribution to CA to fund the tender offer will borrow funds in the amount of such cash distribution under such Warehouse Subsidiary’s revolving secured warehouse facility. CA intends to repay amounts borrowed under the revolving secured line of credit facility, and cause each Warehouse Subsidiary to repay amounts borrowed under such Warehouse Subsidiary’s revolving secured warehouse facility and distributed to CA, in each case for the purchase of shares tendered in the tender offer, by using available cash flow, by refinancing these facilities or by refinancing through other available credit facilities.

The tender offer is not conditioned upon the receipt of financing. See Section 7. CA does not have any alternative financing plans.

The revolving secured line of credit facility is governed by a Fifth Amended and Restated Credit Agreement, as amended, (the “Credit Agreement”), dated as of June 17, 2011, among CA, Comerica Bank, as agent, sole bookrunner and sole lead arranger, and the other lenders party thereto. The revolving secured line of credit facility matures on June 23, 2016 or such later date as may be extended under the terms of the Credit Agreement.

The Credit Agreement provides that, at CA’s option, interest is payable on advances (including swingline advances) at either (i) the eurodollar rate plus 187.5 basis points, the (ii) prime rate plus 87.5 basis points or (iii) in respect of a swingline advance only, at the rate offered by the swing line bank. Borrowings under the Credit Agreement, including any letters of credit issued under the facility, are subject to a borrowing base limitation equal to (1) a specified percentage of Dealer Loans Receivable (as defined in the Credit Agreement) and a specified percentage of Purchased Contract Balances (as defined in the Credit Agreement) minus (2) a specified hedging reserve and minus (3) the outstanding principal amount of any of our other indebtedness (other than indebtedness incurred under the Credit Agreement) that is secured by the same collateral as the revolving secured line of credit facility. The percentages specified in the borrowing base limitation are currently 80% as to both Dealer Loans Receivable and Purchased Contract Balances. Currently, the borrowing base limitation does not inhibit CA’s borrowing ability under the revolving secured line of credit facility.

The Credit Agreement has certain restrictive covenants, including a minimum required fixed charge coverage ratio. Additionally, the Credit Agreement limits the maximum ratio of CA’s funded debt to tangible net worth and requires that CA maintain a specified minimum level of consolidated net income. Borrowings under the Credit Agreement are secured by a lien on most of CA’s assets. As of March 31, 2014 and May 12, 2014 there was \$115.9 million and \$196.7 million outstanding, respectively, under the revolving secured line of credit facility. The average balance outstanding was \$97.9 million for the year ended December 31, 2013.

Warehouse Funding II’s \$325.0 million revolving secured warehouse facility is governed by a Fifth Amended and Restated Loan and Security Agreement, dated December 27, 2012, among CA, Warehouse Funding II, Variable Funding Capital Company, LLC, Wells Fargo Securities LLC and Wells Fargo Bank, National Association (the lenders thereunder, “Wells Fargo”), as amended. If not renewed prior to December 27, 2015, the facility will cease to revolve. Thereafter, no further advances would be permitted under the facility and, if Warehouse Funding II is in compliance with the terms of the warehouse agreement, the amounts outstanding would be repaid over time by the collections from the loans securing the facility.

The warehouse agreement currently provides that Warehouse Funding II may receive up to \$325.0 million in financing when CA conveys loans to Warehouse Funding II for cash and equity in Warehouse Funding II. Warehouse Funding II will in turn pledge the loans as collateral to Wells Fargo to secure loans that will fund the

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cash portion of the purchase price of the loans. This revolving secured warehouse facility allows conveyances of loans by CA and related borrowing by Warehouse Funding II in which Warehouse Funding II will receive 80% of the net book value of the contributed loans up to the \$325.0 million facility limit. Although Warehouse Funding II will be liable for any secured financing under the facility, the financing will be non-recourse to CA, even though Warehouse Funding II and CA are consolidated for financial reporting purposes. As Warehouse Funding II is organized as a separate special purpose legal entity from CA, assets of Warehouse Funding II (including the conveyed loans) will not be available to satisfy the general obligations of CA. Borrowings under this facility bear interest at a rate based on commercial paper or LIBOR (or, following a termination event, an applicable reference rate) plus specified spreads depending upon the source of funds provided by Wells Fargo. Interest on borrowings have been limited through interest rate cap agreements to a maximum rate of 5.50% plus the spread over the LIBOR rate or the commercial paper rate, as applicable. Borrowings under the facility bear interest at a rate equal to the commercial paper rate or the LIBOR rate plus 200 basis points. CA receives a monthly servicing fee paid out of collections equal to 6% of the collections received with respect to the conveyed loans. Except for the servicing fee and holdback payments due to dealers, if the facility is amortizing, CA does not have any rights in any portion of such collections until all outstanding principal, accrued and unpaid interest, fees and other related costs have been paid in full. If the facility is not amortizing, Warehouse Funding II may be entitled to retain a portion of such collections, provided that the borrowing base requirements of the facility are satisfied. As of March 31, 2014 and May 12, 2014, there was \$162.6 million and \$0 outstanding, respectively, under this facility.

Warehouse Funding III's \$75.0 million revolving secured warehouse facility is governed by an Amended and Restated Loan and Security Agreement, dated June 29, 2012, among CA, Warehouse Funding III, Fifth Third Bank and Systems & Services Technologies, Inc. (the lenders thereunder, "Fifth Third"), as amended. If not renewed prior to September 10, 2015, the facility will cease to revolve and will mature on September 10, 2017. After September 10, 2015, no further advances would be permitted under the facility and, if Warehouse Funding III is in compliance with the terms of the warehouse agreement, the amounts outstanding would be due and payable on September 10, 2017, and be repaid by the collections from the loans securing the facility.

The warehouse agreement currently provides that Warehouse Funding III may receive up to \$75.0 million in financing when CA conveys loans to Warehouse Funding III for cash and equity in Warehouse Funding III. Warehouse Funding III will in turn pledge the loans as collateral to Fifth Third to secure loans that will fund the cash portion of the purchase price of the loans. This revolving secured warehouse facility allows conveyances of loans by CA and related borrowing by Warehouse Funding III in which Warehouse Funding III will receive 80% of the net book value of the contributed loans up to the \$75.0 million facility limit. Although Warehouse Funding III will be liable for any secured financing under the facility, the financing will be non-recourse to CA, even though Warehouse Funding III and CA are consolidated for financial reporting purposes. As Warehouse Funding III is organized as a separate special purpose legal entity from CA, assets of Warehouse Funding III (including the conveyed loans) will not be available to satisfy the general obligations of CA. Borrowings under the facility bear interest at a rate based on LIBOR (or, following a termination event, an applicable reference rate) plus a specified spread. Borrowings under this facility bear interest at a rate equal to the LIBOR rate plus 160 basis points. For a portion of the borrowings under the facility, the LIBOR rate has been limited to a maximum rate of 5.00% through interest rate cap agreements. CA receives a monthly servicing fee paid out of collections equal to 6% of the collections received with respect to the conveyed loans. Except for the servicing fee and holdback payments due to dealers, if the facility is amortizing, CA does not have any rights in any portion of such collections until all outstanding principal, accrued and unpaid interest, fees and other related costs have been paid in full. If the facility is not amortizing, Warehouse Funding III may be entitled to retain a portion of such collections, provided that the borrowing base requirements of the facility are satisfied. As of March 31, 2014 and May 12, 2014, there was \$69.1 million and \$0 outstanding, respectively, under this facility.

Warehouse Funding IV's \$75.0 million revolving secured warehouse facility is governed by a Loan and Security Agreement, dated August 19, 2011, among CA, Warehouse Funding IV, Bank of Montreal, BMO Capital Markets Corp. and Wells Fargo Bank, National Association (the lenders thereunder, the "Lenders"), as amended. If not renewed prior to April 5, 2016, the facility will cease to revolve. Thereafter, no further advances would be permitted under the facility and, if Warehouse Funding IV is in compliance with the terms of the warehouse agreement, the amounts outstanding would be repaid by the collections from the loans securing the facility.

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The warehouse agreement currently provides that Warehouse Funding IV may receive up to \$75.0 million in financing when CA conveys loans to Warehouse Funding IV for cash and equity in Warehouse Funding IV. Warehouse Funding IV will in turn pledge the loans as collateral to the Lenders to secure loans that will fund the cash portion of the purchase price of the loans. This revolving secured warehouse facility allows conveyances of loans by CA and related borrowing by Warehouse Funding IV in which Warehouse Funding IV will receive 80% of the net book value of the contributed loans up to the \$75.0 million facility limit. Although Warehouse Funding IV will be liable for any secured financing under the facility, the financing will be non-recourse to CA, even though Warehouse Funding IV and CA are consolidated for financial reporting purposes. As Warehouse Funding IV is organized as a separate special purpose legal entity from CA, assets of Warehouse Funding IV (including the conveyed loans) will not be available to satisfy the general obligations of CA. Borrowings under the facility bear interest at a rate based on LIBOR (or, following a termination event, an applicable reference rate) plus a specified spread. Borrowings under the facility bear interest at a rate equal to the LIBOR rate plus 200 basis points. The LIBOR rate has been limited to a maximum rate of 5.5% through interest rate cap agreements. CA receives a monthly servicing fee paid out of collections equal to 6% of the collections received with respect to the conveyed loans. Except for the servicing fee and holdback payments due to dealers, if the facility is amortizing, CA does not have any rights in any portion of such collections until all outstanding principal, accrued and unpaid interest, fees and other related costs have been paid in full. If the facility is not amortizing, Warehouse Funding IV may be entitled to retain a portion of such collections, provided that the borrowing base requirements of the facility are satisfied. As of March 31, 2014 and May 12, 2014, there was \$25.0 million and \$23.6 million outstanding, respectively, under this facility.

The foregoing description is a summary of the material terms of the related agreements, which have been filed as exhibits to the Schedule TO. The foregoing summary is subject to the terms of those agreements. Since the terms of such agreements are more detailed than the summary provided above, CA urges you to read the actual provisions of such agreements.

### **SECTION 10. CERTAIN INFORMATION CONCERNING CA**

*PRINCIPAL BUSINESS.* Since 1972, CA has offered automobile dealers a financing program that enables them to sell vehicles to consumers, regardless of their credit history. CA's financing program is offered through a nationwide network of automobile dealers who benefit from sales of vehicles to consumers who otherwise could not obtain financing; from repeat and referral sales generated by these same customers; and from sales to customers responding to advertisements for CA's product, but who actually end up qualifying for traditional financing.

Without CA's financing program, consumers are often unable to purchase a vehicle or they purchase an unreliable one. Further, as CA reports to the three national credit reporting agencies, an important ancillary benefit of CA's program is that CA provides a significant number of its consumers with an opportunity to improve their lives by improving their credit score and move on to more traditional sources of financing.

*AVAILABLE INFORMATION.* CA is subject to the information requirements of the Exchange Act, and, in accordance therewith, files periodic reports and other information relating to its business, financial condition and other matters. CA is required to disclose in these periodic reports certain information, as of particular dates, concerning the CA directors and executive officers, their compensation, stock options granted to them, the principal holders of the securities of CA and any material interest of such persons in transactions with CA. Pursuant to Rule 13e-4(c)(2) under the Exchange Act, CA has filed with the Commission an Issuer Tender Offer Statement on Schedule TO which includes additional information with respect to the tender offer. This material and other information may be inspected at the public reference facilities maintained by the Commission at 100 F. Street, N.E., Washington, D.C. 20549. Copies of this material can also be obtained by mail, upon payment of the Commission's customary charges, by writing to the Public Reference Section at 100 F. Street, N.E., Washington, D.C. 20549. The Commission also maintains a web site on the Internet at <http://www.sec.gov> that contains periodic reports and information statements and other information regarding registrants that file electronically with the Commission.

*INCORPORATION BY REFERENCE.* The rules of the Commission allow CA to "incorporate by reference" information into this Offer to Purchase, which means that CA can disclose important information to

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you by referring you to another document filed separately with the Commission. The following documents contain important information about CA and CA incorporates them herein by reference:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the Commission on February 14, 2014;
- Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, filed with the Commission on April 29, 2014;
- Definitive Proxy Statement on Form 14A, filed with the Commission on April 3, 2014; and
- Current Reports on Form 8-K, filed with the Commission on February 26, 2014, March 18, 2014, April 22, 2014, May 15, 2014 and May 16, 2014.

Any statement contained in any document incorporated by reference into this Offer to Purchase shall be deemed to be modified or superseded to the extent that an inconsistent statement is made in this Offer to Purchase or any subsequently filed document referenced above. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

Shareholders can obtain any of the documents incorporated by reference in this Offer to Purchase from CA or from the Commission's web site at the address described above. Documents incorporated by reference are available from CA without charge, excluding any exhibits to those documents. Shareholders can obtain documents incorporated by reference in this Offer to Purchase by requesting them in writing or by telephone from CA at 25505 West Twelve Mile Road, Southfield, Michigan 48034; telephone: (248) 353-2700, extension 4993. Any shareholder requesting information should be sure to include his or her complete name and address in the request.

### **SECTION 11. INTEREST OF DIRECTORS AND EXECUTIVE OFFICERS; TRANSACTIONS AND ARRANGEMENTS CONCERNING SHARES.**

As of May 1, 2014, CA had 22,509,684 issued and outstanding shares, excluding 236,850 shares of common stock currently reserved for issuance under its stock compensation plans, none of which have been issued. The 915,750 shares that CA is offering to purchase represent 4.1% of the shares outstanding on May 1, 2014.

CA's directors and executive officers are entitled to participate in the tender offer on the same basis as other shareholders. Donald Foss, CA's Chairman and beneficial owner of approximately 19.4% of CA's outstanding shares, has indicated his non-binding intention to tender 4.4 million shares in the tender offer. Glenda Flanagan, one of our directors, has indicated that she may tender up to 28,000 shares in the tender offer. None of our other directors or officers have indicated their intention to tender shares in the tender offer. If Mr. Foss tenders the 4.4 million shares as he has indicated, the proration factor in the tender offer would be substantially impacted. As a result, only a limited number of shares properly tendered by shareholders other than odd lot holders would be purchased and it is likely that no shares conditionally tendered would be purchased. See Section 1.

Glenda Flanagan, one of our directors, has indicated that she may sell up to 28,000 shares in the open market during the pendency of the tender offer.

There can be no assurance that the persons described above will in fact tender the number of shares indicated, nor can there be any assurance that other directors or officers of CA will not decide to tender shares.

As of May 1, 2014, the directors and executive officers of CA as a group (12 persons) beneficially owned 5,559,434 shares, or 24.7% of the total outstanding shares on that date. Depending on the results of the tender offer, including the effects of proration, the percentage of outstanding shares beneficially owned by CA's directors and officers who tender shares in the tender offer may decrease. CA's directors and officers who do not tender shares in the tender offer will realize an increase in the percentage of outstanding shares that they beneficially own.

The following table sets forth, as to each director or executive officer and their associates, all of the executive officers and their associates as a group and all other beneficial owners of more than 5% of the

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outstanding shares of common stock, the number of shares and percentage beneficially owned as of May 1, 2014. The address of the listed directors and officers is c/o CA, 25505 West Twelve Mile Road, Southfield, Michigan 48034.

	Number of Shares Beneficially Owned	Percent of Outstanding Shares(1)
Donald A. Foss	4,364,149(a)	19.4%
Brett A. Roberts	393,056(b)	1.7%
Steven M. Jones	—	*
John P. Neary	55	*
Kenneth S. Booth	—	*
Douglas W. Busk	3,575	*
Charles A. Pearce	—	*
Arthur L. Smith	—	*
Daniel A. Ulatowski	16	*
Glenda J. Flanagan	28,108	*
Thomas N. Tryforos	498,683(c)	2.2%
Scott J. Vassalluzzo	271,792(d)(e)	1.2%
All Directors and Executive Officers as a Group (12 persons)	5,559,434(i)	24.7%
Prescott General Partners LLC	2,222,789(e)	9.9%
Prescott Associates L.P.	1,419,054(e)	6.3%
Karol Foss	2,187,880(f)	9.7%
Jill Foss Watson	5,298,845(g)	23.5%
Allen V. Apple	2,082,637(h)	9.3%

\* Less than 1%

- (1) In accordance with SEC regulations, the percentage calculations are based on 22,509,684 shares of common stock issued and outstanding as of May 1, 2014.
- (a) Shares beneficially owned by Mr. Foss include 320,000 shares held as collateral in a loan facility at Comerica Bank. The business address of Mr. Foss is 25505 West Twelve Mile Road, Suite 4125, Southfield, Michigan 48034-8339.
- (b) Shares beneficially owned by Mr. Roberts include 176,494 unvested shares of restricted stock, for which, although unvested, Mr. Roberts has voting control. The business address of Mr. Roberts is 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339.
- (c) Includes 470,800 shares owned by Elias Charles & Co LLC of which Mr. Tryforos is the managing member. Also includes 27,883 shares owned by others for which Mr. Tryforos has shared dispositive power, but no voting power.
- (d) Shares beneficially owned by Mr. Vassalluzzo, based on information obtained directly from him as of December 31, 2013, consist of the following:

Shared Voting and Dispositive Power	Sole Voting and Dispositive Power	No Voting and Shared Dispositive Power	Total
89,037	53,758	128,997	271,792

The business address of Mr. Vassalluzzo is 2200 Butts Road, Suite 320, Boca Raton, Florida 33431.

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- (e) Based on a Schedule 13D, dated and filed with the SEC on April 22, 2013, jointly by Prescott General Partners LLC, Prescott Associates L.P., Thomas W. Smith and Mr. Vassalluzzo (together, “Prescott”). The Prescott 13D reports that Prescott General Partners LLC, a Delaware limited liability company, is the general partner of Prescott Associates L.P., a New York limited partnership. The Prescott 13D further reports that Messrs. Smith and Vassalluzzo are the managing members of Prescott General Partners LLC. Prescott General Partners LLC may be deemed to share the power to vote or to direct the vote and to dispose or direct the disposition of 2,222,789 shares. Prescott Associates L.P. has shared power to vote or direct the vote and dispose or to direct the disposition of 1,419,054 shares. The business address of Prescott General Partners LLC and Prescott Associates L.P. is 2200 Butts Road, Suite 320, Boca Raton, Florida 33431.
- (f) Karol A. Foss, as Settlor and Trustee under the July 26, 2005 Amendment and Fifth Restatement of Declaration and Agreement of Trust for the Karol A. Foss Revocable Trust dated January 16, 1981, as amended on September 8, 2009 is the record owner of these shares. The business address of Ms. Foss is 3316 Casey Key Rd., Nokomis, FL 34275-3325.

- (g) Shares beneficially owned by Ms. Foss Watson include of the following:

<u>Shared Voting and Dispositive Power</u>	<u>Sole Voting and Dispositive Power</u>	<u>Total</u>
3,534,701(i)	1,764,144(ii)(iii)	5,298,845

- (i) 3,442,743 shares held of record by Mrs. Foss Watson, as Custodian and Trustee of the Jill Foss Watson Trust Under Agreement dated March 28, 2007, and the Karol A. Foss Irrevocable Grandchildren’s Trust dated December 22, 2008. Additionally, 91,858 shares are owned of record by Todd Watson, spouse of Mrs. Foss Watson, as Trustee of the Jill Foss Watson Irrevocable Trust.
- (ii) 1,035,323 shares held by The Donald A. Foss 2009 Remainder Trust dated September 3, 2009, Mrs. Foss Watson as the co-Trustee, for the benefit of Mr. Foss’ child as remainderman; and
- (iii) 728,821 shares held by The Donald A. Foss 2010 Remainder Trust dated May 20, 2010, Mrs. Foss Watson as the co-Trustee, for the benefit of Mr. Foss’ child as remainderman.

The business address of Mrs. Foss Watson is 25505 West Twelve Mile Road, Suite 4125, Southfield, Michigan 48034-8339.

- (h) Shares beneficially owned by Mr. Apple, based on information obtained directly from him, consist of the following:

- (i) 1,035,323 shares held by The Donald A. Foss 2009 Remainder Trust dated September 3, 2009, Mr. Apple as the co-Trustee, for the benefit of Mr. Foss’ child as remainderman;
- (ii) 728,821 shares held by The Donald A. Foss 2010 Remainder Trust dated May 20, 2010, Mr. Apple as the co-Trustee, for the benefit of Mr. Foss’ child as remainderman;
- (iii) 27,826 shares held by The Donald A. Foss 2010 Remainder Trust dated December 21, 2010, Mr. Apple as the Trustee, for the benefit of Mr. Foss’ son’s nephew as remainderman; and
- (iv) 290,667 shares held by The Donald A. Foss 2011 Remainder Trust FBO Robert S. Foss and Descendants dated January 13, 2011, Mr. Apple as Trustee, for the benefit of Mr. Foss’ child as remainderman.

The business address of Mr. Apple is 25505 West Twelve Mile Road, Suite 4125, Southfield, Michigan 48034-8339.

- (i) Includes shares referenced in (a), (b), (c), (d) and (e), above.

## **AGREEMENTS, ARRANGEMENTS OR UNDERSTANDINGS**

CA’s Amended and Restated Incentive Compensation Plan (the “Incentive Plan”) provides for the grant of restricted stock, restricted stock units, nonqualified stock options, incentive stock options, and performance awards, including cash, at any time prior to March 26, 2022. A total of 2,000,000 shares of common stock have been set aside for issuance under the Incentive Plan. The Incentive Plan is administered by the compensation

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committee of the board of directors (the “Compensation Committee”). All of the terms relating to vesting or other restrictions of restricted stock awards or restricted stock unit grants will be determined by the Compensation Committee. Options granted under the Incentive Plan may be either incentive stock options under Section 422 of the Code or nonqualified stock options. The terms of options granted under the Incentive Plan will be set forth in agreements between CA and the recipients and will be determined by the Compensation Committee. The exercise price will not be less than the fair market value of the shares on the date of grant and, for incentive stock options, the exercise price must be at least 110% of fair market value if the recipient is the holder of more than 10% of CA’s stock. All of the terms relating to the satisfaction of performance goals, the length of any performance period, the amount of any performance award granted, the amount of any payment or transfer to be made pursuant to any performance award, and any other terms and conditions of any performance award will be determined by the Compensation Committee and included in an agreement between the recipient and CA.

CA’s 1992 Stock Option Plan (the “1992 Plan”), was terminated as to future grants on May 13, 2004 with the approval by CA’s shareholders of the Incentive Compensation Plan. The 1992 Plan had no options outstanding as of December 31, 2013 and 2012. Under the 1992 Plan, options were granted and become exercisable as determined at the date of the grant by the Compensation Committee. The exercise price of the options is no less than the fair market value on the date of the grant. Options under the 1992 Plan generally become exercisable over a three-to five-year period, or CA’s attainment of certain performance related criteria, or immediately upon a change of control. Options granted in 2000 to 2004 vested only when certain performance targets were met. Vested performance options are forfeited three months after termination of employment and otherwise expire ten years from the date of grant. No new options will be granted under the 1992 Plan.

CA’s Director Stock Option Plan (the “Director Plan”) was also terminated as to future grants on May 13, 2004 with the approval by CA’s shareholders of the Incentive Plan. The Director Plan had no options outstanding as of March 10, 2014. The exercise price of the options is equal to the fair market value on the date of grant. Options granted under this plan vested when CA met certain performance targets. Vested options are forfeited if the participant should cease to be a director and otherwise expire ten years from the date of grant. No new options will be granted under the Director Plan.

CA also maintains the CA 401(k) Plan and Trust, pursuant to which eligible employees may purchase shares at market prices. Eligible employees contribute to the plan by payroll deduction or by additional discretionary payments made to the trustee. These contributions are then used by the trustee of the plan to purchase shares.

1,035,323 shares are held by the Donald A. Foss 2009 Remainder Trust dated September 3, 2009 and 728,821 shares are held by the Donald A. Foss 2010 Remainder Trust dated May 20, 2010, Allan V. Apple as the co-Trustee, for the benefit of Mr. Foss’ son and daughter, respectively, as remaindermen. Mr. Foss does not have any voting power or dispositive power with respect to these shares. In addition, 27,826 shares are held by the Donald A. Foss 2010 Remainder Trust #2 dated December 21, 2010 and 290,667 shares are held by the Donald A. Foss Remainder Trust FBO Robert S. Foss and Descendants dated January 13, 2011, Allan V. Apple as the Trustee, for the benefit of Mr. Foss’ son’s nephew and son, respectively, as remaindermen. Mr. Foss does not have any voting power or dispositive power with respect to these shares.

Except for the repurchase of 637,420 shares of CA’s common stock at a price of \$133.35 per share pursuant to a tender offer which expired on March 26, 2014, CA did not engage in any transactions in CA’s common stock in the past 60 days.

There have been no transactions in CA common stock during the last 60 days by CA’s directors and executive officers.

Except as otherwise described or incorporated by reference in this Offer to Purchase or as described or incorporated by reference in CA’s Form 10-K for the year ended December 31, 2013, neither CA nor, to the best knowledge of CA, any of CA’s affiliates, directors or executive officers, is a party to any contract, arrangement, understanding or relationship, whether or not legally enforceable, with any other person, relating, directly or indirectly, to the tender offer or with respect to any of CA’s securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of the securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations.

## **SECTION 12. LEGAL MATTERS; REGULATORY APPROVALS**

CA is not aware of any license or regulatory permit material to its business that might be adversely affected by its acquisition of shares as contemplated by the tender offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of shares by CA as contemplated by the tender offer. Should any approval or other action be required, CA presently contemplates that it will seek that approval or other action. CA is unable to predict whether it will be required to delay the acceptance for payment of or payment for shares tendered pursuant to the tender offer pending the outcome of any such matter. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to its business and financial condition. The obligation of CA pursuant to the tender offer to accept for payment and pay for shares is subject to conditions. See Section 7.

## **SECTION 13. U.S. FEDERAL INCOME TAX CONSEQUENCES**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFER TO PURCHASE IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY YOU FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE COMPANY IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

*GENERAL.* The following summary describes the anticipated material United States federal income tax consequences to United States holders (as defined below) whose shares are tendered and accepted for payment pursuant to the tender offer. This summary is based upon the Code, Treasury regulations promulgated thereunder, administrative pronouncements and judicial decisions, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This summary addresses only shares that are held as capital assets within the meaning of Section 1221 of the Code and does not address all of the tax consequences that may be relevant to shareholders in light of their particular circumstances or to certain types of shareholders subject to special treatment under the Code, including, without limitation, certain financial institutions, dealers in securities or commodities, traders in securities who elect to apply a mark-to-market method of accounting, insurance companies, cooperatives, tax-exempt organizations, partnerships (or entities treated as partnerships for United States federal income tax purposes) and partners in such partnerships, S corporations (and persons who own their interest in shares through an S corporation), expatriates of the United States, persons who are subject to alternative minimum tax, persons that have a "functional currency" other than the United States dollar, persons who hold shares as a position in a "straddle" or as a part of a "hedging," "conversion" or "constructive sale" transaction for United States federal income tax purposes or persons who received their shares through the exercise of employee stock options or otherwise as compensation. This summary also does not address the state, local or foreign tax consequences of participating in the tender offer. You should consult your tax advisor as to the particular tax consequences to you of participation in this tender offer. Those shareholders who do not participate in the tender offer should not incur any United States federal income tax liability from the tender offer.

In addition, except as otherwise specifically noted below, this summary applies only to holders of shares that are "United States holders." For purposes of this discussion, a "United States holder" means a holder of shares that for United States federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation or other entity created or organized in the United States or under the laws of the United States or of any political subdivision thereof;
- an estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or

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- a trust, (i) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all of its substantial decisions or (ii) that has a valid election in place to be treated as a United States person for United States federal income tax purposes.

Holders of shares who are not United States holders (“foreign shareholders”) are particularly urged to consult their tax advisors regarding the United States federal income tax consequences and any applicable foreign tax consequences of the tender offer and should also see Section 3 for a discussion of the applicable United States withholding rules and the potential for obtaining a refund of all or a portion of any tax withheld.

Shareholders are urged to consult their tax advisors to determine the particular tax consequences to them of participating in the tender offer.

*CHARACTERIZATION OF THE PURCHASE.* The purchase of a United States holder’s shares by CA pursuant to the tender offer will be a taxable transaction for United States federal income tax purposes. As a consequence of the purchase, a United States holder will, depending on the United States holder’s particular circumstances, be treated either as having sold shares or as having received a distribution in respect of stock from CA.

Under Section 302 of the Code, a United States holder whose shares are purchased by CA pursuant to the tender offer will be treated as having sold its shares, and thus will recognize capital gain or loss, if the purchase:

- results in a “complete termination” of the United States holder’s equity interest in CA;
- results in a “substantially disproportionate” redemption with respect to the United States holder; or
- is “not essentially equivalent to a dividend” with respect to the United States holder.

One of the tests described above, collectively referred to as the “Section 302 tests,” must be satisfied in order for the purchase of shares by CA pursuant to the tender offer to be treated as a sale of shares for federal income tax purposes.

*Complete Termination Test.* The purchase of a United States holder’s shares by CA pursuant to the tender offer will result in a “complete termination” of the United States holder’s equity interest in CA if all of the shares that are actually and constructively owned by the United States holder are sold pursuant to the tender offer. If the tender offer is prorated, the shares not purchased due to such proration must be taken into account in determining whether a “complete termination” has occurred. With respect to shares owned by certain related individuals, the holder may be entitled to and may waive, in accordance with Section 302(c) of the Code, attribution of shares which otherwise would be considered as constructively owned by the holder. Holders wishing to satisfy the “complete termination” test through waiver of the constructive ownership rules should consult their tax advisors.

*Substantially Disproportionate Test.* The purchase of a United States holder’s shares by CA pursuant to the tender offer will result in a “substantially disproportionate” redemption with respect to the holder if, among other things, the percentage of the then outstanding voting stock actually and constructively owned by the holder immediately after the purchase is less than 80% of the percentage of such shares actually and constructively owned by the holder immediately before the purchase (treating as outstanding all shares purchased pursuant to the tender offer), and immediately following the exchange, the holder actually and constructively owns less than 50% of the total combined voting power of stock of CA.

*Not Essentially Equivalent to a Dividend Test.* The purchase of a United States holder’s shares by CA pursuant to the tender offer will be treated as “not essentially equivalent to a dividend” if the reduction in the holder’s proportionate interest in CA as a result of the purchase constitutes a “meaningful reduction” given the holder’s particular circumstances. Whether the receipt of cash by a shareholder who sells shares pursuant to the tender offer will be “not essentially equivalent to a dividend” will depend upon the shareholder’s particular facts and circumstances. If, as a result of an exchange of shares for cash pursuant to the tender offer, a United States holder whose relative stock interest in CA is minimal (e.g., less than 1%) and who exercises no control over the corporate affairs of CA suffers any reduction in its proportionate interest in CA (including any ownership of shares constructively owned), the United States holder should generally be regarded as having suffered a meaningful reduction in its interest in CA. Holders should consult their tax advisors as to the application of this test in their particular circumstances.

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In determining whether any of the Section 302 tests have been met, a United States holder must take into account not only shares it actually owns, but also shares it constructively owns within the meaning of Section 318 of the Code (including shares that may be acquired through options that it owns or shares held by certain members of the United States holder's family). In addition, under certain circumstances it may be possible for a tendering United States holder to satisfy one of the Section 302 tests by contemporaneously selling or otherwise disposing of all or some of the shares that are actually or constructively owned by the United States holder but that are not purchased pursuant to the tender offer. Alternatively, a United States holder may fail to satisfy any of the Section 302 tests because of contemporaneous acquisitions of shares by the United States holder or by a related party whose shares are constructively owned by the United States holder. United States holders should consult their own tax advisors regarding the consequences of any such sales or acquisitions in their particular circumstances.

*TREATMENT OF TENDER OFFER AS SALE OR EXCHANGE.* If a United States holder satisfies any of the Section 302 tests explained above, the United States holder will be treated as if it sold its shares to CA and will recognize capital gain or loss in an amount equal to the difference between the amount of cash received pursuant to the tender offer and the United States holder's adjusted tax basis in the shares surrendered in exchange therefore. Such gain or loss will be long-term capital gain or loss if the United States holder's holding period for the shares at the time of the exchange exceeds one year. Specific limitations may apply to the deductibility of capital losses by United States holders. Gain or loss must be determined separately for each block of shares (shares acquired at the same cost in a single transaction) that is purchased by CA from a United States holder pursuant to the tender offer. In certain circumstances, a holder may be able to designate, generally through its broker, which blocks of shares it wishes to tender pursuant to the tender offer if less than all of its shares are tendered pursuant to the tender offer, and the order in which different blocks will be purchased by CA in the event of proration pursuant to the tender offer. This right of designation is not available, however, with respect to shares held in the CA 401(k) Plan and Trust. United States holders should consult their tax advisors concerning the mechanics and desirability of that designation. Under the "wash sale" rules of Section 1091 of the Code, losses recognized on shares sold pursuant to the tender offer will be disallowed to the extent the United States holder acquires shares of CA within thirty days before or after the date the shares are purchased pursuant to the tender offer and in that event, the basis and holding period will be adjusted to reflect the disallowed loss.

*TREATMENT OF TENDER OFFER AS A DIVIDEND OR DISTRIBUTION.* If a United States holder's exchange of shares for cash pursuant to the tender offer does not satisfy any of the Section 302 tests, and therefore does not constitute a sale or exchange for United States federal income tax purposes, the receipt of cash by such United States holder pursuant to the tender offer will be treated as a distribution, and the United States holder's tax basis in the shares exchanged generally will be added to any shares retained by the United States holder. The distribution will be treated as a dividend to the extent of CA's current and accumulated earnings and profits, as determined under United States federal income tax principles. To the extent that the amount of the distribution exceeds CA's current and accumulated earnings and profits, the excess first will be treated as a return of capital that will reduce the United States holder's adjusted tax basis in its shares, and any remaining portion will be taxable as capital gain. Any such capital gain will be long-term capital gain if the United States holder's holding period for the shares at the time of the exchange exceeds one year. Provided that minimum holding period requirements and other limitations are met, dividend income with respect to non-corporate United States holders (including individuals) is eligible for United States federal income taxation at a maximum rate of 20%. If a sale or exchange of shares for cash pursuant to the tender offer by a corporate United States holder is treated as a dividend, the corporate United States holder may be (i) eligible for a dividends received deduction (subject to applicable exceptions and limitations) and (ii) subject to the "extraordinary dividend" provisions of section 1059 of the Code. Corporate United States holders are urged to consult their tax advisors regarding (i) whether a dividends received deduction will be available to them and (ii) the application of section 1059 of the Code to the ownership and disposition of their shares.

*OVERSUBSCRIPTION.* Although Mr. Foss has indicated his non-binding intention to tender an aggregate of 4.4 million shares in the tender offer, CA cannot predict whether or the extent to which the tender offer will be oversubscribed. If the tender offer is oversubscribed, proration of tenders pursuant to the tender offer will cause CA to accept fewer shares than are tendered. Therefore, no assurance can be given that CA will purchase a sufficient number of a United States holder's shares pursuant to the tender offer to ensure that the United States

holder receives sale treatment, rather than dividend treatment, for United States federal income tax purposes. Accordingly, a tendering United States holder may choose to submit a “conditional tender” under the procedure described in Section 6, “Conditional Tender of Shares,” which allows the United States holder to tender shares subject to the condition that a specified minimum number of the United States holder’s shares must be purchased by CA if any shares so tendered are purchased.

**FOREIGN SHAREHOLDERS.** As described in Section 3, generally the Depositary will withhold United States federal income tax at a rate of 30% from the gross proceeds paid pursuant to the tender offer to a foreign shareholder or his agent, unless (i) the foreign shareholder delivers to the Depositary an applicable properly completed and executed IRS Form W-8ECI, IRS Form W-8 BEN, or any other applicable form before the payment is made and the Depositary determines that an exemption from, or a reduced rate of, withholding tax is available under a tax treaty or otherwise or the Depositary determines that proceeds received by the foreign shareholder are entitled to capital gains treatment. A foreign shareholder may be eligible to obtain a refund of all or a portion of any tax withheld if the foreign shareholder meets any of the Section 302 tests described above. See Section 3 for a discussion of the applicable United States withholding rules and the potential for a foreign shareholder being subject to reduced withholding and for obtaining a refund of all or a portion of any tax withheld.

**SHAREHOLDERS WHO DO NOT RECEIVE CASH PURSUANT TO THE TENDER OFFER.** Shareholders whose shares are not purchased by CA pursuant to the tender offer should not incur any United States federal income tax liability as a result of the completion of the tender offer.

**BACKUP WITHHOLDING.** See Section 3 with respect to the application of United States federal backup withholding tax.

Shareholders are urged to consult their tax advisor to determine the particular tax consequences to them of the tender offer, including without limitation the applicability and effect of the constructive ownership rules, any state, local and foreign tax laws, and any proposed changes in applicable tax laws.

#### **SECTION 14. EXTENSION OF THE TENDER OFFER; TERMINATION; AMENDMENT**

CA expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by CA to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of the extension to the Depositary and making a public announcement of the extension. CA also expressly reserves the right, in its sole discretion, to terminate the tender offer and not accept for payment or pay for any shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 by giving oral or written notice of termination or postponement to the Depositary and making a public announcement of termination or postponement. CA’s reservation of the right to delay payment for shares that it has accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that CA must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer. CA further expressly reserves the right, in its sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by CA to have occurred, to amend the tender offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the tender offer to holders of shares or by decreasing or increasing the number of shares being sought in the tender offer.

Amendments to the tender offer may be made at any time and from time to time effected by public announcement, the announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. Any public announcement made under the tender offer will be disseminated promptly to shareholders in a manner reasonably designed to inform shareholders of the change. Without limiting the manner in which CA may choose to make a public announcement, except as required by applicable law, CA shall have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a press release through GlobeNewswire or other comparable service.

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If CA materially changes the terms of the tender offer or the information concerning the tender offer, CA will extend the tender offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of the terms or information. If (1) CA increases or decreases the price to be paid for shares or increases or decreases the number of shares being sought in the tender offer and, if an increase in the number of shares being sought, such increase exceeds 2% of the outstanding shares, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that the notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 14, the tender offer will be extended until the expiration of such ten business day period.

### **SECTION 15. FEES AND EXPENSES**

CA has retained Georgeson Inc. to act as Information Agent and Computershare Trust Company, N.A. to act as Depositary in connection with the tender offer. The Information Agent may contact holders of shares by mail, telephone, telegraph and in person, and may request brokers, dealers, commercial banks, trust companies and other nominee shareholders to forward materials relating to the tender offer to beneficial owners. The Information Agent and Depositary will receive reasonable and customary compensation for their services as Information Agent and Depositary. The Information Agent and Depositary will also be reimbursed by CA for specified reasonable out-of-pocket expenses, and will be indemnified against certain liabilities in connection with the tender offer, including certain liabilities under the U.S. federal securities laws.

No fees or commissions will be payable by CA to brokers, dealers, commercial banks or trust companies (other than fees to the Information Agent and Depositary) for soliciting tenders of shares pursuant to the tender offer. Shareholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if shareholders tender shares through such brokers or banks and not directly to the Depositary. CA, however, upon request, will reimburse brokers, dealers, commercial banks, trust companies and other nominees for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of CA, the Information Agent or the Depositary for purposes of the tender offer. CA will pay or cause to be paid all stock transfer taxes, if any, on its purchase of shares, except as otherwise provided in this Offer to Purchase and Instruction 6 in the Letter of Transmittal.

### **SECTION 16. MISCELLANEOUS**

The tender offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would not be in compliance with the laws of the jurisdiction, provided that CA will comply with the requirements of Exchange Act Rule 13e-4(f)(8).

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, CA has filed with the Commission an Issuer Tender Offer Statement on Schedule TO which contains additional information with respect to the tender offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning CA.

Tendering shareholders should rely only on the information contained in this Offer to Purchase and the Letter of Transmittal. CA has not authorized any person to make any recommendation on behalf of CA as to whether shareholders should tender or refrain from tendering shares in the tender offer. CA has not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this Offer to Purchase or in the Letter of Transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by CA, the Information Agent or Depositary.

May 16, 2014

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The Letter of Transmittal and share certificates and any other required documents should be sent or delivered by each shareholder, or that shareholder's broker, dealer, commercial bank, trust company or nominee, to the Depository at one of its addresses set forth below.

The Depository for the Tender Offer is:

**By Mail:**  
Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011

**By Facsimile Transmission:**  
For Eligible Institutions Only:  
(617) 360-6810  
  
For Confirmation Only Telephone:  
(781) 575-2332

**By Overnight Courier:**  
Computershare  
c/o Voluntary Corporate Actions  
Suite V  
250 Royall Street  
Canton, MA 02021

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions or requests for assistance or additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone number set forth below. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the tender offer.

The Information Agent for the Offer is:

**Georgeson**

480 Washington Blvd., — 26<sup>th</sup> Floor  
Jersey City, NJ 07310  
Banks and Brokers Call: (800) 223-2064  
Shareholders Call Toll Free: (866) 729-6818  
Email: [cacc@georgeson.com](mailto:cacc@georgeson.com)

**LETTER OF TRANSMITTAL  
TO TENDER SHARES OF COMMON STOCK  
PURSUANT TO THE OFFER TO PURCHASE FOR CASH  
DATED MAY 16, 2014  
BY  
CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 915,750 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE OF \$125.58 PER SHARE**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, JUNE 16, 2014, UNLESS THE TENDER OFFER IS EXTENDED.**

*The Depository for the Tender Offer is:*



**By Mail:**  
Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011

**By Facsimile Transmission:**  
For Eligible Institutions Only:  
(617) 360-6810  
For Confirmation Only Telephone:  
(781) 575-2332

**By Overnight Courier:**  
Computershare  
c/o Voluntary Corporate Actions  
Suite V  
250 Royall Street  
Canton, MA 02021

**YOU SHOULD READ CAREFULLY THIS LETTER OF TRANSMITTAL, INCLUDING THE ACCOMPANYING INSTRUCTIONS, BEFORE YOU COMPLETE IT. FOR THIS LETTER OF TRANSMITTAL TO BE VALIDLY DELIVERED, IT MUST BE RECEIVED BY THE DEPOSITARY AT ONE OF THE ABOVE ADDRESSES BEFORE THE TENDER OFFER EXPIRES (IN ADDITION TO THE OTHER REQUIREMENTS DETAILED IN THIS LETTER OF TRANSMITTAL AND ITS INSTRUCTIONS). DELIVERY OF THIS LETTER OF TRANSMITTAL TO ANOTHER ADDRESS WILL NOT CONSTITUTE A VALID DELIVERY. DELIVERIES TO THE COMPANY, THE INFORMATION AGENT OR THE BOOK-ENTRY TRANSFER FACILITY WILL NOT BE FORWARDED TO THE DEPOSITARY AND WILL NOT CONSTITUTE A VALID DELIVERY.**

DESCRIPTION OF SHARES TENDERED (see Instructions 3 and 4)			
Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s))	Shares of Common Stock Tendered (Attach Additional Signed List if Necessary)		
	Certificate Number(s)	Total Number of Shares Represented by Certificate(s)	Number of Shares Tendered*
	<b>Total Shares Tendered:</b>		

\* Unless otherwise indicated, it will be assumed that all shares described above are being tendered. See Instruction 4.

Indicate below the order (by certificate number) in which shares are to be purchased in the event of proration (attach additional signed list if necessary). If you do not designate an order, if less than all shares tendered are purchased due to proration, shares will be selected for purchase by the Depository. See Instruction 15.

1st: \_\_\_\_\_ 2nd: \_\_\_\_\_ 3rd: \_\_\_\_\_  
4th: \_\_\_\_\_ 5th: \_\_\_\_\_ 6th: \_\_\_\_\_

**Lost Certificates.** My certificate(s) for \_\_\_\_\_ shares have been lost, stolen, destroyed or mutilated, and I and require assistance in replacing the shares (See Instruction 12).

This Letter of Transmittal is to be completed by shareholders either if certificates for shares are to be forwarded herewith or, unless an "agent's message" (as defined in the Offer to Purchase) is utilized, if delivery of shares is to be made pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase.

Shareholders who desire to tender shares pursuant to the tender offer and whose certificates for shares are not immediately available or who cannot deliver certificates for their shares and all other required documents to the Depository (as defined in the Offer to Purchase) before the expiration date (as defined in the Offer to Purchase), or whose shares cannot be delivered before the expiration date under the procedure for book-entry transfer, may tender their shares by properly completing and duly executing and delivering a Notice of Guaranteed Delivery, or facsimile of it, and by otherwise complying with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

**THE INSTRUCTIONS INCLUDED WITH THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED. QUESTIONS AND REQUESTS FOR ASSISTANCE OR FOR ADDITIONAL COPIES OF THE OFFER TO PURCHASE OR THIS LETTER OF TRANSMITTAL MAY BE DIRECTED TO THE INFORMATION AGENT AT THE ADDRESS OR TOLL-FREE NUMBER INDICATED ON THE BACK COVER OF THIS LETTER OF TRANSMITTAL.**

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):**

Name of Tendering Institution: \_\_\_\_\_

Account Number: \_\_\_\_\_

Transaction Code Number: \_\_\_\_\_

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY. ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY AND COMPLETE THE FOLLOWING:**

Name(s) of Registered Owner(s): \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Name of Institution that Guaranteed Delivery: \_\_\_\_\_

Corp Actions Vol COY CACR

Ladies and Gentlemen:

The undersigned hereby tenders to Credit Acceptance Corporation, a Michigan corporation ("CA"), the above-described shares of CA common stock, par value \$0.01 per share, at a price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in CA's Offer to Purchase, dated May 16, 2014, receipt of which is hereby acknowledged, and in this Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer.

Subject to and effective on acceptance for payment of the shares tendered hereby in accordance with the terms of and subject to the conditions of the tender offer (including, if the tender offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, CA all right, title and interest in and to all shares tendered hereby and orders the registration of all such shares if tendered by book-entry transfer that are purchased pursuant to the tender offer to or upon the order of CA and hereby irrevocably constitutes and appoints the Depository (as defined in the Offer to Purchase) as the true and lawful agent and attorney-in-fact of the undersigned with respect to such shares (with the full knowledge that the Depository also acts as the agent of CA), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to:

- (a) deliver certificates representing such shares, or transfer ownership of such shares on the account books maintained by the book-entry transfer facility (as defined in the Offer to Purchase), together, in either such case, with all accompanying evidences of transfer and authenticity, to or upon the order of CA, upon receipt by the Depository, as the undersigned's agent, of the purchase price with respect to such shares;
- (b) present certificates for such shares for cancellation and transfer on CA's books; and
- (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, subject to the next paragraph, all in accordance with the terms and subject to the conditions of the tender offer.

The undersigned hereby covenants, represents and warrants that (a) the undersigned has full power and authority to tender, sell, assign and transfer the shares tendered and that, when and to the extent the same are accepted for purchase by CA, CA will acquire good, marketable and unencumbered title thereto, free and clear of all security interests, liens, restrictions, claims, charges, encumbrances and other obligations relating to the sale or transfer of the shares, and the same will not be subject to any adverse claim or right; (b) the undersigned will, on request by the Depository or CA, execute and deliver any additional documents deemed by the Depository or CA to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered, all in accordance with the terms of the tender offer; and (c) the undersigned understands that tendering shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the tender offer, including the undersigned's representation and warranty that: (i) the undersigned has a net long position in shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 under the Exchange Act (as defined in the Offer to Purchase) and (ii) such tender of shares complies with Rule 14e-4 promulgated under the Exchange Act.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall be binding on the successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to Purchase and this Letter of Transmittal, this tender is irrevocable.

The valid tender of shares pursuant to any of the procedures described in Section 3 of the Offer to Purchase and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and CA upon the terms and subject to the conditions of the tender offer.

The undersigned understands that only shares properly tendered and not properly withdrawn will be purchased upon the terms and subject to the conditions of the tender offer, including its "odd lot" priority, proration and conditional tender provisions, and that CA will return all other shares, including shares not purchased because of proration or conditional tenders, promptly following the expiration date.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for payment of the purchase price and/or return any certificates for shares not tendered or accepted for payment in the name(s) of the registered

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holder(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for payment of the purchase price and/or return any certificates for shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Shares Tendered." In the event that both the "Special Delivery Instructions" and the "Special Payment Instructions" are completed, please issue the check for payment of the purchase price and/or return any certificates for shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name(s) of, and deliver such check and/or return such certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Please credit any shares tendered herewith by book-entry transfer that are not accepted for payment by crediting the account at the book-entry transfer facility designated above. The undersigned recognizes that CA has no obligation pursuant to the "Special Payment Instructions" to transfer any shares from the name of the registered holder(s) thereof if CA does not accept for payment any of the shares so tendered.

**Note:** In lieu of issuing a certificate for any shares not tendered or accepted for payment (either to the undersigned or, as otherwise specified in "Special Delivery Instructions" or "Special Payment Instructions" in accordance with this Letter of Transmittal), CA may, at its option, cause such shares to be issued under the direct registration system of CA's transfer agent. In such an event, a statement of holdings or other appropriate statement will be issued with respect to such shares by CA's transfer agent.

**SIGNATURE MUST BE PROVIDED ON PAGE 6 BELOW.**

**ODD LOTS**

**(See Instruction 14)**

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) thereof, shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

**CONDITIONAL TENDER**

**(See Instruction 13)**

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by CA in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from the undersigned, if any are purchased from the undersigned, is: \_\_\_\_\_ shares.
- If, because of proration, the minimum number of shares designated will not be purchased, CA may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:
- The tendered shares represent all shares held by the undersigned.

**SPECIAL PAYMENT INSTRUCTIONS**

**(See Instructions 1, 5, 6, and 7)**

To be completed ONLY if certificates for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be issued in the name of someone other than the undersigned.

Issue:  Check  Certificate(s) to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
\_\_\_\_\_  
(Include Zip Code)

\_\_\_\_\_  
(Taxpayer Identification or Social Security Number)  
(See Form W-9 Included Herewith)

**SPECIAL DELIVERY INSTRUCTIONS**

**(See Instructions 1, 5, 6 and 7)**

To be completed ONLY if certificates for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown above.

Mail:  Check  Certificate(s) to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
\_\_\_\_\_  
(Include Zip Code)



## INSTRUCTIONS

### Forming Part of the Terms and Conditions of the Tender Offer

1. *Guarantee of Signatures.* No signature guarantee is required on this Letter of Transmittal: (1) if this Letter of Transmittal is signed by the registered holder(s) of the shares (which term, for purposes of this document, shall include any participant in the book-entry transfer facility, whose name appears on a security position listing as the owner of the shares) tendered herewith and such registered holder(s) have not completed either the box entitled “Special Delivery Instructions” or the box entitled “Special Payment Instructions” in this Letter of Transmittal, or (2) if the shares tendered herewith are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing is referred to as an “Eligible Institution”). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. Shareholders may also need to have any certificates they deliver endorsed or accompanied by a stock power, and the signatures on these documents also may need to be guaranteed. See Instruction 5.

2. *Requirements of Tender.* This Letter of Transmittal is to be completed by shareholders either if certificates are to be forwarded herewith or, unless an agent’s message (as defined below) is utilized, if delivery of shares is to be made pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase. For a shareholder to properly tender shares pursuant to the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an agent’s message in the case of a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received prior to the expiration date by the Depository at one of its addresses set forth on the back cover of this Letter of Transmittal, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Shareholders whose certificates for shares are not immediately available or who cannot deliver certificates for their shares and all other required documents to the Depository before the expiration date, or whose shares cannot be delivered before the expiration date under the procedure for book-entry transfer, may tender their shares by properly completing and duly executing and delivering a Notice of Guaranteed Delivery, or facsimile of it, and by otherwise complying with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Under such procedure, (a) the tender must be made by or through an Eligible Institution, (b) the Depository must receive, before the expiration date, a properly completed and duly executed Notice of Guaranteed Delivery in the form CA has provided, including (where required) a signature guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery and (c) the share certificates, in proper form for transfer, or confirmation of book-entry transfer of the shares into the Depository’s account at the book-entry transfer facility, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, and including any required signature guarantees, or an agent’s message, in the case of a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depository within three business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery.

The term “agent’s message” means a message transmitted by the book-entry transfer facility to, and received by, the Depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that the participant has received and agrees to be bound by the terms of this Letter of Transmittal and that CA may enforce such agreement against such participant.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, THIS LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Except as specifically provided by the Offer to Purchase, no alternative, conditional or contingent tenders will be accepted. No fractional shares will be purchased. All tendering shareholders, by execution of this Letter of Transmittal, or a facsimile hereof, waive any right to receive any notice of the acceptance for payment of their shares.

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3. *Inadequate Space.* If the space provided in the box entitled “Description of Shares Tendered” in this Letter of Transmittal is inadequate, the certificate numbers and/or the number of shares should be listed on a separate signed schedule attached hereto.

4. *Partial Tenders (Not Applicable to Shareholders Who Tender by Book-Entry Transfer).* If fewer than all of the shares represented by any certificate submitted to the Depository are to be tendered, fill in the number of shares that are to be tendered in the box entitled “Number of Shares Tendered.” In such case, if any tendered shares are purchased, new certificate(s) for the remainder of the shares that were evidenced by the old certificate(s) will be issued and sent to the registered holder(s), unless otherwise provided in the appropriate box on this Letter of Transmittal, promptly after the expiration date. All shares represented by certificate(s) delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. *Signatures on Letter of Transmittal, Stock Powers and Endorsements.* If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

If the shares tendered hereby are registered in the names of two or more joint holders, each such holder must sign this Letter of Transmittal.

If any shares tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, no endorsements of certificate(s) representing such shares or separate stock powers are required unless payment is to be made to, or the certificates for shares not tendered or not accepted for payment are to be registered in the name of, a person other than the registered holder(s). If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificate(s) tendered hereby, the certificate(s) must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the certificate(s). Signature(s) on such certificate(s) or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any certificate(s) or stock power(s) are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or any other person acting in a fiduciary or representative capacity, such person should so indicate when signing and must submit proper evidence to the Depository that is satisfactory to CA of their authority so to act.

6. *Stock Transfer Taxes.* Except as otherwise provided in this Instruction 6, CA will pay any stock transfer taxes with respect to the transfer and sale of shares to it pursuant to the tender offer. If, however, payment of the purchase price is to be made to, or if shares not tendered or accepted for payment are to be registered in the name of, any person(s) other than the registered owner(s), or if shares tendered hereby are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered owner(s), such person(s)) or otherwise payable on account of the transfer to such person(s) will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted with this Letter of Transmittal.

**Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the certificates listed in this Letter of Transmittal.**

7. *Special Payment and Delivery Instructions.* If a check for the purchase price of any shares accepted for payment is to be issued in the name of, and/or certificates for any shares not accepted for payment or not tendered are to be registered in the name of, a person other than the signer of this Letter of Transmittal or if a check is to be sent, and/or such certificates are to be returned, to a person other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed and signatures must be guaranteed as described in Instructions 1 and 5.

8. *Irregularities.* All questions as to the number of shares to be accepted, the price to be paid for shares to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by CA, in its sole discretion, and CA’s determination will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. CA reserves the absolute right to reject any or all tenders of any shares that it determines are not in proper form or the acceptance for payment of or payment for which CA determines may be unlawful. CA also reserves the absolute right to waive any of the conditions to the tender offer prior to the expiration of the tender offer

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or any defect or irregularity in any tender with respect to any particular shares or any particular shareholder, whether or not CA waives similar defects or irregularities in the case of any other shareholder, and CA's interpretation of the terms of the tender offer will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. In the event a condition to the tender offer is waived with respect to any particular shareholder prior to the expiration of the tender offer, the same condition will be waived with respect to all shareholders. No tender of shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering shareholder or waived by CA. None of CA, the Depositary, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any tender, nor will any of them incur any liability for failure to give this notice.

9. *Tax Identification Number and Backup Withholding.* Under the U.S. federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, 28% of the gross proceeds payable to a shareholder or other payee pursuant to the tender offer must be withheld and remitted to the U.S. Internal Revenue Service ("IRS") unless the shareholder or other payee provides its taxpayer identification number ("TIN") (employer identification number or social security number) to the Depositary (as payer) and certifies under penalty of perjury that such number is correct. Therefore, each tendering shareholder should complete and sign the Substitute Form W-9 included as part of this Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding, unless such shareholder otherwise establishes to the satisfaction of the Depositary that it is not subject to backup withholding. If the Depositary is not provided with the correct TIN, the tendering shareholder also may be subject to penalties imposed by the IRS. The box in Part 3 of the form should be checked if the tendering shareholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is checked and the Depositary is not provided with a TIN prior to payment, the Depositary will withhold 28% on all such payments. If withholding results in an overpayment of taxes, a refund may be obtained. Certain "exempt recipients" (including, among others, certain Non-United States Holders (as defined below) and some corporations) are not subject to these backup withholding requirements. In order for a Non-United States Holder to qualify as an exempt recipient, that shareholder must submit an IRS Form W-8BEN (or other applicable IRS Form), signed under penalties of perjury, attesting to that shareholder's exempt status. Such statement can be obtained from the Depositary.

10. *Withholding on Non-United States Holders.* Even if a Non-United States Holder has provided the required certification to avoid backup withholding, the Depositary will withhold United States federal income taxes equal to 30% of the gross payments payable to a Non-United States Holder or such holder's agent unless the Depositary determines that a reduced rate of withholding is available pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the Non-United States Holder's conduct of a trade or business within the United States. For this purpose, a "Non-United States Holder" is any shareholder that for United States federal income tax purposes is not (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States or any State or division thereof (including the District of Columbia), (iii) an estate the income of which is subject to United States federal income taxation regardless of the source of such income, or (iv) a trust (a) if a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons, have the authority to control all of the substantial decisions of the trust, or certain trusts considered U.S. persons for federal income tax purposes. In order to obtain a reduced rate of withholding pursuant to a tax treaty, a Non-United States Holder must deliver to the Depositary before the payment a properly completed and executed IRS Form W-8BEN (or other applicable IRS Form). In order to obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a Non-United States Holder must deliver to the Depositary before the payment a properly completed and executed IRS Form W-8ECI. The Depositary will determine a shareholder's status as a Non-United States Holder and eligibility for a reduced rate of, or an exemption from, withholding by reference to outstanding certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding (e.g., IRS Form W-8BEN or IRS Form W-8ECI) unless facts and circumstances indicate that such reliance is not warranted. A Non-United States Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such Non-United States Holder meets those tests described in Section 13 of the Offer to Purchase that would characterize the exchange as a sale (as opposed to a dividend) or is otherwise able to establish that no tax or a reduced amount of tax is due.

**NON-UNITED STATES HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF UNITED STATES FEDERAL INCOME TAX WITHHOLDING, INCLUDING ELIGIBILITY FOR A WITHHOLDING TAX REDUCTION OR EXEMPTION, AND THE REFUND PROCEDURE.**

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11. *Requests for Assistance or Additional Copies.* Any questions or requests for assistance or for additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other related materials may be directed to the Information Agent at the telephone number and address set forth on the back cover of this Letter of Transmittal. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the tender offer.

12. *Lost, Destroyed or Stolen Certificates.* If any certificate(s) for part or all of your shares has been lost, stolen, destroyed or mutilated, you should contact the Depository at (800) 546-5141 for instructions as to obtaining the necessary documents. This should occur promptly so that you can timely deliver your Letter of Transmittal and the required documents to the Depository. This Letter of Transmittal and related documents cannot be processed until the procedure for replacing lost, stolen, destroyed or mutilated certificates have been followed.

13. *Conditional Tenders.* As described in Sections 1 and 6 of the Offer to Purchase, shareholders may condition their tenders on all or a minimum number of their tendered shares being purchased.

If you wish to make a conditional tender, you must indicate this in the box entitled "Conditional Tender" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. In the box entitled "Conditional Tender" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, you must also calculate and appropriately indicate the minimum number of shares that must be purchased from you if any are to be purchased from you.

As discussed in Sections 1 and 6 of the Offer to Purchase, proration may affect whether CA accepts conditional tenders and may result in shares tendered pursuant to a conditional tender being deemed withdrawn if the required minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designate will not be purchased, CA may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares of common stock and checked the box so indicating. Upon selection by lot, if any, CA will limit its purchase in each case to the designated minimum number of shares of common stock.

All tendered shares of common stock will be deemed unconditionally tendered unless the "Conditional Tender" box is completed. If you are an odd lot holder and you tender all of your shares of common stock, you cannot conditionally tender, since your shares of common stock will not be subject to proration.

14. *Odd Lots.* As described in Section 1 of the Offer to Purchase, if CA is to purchase fewer than all shares validly tendered before the expiration date and not properly withdrawn, the shares purchased first will consist of all shares properly tendered by any shareholder who owned, beneficially or of record, an aggregate of fewer than 100 shares, and who tenders all of the holder's shares. This preference will not be available to you unless you complete the section entitled "Odd Lots" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

15. *Order of Purchase in Event of Proration.* As described in Section 1 of the Offer to Purchase, shareholders may designate the order in which their shares are to be purchased in the event of proration. The order of purchase may have an effect on the U.S. federal income tax classification of any gain or loss on the shares purchased. See Sections 1 and 13 of the Offer to Purchase.

16. *The CA 401(k) Plan and Trust.* Participants in the CA 401(k) Plan and Trust may not use this Letter of Transmittal to direct the tender of shares held in their account under the plan. Participants in the plan are urged to carefully read the "Letter to Participants in the Credit Acceptance 401(k) Plan and Trust" sent to them.

**IMPORTANT.** This Letter of Transmittal (or a manually signed facsimile hereof), together with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and any other required documents, must be received by the Depository prior to the expiration date and either certificates for tendered shares must be received by the Depository or shares must be delivered pursuant to the procedure for book-entry transfer, in each case prior to the expiration date, or the tendering shareholder must comply with the procedure for guaranteed delivery.

This Letter of Transmittal, certificates for shares and any other required documents should be sent or delivered by each shareholder of CA or such shareholder's bank, broker, dealer, trust company or other nominee to the Depository at one of its addresses set forth below.

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## IMPORTANT TAX INFORMATION

**TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE; (B) THE ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTION OR THE MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

If payments are to be made to anyone other than the registered holder, or if the payments are to be paid to anyone other than the person signing this letter or if shares not tendered or not accepted for payment are to be registered in the name of any person other than the registered holder, all transfer taxes (whether imposed on the registered holder or on any other person) will be payable by the tendering holder. Payments may not be paid to such a holder unless the holder has provided satisfactory evidence of the payment of any such transfer taxes or an exemption from such transfer taxes.

To prevent backup withholding, each U.S. Holder (as defined below) should either (x) provide his, her or its correct taxpayer identification number ("TIN") by completing the copy of the substitute IRS Form W-9 attached to this Letter of Transmittal, certifying that (1) he, she or it is a "United States person" (as defined in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code")), (2) the TIN provided is correct (or that such U.S. Holder is awaiting a TIN) and (3) that the U.S. Holder is exempt from backup withholding because (i) the holder has not been notified by the Internal Revenue Service (the "IRS") that he, she or it is subject to backup withholding as a result of a failure to report all interest or dividends, or (ii) the IRS has notified the U.S. Holder that he, she or it is no longer subject to backup withholding or (y) otherwise establish an exemption. If you do not provide a completed Substitute Form W-9 to the Depository, backup withholding may begin and continue until you furnish your TIN. If you do not provide the Depository with the correct TIN or an adequate basis for exemption, you may be subject to a \$50 penalty imposed by the IRS, and payments may be subject to backup withholding at a rate of 28%. If withholding results in an overpayment of taxes, a refund may be obtained.

To prevent backup withholding, a Non-U.S. Holder (as defined below) should (i) submit a properly completed IRS Form W-8 BEN or other Form W-8 to the Depository, certifying under penalties of perjury to the holder's foreign status or (ii) otherwise establish an exemption. IRS Forms W-8 may be obtained from the Depository or on the IRS website at [www.irs.gov](http://www.irs.gov).

Certain holders (including, among others, corporations) are exempt recipients generally not subject to these backup withholding requirements. See the enclosed copy of the IRS Substitute Form W-9 and Guidelines for Request for Taxpayer Identification Number on Substitute Form W-9. To avoid possible erroneous backup withholding, exempt U.S. Holders should complete and return the Substitute Form W-9 and check the box marked "Exempt".

For the purposes of these instructions, a "U.S. Holder" is (i) an individual who is a citizen or resident alien of the United States, (ii) a corporation (including an entity taxable as a corporation) created under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. A "Non-U.S. Holder" is any holder (other than a holder that is, or holds its shares through, a partnership or other pass-through entity) that is not a U.S. Holder. The U.S. federal income tax treatment of a partner or other beneficial owner in a partnership or other flow-through entity generally will depend on the status of the partner and the activities of such partnership. Partners and partnerships (including beneficial owners of pass-through entities and such entities themselves) should consult their own tax advisors as to the particular U.S. federal income tax consequences applicable to them.

See Part I of enclosed Instructions for completing Form W-9 for additional information and instructions.

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**REQUESTER'S NAME: Computershare**

SUBSTITUTE  
FORM **W-9**

**Part 1** — PLEASE PROVIDE YOUR TIN IN THE BOX AT THE RIGHT OR, IF YOU DO NOT HAVE A TIN, WRITE "APPLIED FOR" AND SIGN THE CERTIFICATION BELOW.

Social Security Number  
**OR**

Taxpayer Identification Number

Exempt

Department of the Treasury  
Internal Revenue Service (IRS)

Payer's Request for Taxpayer  
Identification Number (TIN)

Please fill in your name and  
address below.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Business Name

\_\_\_\_\_  
Address (number and street)

\_\_\_\_\_  
City, State and Zip Code

**Check appropriate box:**  Individual / Sole Proprietor

C Corporation  S Corporation  Partnership

Trust/Estate  Other \_\_\_\_\_

(If you are an LLC, check the box marked "Other", write "LLC", and also check one of the other boxes to indicate your tax status (e.g., C Corporation, S corporation, or Partnership).

**Part 2 — Certification** — Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me),
- (2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, (b) I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- (3) I am a U.S. person (as defined for U.S. federal income tax purposes).

**Certification Instructions** — You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are subject to backup withholding because of under reporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding, you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). If you are exempt from backup withholding, check the box in Part 1 and see the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9".

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATION IF YOU WROTE  
"APPLIED FOR" ON SUBSTITUTE FORM W-9.**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that until I provide a taxpayer identification number, all reportable payments made to me will be subject to backup withholding, but will be refunded if I provide a certified taxpayer identification number within 60 days.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**THE IRS DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS  
REQUIRED TO AVOID BACKUP WITHHOLDING.**

*General Instructions.* All section references are to the Internal Revenue Code unless otherwise stated.

*U.S. person.* Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

For federal tax purposes you are considered a U.S. person if you are:

1. An individual who is a citizen or resident of the United States,
2. A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
3. Any estate (other than a foreign estate) or domestic trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Partners and partnerships must consult their own tax advisors regarding the application of these rules to them.

*Foreign person.* If you are a foreign person, do not use Substitute Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

*Nonresident alien who becomes a resident alien.* Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes. If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Substitute Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

*Example.* Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Substitute Form W-9 a statement that includes the information described above to support that exemption. If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

*What is backup withholding?* Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions below for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only). Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

## Penalties

*Failure to furnish TIN.* If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

*Civil penalty for false information with respect to withholding.* If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

*Criminal penalty for falsifying information.* Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

*Misuse of TINs.* If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name. If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

*Sole proprietor.* Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

*Limited liability company (LLC).* If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

*Other entities.* Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name"

line. **Note:** Check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

## Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt" box under the taxpayer identification number and sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

*Note:* If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

*Exempt payees.* Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 (1)	Generally, exempt recipients 1 through 7 (2)

- (1) See Form 1099-MISC, Miscellaneous Income, and its instructions.
- (2) However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

#### Part I. Taxpayer Identification Number (TIN)

*Enter your TIN in the appropriate box.* If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner, enter your SSN (or EIN, if the owner has one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

*Note.* See the chart below for further clarification of name and TIN combinations.

*How to get a TIN.* If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.socialsecurity.gov/online/ss-5.pdf](http://www.socialsecurity.gov/online/ss-5.pdf). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses/](http://www.irs.gov/businesses/) and clicking on Employer Identification Numbers (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676). If you are asked to complete Substitute Form W-9 but do not have a TIN, fill out the box entitled "CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER."

*Caution:* A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

#### Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Substitute Form W-9. For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* above.

*Signature requirements.* Complete the certification as indicated in 1 through 4 below.

1. *Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.* You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

2. *Real estate transactions.* You must sign the certification. You may cross out item 2 of the certification.

3. *Other payments.* You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

4. *Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.* You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

<b>For this type of account:</b>	<b>Give name and SSN of:</b>
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account (1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor (2)
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee (1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner (1)
5. Sole proprietorship or single-owner LLC	The owner (3)
<b>For this type of account:</b>	<b>Give name and EIN of:</b>
6. Sole proprietorship or single-owner LLC	The owner (3)
7. A valid trust, estate, or pension trust	Legal entity (4)
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax- exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's SSN.
- (3) You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.
- (4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

*The Depository for the Tender Offer is:*



**By Mail:**

Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011

**By Facsimile Transmission:**

For Eligible Institutions Only:  
(617) 360-6810

For Confirmation Only Telephone:  
(781) 575-2332

**By Overnight Courier:**

Computershare  
c/o Voluntary Corporate Actions  
Suite V  
250 Royall Street  
Canton, MA 02021

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions or requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone number set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the tender offer.

*The Information Agent for the Offer is:*



480 Washington Blvd., — 26<sup>th</sup> Floor  
Jersey City, NJ 07310  
Banks and Brokers Call: (800) 223-2064  
Shareholders Call Toll Free: (866) 729-6818  
Email: [cacc@georgeson.com](mailto:cacc@georgeson.com)

Corp Actions Vol COY CACR

**NOTICE OF GUARANTEED DELIVERY  
(NOT TO BE USED FOR SIGNATURE GUARANTEES)  
FOR  
TENDER OF SHARES OF COMMON STOCK  
OF  
CREDIT ACCEPTANCE CORPORATION**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JUNE 16, 2014,  
UNLESS THE TENDER OFFER IS EXTENDED.**

As set forth in Section 3 of the Offer to Purchase, dated May 16, 2014, this form must be used to tender shares under the tender offer if (1) certificates representing your shares of the common stock of Credit Acceptance Corporation are not immediately available or cannot be delivered to the Depository (as defined in the Offer to Purchase) before the expiration date (as defined in the Offer to Purchase), or your shares cannot be delivered before expiration of the tender offer under the procedure for book-entry transfer, or (2) time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal, to reach the Depository before the expiration date.

This form or a facsimile of it, signed and properly completed, may be transmitted by facsimile transmission or delivered by mail or overnight delivery to the Depository so that it is received by the Depository before the expiration date and must include a guarantee by Eligible Institution. See Section 3 of the Offer to Purchase.

*The Depository for the Tender Offer is:*



**By Mail:**

Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011

**By Facsimile Transmission:**

For Eligible Institutions Only:  
(617) 360-6810

For Confirmation Only Telephone:  
(781) 575-2332

**By Overnight Courier:**

Computershare  
c/o Voluntary Corporate Actions  
Suite V  
250 Royall Street  
Canton, MA 02021

Any questions or requests for assistance or additional copies may be directed to the Information Agent at its telephone number or address set forth below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the tender offer.

*The Information Agent for the Offer is:*



480 Washington Blvd., — 26th Floor  
Jersey City, NJ 07310  
Banks and Brokers Call: (800) 223-2064  
Shareholders Call Toll Free: (866) 729-6818  
Email: cacc@georgeson.com

FOR THIS NOTICE TO BE VALIDLY DELIVERED IT MUST BE RECEIVED BY THE DEPOSITARY AT ONE OF THE ABOVE ADDRESSES OR BY FACSIMILE TRANSMISSION PRIOR TO THE EXPIRATION DATE. DELIVERY OF THIS NOTICE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNDER THE INSTRUCTIONS IN THE LETTER OF TRANSMITTAL, THE SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX IN THE LETTER OF TRANSMITTAL.

Corp Actions Vol COY CACR

Ladies and Gentlemen:

The undersigned hereby tenders to Credit Acceptance Corporation, a Michigan corporation ("CA"), at a purchase price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer, receipt of which are hereby acknowledged, the number of shares set forth below, all pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

**Number of shares to be tendered:** \_\_\_\_\_ shares. **Unless otherwise indicated, it will be assumed that all shares are to be tendered.**

**ODD LOTS**

**(See Instruction 14 of the Letter of Transmittal)**

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) thereof, shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

**CONDITIONAL TENDER**

**(See Instruction 13 of the Letter of Transmittal)**

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Notice of Guaranteed Delivery must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by CA in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from the undersigned, if any are purchased from the undersigned, is: \_\_\_\_\_ shares.

If, because of proration, the minimum number of shares designated will not be purchased, CA may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

Certificate Nos. (if available): \_\_\_\_\_

Name(s) of Record Holder(s): \_\_\_\_\_

Address(es): \_\_\_\_\_

Zip Code(s): \_\_\_\_\_

Area code and Telephone. No.: \_\_\_\_\_

Signature(s): \_\_\_\_\_

Dated: \_\_\_\_\_, 2014

If shares will be delivered by book-entry transfer, provide the following information:

Name of Tendering Institution(s): \_\_\_\_\_

Account Number of Book Entry Transfer Facility: \_\_\_\_\_

**THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED**

**GUARANTEE  
(NOT TO BE USED FOR SIGNATURE GUARANTEES)**

The undersigned, a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing is referred to as an "Eligible Institution"), hereby guarantees that: (a) the above-named person(s) "own(s)" the shares tendered hereby within the meaning of Rule 14e-4 promulgated under the Exchange Act and (b) such tender of shares complies with Rule 14e-4 promulgated under the Exchange Act, and guarantees that the Depository will receive (i) certificates for the shares tendered hereby in proper form for transfer, or (ii) confirmation that the shares tendered hereby have been delivered pursuant to the procedure for book-entry transfer (set forth in Section 3 of the Offer to Purchase) into the Depository's account at The Depository Trust Company, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of it), or an agent's message (as described in the Offer to Purchase), and any other documents required by the Letter of Transmittal, all within three business days (as defined in the Offer to Purchase) after the date the Depository receives this Notice of Guaranteed Delivery.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for shares to the Depository within the time period set forth herein. Failure to do so could result in financial loss to such Eligible Institution.

Name of Firm: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please Type or Print)

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Area code and Telephone No.: \_\_\_\_\_

Dated: \_\_\_\_\_, 2014

**DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY. SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

**OFFER TO PURCHASE FOR CASH  
BY**



**CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 915,750 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE OF \$125.58 PER SHARE**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JUNE 16, 2014 UNLESS THE TENDER OFFER IS EXTENDED.**

May 16, 2014

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

Credit Acceptance Corporation, a Michigan corporation ("CA"), has appointed us to act as the Information Agent in connection with its offer to purchase up to 915,750 shares of its common stock, par value \$0.01 per share, at a purchase price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in its Offer to Purchase, dated May 16, 2014, and in the related Letter of Transmittal, which, as amended and supplemented from time to time, together constitute the tender offer.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer, including the "odd lot" priority, proration and conditional tender provisions thereof. Shares tendered but not purchased pursuant to the tender offer will be returned at CA's expense promptly after the expiration date. CA reserves the right, in its sole discretion, to purchase more than 915,750 shares in the tender offer, subject to applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 915,750 shares, or such greater number of shares as CA may elect to purchase, subject to applicable law, CA will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Upon the terms and subject to the conditions of the tender offer, if greater than 915,750 shares, or such greater number of shares as CA may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, CA will purchase properly tendered shares on the following basis. *First*, CA will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any "odd lot" holder (a shareholder who owns beneficially or of record an aggregate of fewer than 100 shares) who (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference) and (b) completes the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. *Second*, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, CA will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until CA has purchased 915,750 shares (or such greater number of shares as CA may elect to purchase). *Third*, only if necessary to permit CA to purchase 915,750 shares (or such greater number of shares as CA may elect to purchase), CA will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

THE OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

For your information and for forwarding to those of your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase, dated May 16, 2014;
2. The Letter of Transmittal for your use and for the information of your clients (together with accompanying instructions and Substitute Form W-9);
3. A letter to clients that you may send to your clients for whose accounts you hold shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the tender offer;
4. A Notice of Guaranteed Delivery to be used to accept the tender offer if the share certificates and all other required documents cannot be delivered to the Depository before the expiration date or if the procedure for book-entry transfer cannot be completed before the expiration date; and
5. A return envelope addressed to the Depository.

YOUR PROMPT ACTION IS REQUIRED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE TO OBTAIN THEIR INSTRUCTIONS. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JUNE 16, 2014, UNLESS THE OFFER IS EXTENDED. UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE BE PAID BY CA REGARDLESS OF ANY DELAY IN MAKING PAYMENT.

CA will not pay any fees or commissions to brokers, dealers, commercial banks, trust companies or any person (other than fees to the Information Agent and Depository as described in Section 15 of the Offer to Purchase) for soliciting tenders of shares pursuant to the tender offer. CA will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies or other nominees for customary mailing and handling expenses incurred by them in forwarding any of the enclosed materials to the beneficial owners of shares held by you as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of CA, the Information Agent, or the Depository for purposes of the tender offer. CA will pay or cause to be paid all stock transfer taxes, if any, applicable to its purchase of shares, except as otherwise provided in the Offer to Purchase and Instruction 6 in the Letter of Transmittal.

For shares to be tendered properly under the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an "agent's message" (as defined in the Offer to Purchase) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received before the expiration date by the Depository at its address set forth on the back cover page of the Offer to Purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Shareholders whose certificates for shares are not immediately available or who cannot deliver certificates for their shares and all other required documents to the Depository before the expiration date, or whose shares cannot be delivered before the expiration date under the procedure for book-entry transfer may tender their shares according to the procedure for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

NEITHER CA, ITS BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT WITH THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

Any inquiries you may have with respect to the tender offer should be addressed to us, at the addresses and telephone number set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from by calling us toll free at (866) 391-6921.

Very truly yours,

GEORGESON INC.

Enclosures

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF CA, THE INFORMATION AGENT OR THE DEPOSITARY, OR ANY AFFILIATE OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.

**OFFER TO PURCHASE FOR CASH  
BY****CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 915,750 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE OF \$125.58 PER SHARE**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JUNE 16, 2014, UNLESS THE TENDER OFFER IS EXTENDED.**

May 16, 2014

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated May 16, 2014, and the related Letter of Transmittal, in connection with the tender offer by Credit Acceptance Corporation, a Michigan corporation ("CA"), to purchase up to 915,750 shares of its common stock, par value \$0.01 per share, at a purchase price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer, including the "odd lot" priority, proration and conditional tender provisions thereof. Shares tendered but not purchased pursuant to the tender offer will be returned at CA's expense promptly after the expiration date. CA reserves the right, in its sole discretion, to purchase more than 915,750 shares in the tender offer, subject to applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 915,750 shares, or such greater number of shares as CA may elect to purchase, subject to applicable law, CA will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Upon the terms and subject to the conditions of the tender offer, if greater than 915,750 shares, or such greater number of shares as CA may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, CA will purchase properly tendered shares on the following basis. *First*, CA will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any "odd lot" holder (a shareholder who owns beneficially or of record an aggregate of fewer than 100 shares) who (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference) and (b) completes the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. *Second*, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, CA will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until CA has purchased 915,750 shares (or such greater number of shares as CA may elect to purchase). *Third*, only if necessary to permit CA to purchase 915,750 shares (or such greater number of shares as CA may elect to purchase), CA will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. WE ARE SENDING YOU THE LETTER OF TRANSMITTAL FOR YOUR INFORMATION ONLY; YOU CANNOT USE IT TO TENDER SHARES WE HOLD FOR YOUR ACCOUNT.

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account upon the terms and subject to the conditions of the tender offer.

We call your attention to the following:

1. The purchase price in the tender offer is \$125.58 per share, net to you in cash, without interest.
2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The tender offer is not conditioned upon obtaining financing or any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions.
4. The tender offer and withdrawal rights with respect to the tender offer will expire at 5:00 p.m., New York City time, on June 16, 2014, unless the tender offer is extended.
5. The tender offer is for 915,750 shares, constituting approximately 4.1% of CA's outstanding common stock as of May 1, 2014.
6. Tendering shareholders who are registered shareholders or who tender their shares directly to Computershare, N.A., the Depository for the tender offer, will not be obligated to pay any brokerage commissions, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes with respect to the transfer and sale of shares to CA pursuant to the tender offer.
7. If you own beneficially or of record an aggregate of fewer than 100 shares, and you instruct us to tender on your behalf all such shares and check the box captioned "Odd Lots" in the attached Instruction Form, CA, upon the terms and subject to the conditions of the tender offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered and not properly withdrawn.
8. If you wish to condition your tender on all or a minimum number of your shares being purchased by CA, you may elect to do so by completing the section captioned "Conditional Tender" in the attached Instruction Form. If, because of proration, the minimum number of shares designated will not be purchased, CA may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all of your shares of common stock and checked the box so indicating.
9. The CA board of directors has approved the tender offer. However, neither CA, CA's board of directors, the Depository nor the Information Agent makes any recommendation to you as to whether to tender or refrain from tendering any shares. You should carefully evaluate all information in the Offer to Purchase and the related Letter of Transmittal, should consult with your own financial and tax advisors, and should make your own decisions about whether to tender shares, and, if so, how many shares to tender.
10. Donald Foss, CA's Chairman of the board, has indicated his non-binding intention to tender 4.4 million shares in the tender offer. Glenda Flanagan, one of CA's directors, has indicated that she may tender up to 28,000 shares in the tender offer. No other directors or officers of CA have indicated their intention to tender shares in the tender offer. See Section 11 of the Offer to Purchase.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form as promptly as possible. If you authorize us to tender your shares, we will tender all such shares unless you specify otherwise on the attached Instruction Form.

All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

YOUR PROMPT ACTION IS REQUESTED. YOUR INSTRUCTION FORM SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF BEFORE THE EXPIRATION DATE OF THE TENDER OFFER. PLEASE NOTE THAT THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JUNE 16, 2014, UNLESS CA EXTENDS THE OFFER.

The tender offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the applicable laws of such jurisdiction.

**INSTRUCTION FORM WITH RESPECT TO THE  
OFFER TO PURCHASE FOR CASH  
BY**



**CREDIT ACCEPTANCE CORPORATION  
OF  
UP TO 915,750 SHARES OF ITS COMMON STOCK  
AT A PURCHASE PRICE OF \$125.58 PER SHARE**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated May 16, 2014, and the related Letter of Transmittal, in connection with the tender offer by Credit Acceptance Corporation, a Michigan corporation ("CA"), to purchase up to 915,750 shares of its common stock, par value \$0.01 per share, at a purchase price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer.

The undersigned hereby instruct(s) you to tender to CA the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, under the terms and subject to the conditions of the tender offer.

**Number of shares to be tendered by you for the account of the undersigned: \_\_\_\_\_ shares. Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.**

**ODD LOTS**  
**(See Instruction 14 of the Letter of Transmittal)**

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) thereof, shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

**CONDITIONAL TENDER**  
**(See Instruction 13 of the Letter of Transmittal)**

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Instruction Form must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by CA in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from the undersigned, if any are purchased from the undersigned, is:  
\_\_\_\_\_ shares.

If, because of proration, the minimum number of shares designated will not be purchased, CA may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE DELIVERY.

Account Number(s): \_\_\_\_\_

Signature(s): \_\_\_\_\_

Name(s): \_\_\_\_\_  
(Please Print)

Address(es): \_\_\_\_\_  
(Including Zip Code)

Area Code/Phone Number(s): ( ) \_\_\_\_\_

Taxpayer Identification or Social Security Number(s): \_\_\_\_\_

Dated: \_\_\_\_\_, 2014

**LETTER TO PARTICIPANTS IN  
 THE CREDIT ACCEPTANCE CORPORATION 401(K) PLAN AND TRUST  
 (INCLUDING ELECTION FORM AND NOTICE OF WITHDRAWAL)  
 PURSUANT TO THE OFFER TO PURCHASE FOR CASH  
 DATED MAY 16, 2014  
 BY  
 CREDIT ACCEPTANCE CORPORATION  
 OF  
 UP TO 915,750 SHARES OF ITS COMMON STOCK  
 AT A PURCHASE PRICE OF \$125.58 PER SHARE**

**THE ENCLOSED ELECTION FORM MUST BE RECEIVED BY THE TABULATOR BEFORE 2:00 P.M., NEW YORK CITY TIME, ON JUNE 11, 2014, UNLESS THE OFFER IS EXTENDED. YOU MUST SIGN, COMPLETE AND RETURN THIS FORM FOR YOUR ELECTION TO BE VALID.**

*The Tabulator for the Tender Offer is:*



**By Mail:**  
 Computershare  
 c/o Voluntary Corporate Actions P.O. Box 43011  
 Providence, RI 02940-3011

**By Facsimile Transmission:**  
 (617) 360-6810

For Confirmation Only Telephone: (781) 575-2332

**By Overnight Courier:**  
 Computershare  
 c/o Voluntary Corporate  
 Actions  
 Suite V  
 250 Royall Street  
 Canton, MA 02021

Name and Address of Credit Acceptance Corporation  
 401(k) Plan and Trust Participant  
 If there is any error in the name or address shown below, please make the  
 necessary corrections

**You should read carefully the enclosed Election Form, including the accompanying letter and Q&A, before you complete it. For the enclosed Election Form to be validly delivered, it must be received by the Tabulator at one of the addresses listed above or by fax before 2:00 p.m. on June 11, 2014, unless the Tender Offer is extended, in which case the deadline for receipt will be three business days prior to the date the Tender Offer expires. Delivery of the Election Form to another address will not constitute a valid delivery. Deliveries to Credit Acceptance Corporation, the Information Agent or the Depository Trust Company will not be forwarded to the Tabulator and will not constitute a valid delivery.**

**LETTER TO PARTICIPANTS IN  
THE CREDIT ACCEPTANCE CORPORATION 401(K) PLAN AND TRUST**

May 16, 2014

Dear Credit Acceptance Corporation 401(k) Plan and Trust Participant:

On May 16, 2014, Credit Acceptance Corporation, a Michigan corporation ("CA"), commenced an offer to purchase up to 915,750 shares of its common stock, par value \$0.01 per share, at a purchase price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Offer to Purchase and in the related Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Tender Offer"). Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, par value \$0.01 per share, of CA.

A copy of the Offer to Purchase, the Plan Participant Q&A, the Plan Participant Election Form (the "Election Form") and the Plan Participant Notice of Withdrawal (the "Notice of Withdrawal") are enclosed with this letter. You are urged to examine the Offer to Purchase and these other materials carefully.

As a participant in the CA 401(k) Plan and Trust (the "Plan"), you have the right to instruct New York Life Trust Company, the directed trustee of the Plan (the "Trustee") which holds the shares of common stock of CA as an investment option in the Plan, to tender any shares of common stock of CA allocated to your Plan account ("Plan Shares"). If, after reading the enclosed materials, you want to direct the Trustee to tender your Plan Shares, you must follow the instructions contained in this letter, fill out and sign the Election Form enclosed, and mail the form in the enclosed pre-addressed envelope or send it via fax to Computershare, N.A. (the "Tabulator") by 2:00 p.m. on June 11, 2014. If you do not wish to use the enclosed envelope, you may also mail your election form by first-class mail to:

Computershare  
c/o Voluntary Corporate Actions  
Suite V  
250 Royall Street  
Canton, MA 02021

Neither the Trustee, the Tabulator, CA, CA's Board of Directors, the Depository nor the Information Agent makes any recommendation to you as to whether to tender or refrain from tendering your Plan Shares. You should carefully evaluate all information in the Offer to Purchase, should consult with your own financial and tax advisors, and should make your own decisions about whether to tender your shares, and, if so, how many to tender. If you do elect to tender Plan Shares and such shares are accepted in the Tender Offer, any proceeds received in respect of such Plan Shares will be invested in the applicable Retirement Portfolio based on your date of birth under the Plan and will remain in the Plan; provided, however you may elect to redirect the proceeds to any other investment fund under the Plan that is open for new investments at any time once the proceeds have been allocated to your account under the Plan.

If you are also a direct shareholder of CA, you will receive under separate cover another copy (or copies) of the Tender Offer documents which can be used to tender your directly-owned shares if you choose to do so. Instructions with respect to tendering your directly held shares are set forth in the Offer to Purchase and the related Letter of Transmittal. Those documents may not be used to direct the Trustee to tender the Plan Shares allocable to your individual account under the Plan.

Your instruction to the Trustee with regard to your Plan Shares should be submitted to the Tabulator (by completing, signing and sending the enclosed Election Form to the Tabulator, as described later in this document), and the Trustee will tender the CA common stock held in your Plan account in accordance with your instructions (subject to the exceptions noted in this document). You are entitled to instruct the Trustee whether to tender all or a portion of the Plan Shares allocated to your account in the Plan as of June 11, 2014 (unless the Tender Offer is extended, in which case on the date that is three (3) business days before the new date on which the Tender Offer expires).

Please note that the Plan is prohibited by law from selling Plan Shares to CA for a price that is less than the prevailing market price of CA's common stock. Accordingly, if the closing price of CA's common stock on the date the Tender Offer expires is higher than \$125.58 per share, none of the Plan Shares will be tendered and your tender instruction will be deemed to have been withdrawn.

If valid instructions to tender Plan Shares in the form of a signed Election Form are not received by 2:00 p.m., New York City time, on June 11, 2014, the Plan Shares allocated to your Plan account will not be tendered, unless CA extends the Tender Offer in which case your instructions must be received by 2:00 p.m., New York City time, on the date that is three (3) business days before the new date on which the Tender Offer expires. Please note that your instructions to tender will be kept confidential from CA. You also may request that the Trustee withdraw any tender instruction you have previously submitted, as long as you do so prior to 2:00 p.m., New York City time, on June 11, 2014 by delivering a Notice of Withdrawal to the Tabulator. If the Tender Offer is extended, then you must ensure that the Tabulator receives any Notice of Withdrawal or Election Form that you send by 2:00 p.m., New York City time, on the date that is three (3) business days before the new date on which the Offer expires. Any request to withdraw the information sent to the Tabulator must: (i) specify the name of the participant or beneficiary who has made the instruction that is being withdrawn, and the participant's or beneficiary's social security number and (ii) be signed by the participant or beneficiary in the same manner as the original signature on the Election Form by which the instruction that is being withdrawn was made.

If you direct the Trustee to tender some or all of the shares attributable to your Plan account, then as of 2:00 p.m., New York City time, on June 11, 2014, certain transactions involving the tendered shares of CA common stock attributable to your Plan account, including all exchanges out, loans, withdrawals and distributions, will be prohibited until all processing related to the Tender Offer has been completed, unless the Tender Offer is terminated or the Tender Offer is extended. This restriction on transactions will apply to all tendered Plan Shares and associated cash allocable to your Plan account, and these balances will be moved into an interim restricted fund called Credit Acceptance Stock (DTO). In the event that the Tender Offer is extended, the restriction on transactions involving the Plan Shares will, if feasible, be temporarily lifted until three (3) business days prior to the new date on which the Tender Offer expires, as extended, at which time a new restriction on these transactions involving your Plan Shares will commence. You can call Georgeson Inc., the Information Agent for the Tender Offer, toll-free, at (866) 729-6818 to obtain updated information on expiration dates and deadlines and you can call the Trustee, New York Life Trust Company, at (800) 294-3575 for information on Plan restrictions.

**QUESTIONS AND ANSWERS WITH RESPECT TO TENDER RIGHTS  
OF PARTICIPANTS IN  
THE CA 401(K) PLAN AND TRUST  
(the "Plan")**

**Timeline/Important Dates:**

<b>Offer starts:</b>	<b>May 16, 2014</b>
<b>Letter sent:</b>	<b>May 16, 2014</b>
<b>Election Forms:</b>	<b>Must be received by 2:00 p.m. New York City time on June 11, 2014 in order for instructions to be followed.</b>
<b>Tender Offer Expires:</b>	<b>5:00 p.m. New York City time, on June 16, 2014 (unless the Tender Offer is extended)</b>

**DESCRIPTION OF THE OFFER**

**1. What is the Tender Offer?**

On May 16, 2014, Credit Acceptance Corporation, a Michigan corporation ("CA"), commenced an offer to purchase up to 915,750 shares of its common stock, par value \$0.01 per share, at a purchase price of \$125.58 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Offer to Purchase and in the related Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the "Tender Offer").

Participants in the Plan who allocated some or all of their Plan accounts to the Credit Acceptance Stock Fund, a Plan investment option consisting of shares of CA common stock plus a cash component (such shares are referred to in this Q&A as "Plan Shares"), may tender these Plan Shares by (i) so indicating on the enclosed Election Form and (ii) returning the form by mail or fax to Computershare Trust Company, N.A., the Tabulator, for tenders directed by Plan Participants for the Tender Offer at:

Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011  
or  
Fax: (617) 360-6810

**A pre-addressed envelope is enclosed for the purpose of returning your Election Form. You should return your completed Election Form by facsimile to (617) 360-6810 or mail your completed Election Form to the Tabulator in ample time to ensure that it is received no later than 2:00 p.m., New York City time, on June 11, 2014 or, if the offer is extended, by 2:00 p.m. New York City time, on the date that is three (3) business days before the new date on which the Offer expires.**

**The terms and conditions of the Tender Offer are fully described in the enclosed Offer to Purchase. You are urged to read the Offer to Purchase carefully.**

**2. What are my rights under the Tender Offer?**

The Plan records indicate that Plan Shares are allocated to your account. You may direct the Trustee to tender some or all of these shares. Because the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), requires that all plan assets in most circumstances be held in trust, all of these Plan Shares are held in an account that is in the name of the

Trustee. Consequently, the Trustee will actually tender your Plan Shares by aggregating all Plan participant instructions and completing the required Letter of Transmittal for all Plan participants but only in accordance with your instructions as well as that of the other Plan participants.

**Please note that the “odd lot” priority and conditional tender provisions described in the Offer to Purchase will not be afforded to participants in the Plan. You must direct the Trustee if you want to tender your Plan Shares. The Trustee will tender your Plan Shares only if specifically instructed. If you do not respond using the enclosed election form, you will be deemed to have instructed the Trustee not to tender any of your Plan Shares under the Tender Offer, and your Plan Shares will remain in your Plan Account.**

### 3. Which documents did I receive in the Tender Offer materials and what is the purpose of each document?

The following materials are enclosed in this mailing:

1. Letter to Participants in the CA 401(k) Plan and Trust. This letter gives you details for participating in the Tender Offer with respect to the Plan Shares in your Plan account.
2. Offer to Purchase, dated May 16, 2014. This document describes all of the terms and conditions of the Tender Offer. **Please read this document carefully.**
3. Election Form. You **must** complete, sign and mail this document to the Tabulator in the enclosed pre-addressed envelope if you wish to direct the Trustee to tender some or all of your Plan Shares or fax it to (617) 360-6810. If you fail to complete, sign or timely mail or fax the Election Form so that the Tabulator does not receive it by 2:00 p.m., New York City time, on June 11, 2014, you will be deemed to have instructed the Trustee not to tender any of your Plan Shares under the Tender Offer. You must use the Election Form if you wish to direct a tender of your Plan Shares.
4. Reply Envelope. A pre-addressed envelope is provided for your convenience. If you decide to tender some or all of your Plan Shares, you may use this envelope to mail the completed Election Form to the Tabulator. You should mail the election form in ample time to ensure that the Tabulator receives it by 2:00 p.m., New York City time, on June 11, 2014, unless the Tender Offer is extended, in which case such notice must be received by no later than 2:00 p.m., New York City time, on the date that is three (3) business days before the new date on which the Tender Offer expires.
5. Notice of Withdrawal. This form can be used to withdraw a tender. See #11 below for additional information.

### 4. How do I direct the Plan’s Trustee?

The only way that you can instruct the Trustee to tender your Plan Shares is by completing the Election Form as described, signing it and returning it to the Tabulator by mail or fax. You may do this by using the pre-addressed envelope provided for this purpose. Alternatively, you may send your instruction by regular, certified or registered mail, or by overnight delivery, to the Tabulator.

The Tabulator must receive the Election Form before 2:00 p.m., New York City time, on June 11, 2014 (unless the Tender Offer is extended, in which case such notice must be received by no later than 2:00 p.m., New York City time, on the date that is three (3) business days before the new date on which the Tender Offer expires). You must sign and complete the Election Form for your tender instruction to be valid.

#### To validly direct the Trustee to tender Plan Shares on your behalf you must:

1. Instructions. Read carefully and follow exactly the instructions in (i) the Letter to Participants in the CA 401(k) Plan and Trust and (ii) the Election Form. These documents will tell you how to direct the Trustee regarding your Plan Shares.
2. Election form. Complete the enclosed Election Form.

3. Shares. Designate on the Election Form the percentage of your Plan Shares you wish to be tendered. You may obtain information about the amount of your Plan account balance allocated to the Credit Acceptance Stock Fund by calling the Trustee, New York Life Trust Company, toll free at (800) 294-3575.

4. Signature. You must SIGN the Election Form to complete your instruction. Unless you sign the Election Form, your direction cannot be honored and the Election Form will be ineffective even if it is timely received by the Tabulator.

5. Sending to Tabulator. We have enclosed a pre-addressed return envelope with your tender materials. You may use this pre-addressed envelope to return your completed Election Form if you wish to have the Trustee tender your Plan Shares. Alternatively you may submit your completed and signed Election Form by fax to (617) 360-6810.

Please be precise in providing your instruction and please act **promptly**.

**If you do not wish to tender any Plan Shares, take no action.**

**5. How do I send instructions to the Tabulator?**

Please return your instructions **promptly**, recognizing the slow delivery time inherent in the U.S. mail. You may mail your Election Form to the Tabulator in the pre-addressed reply envelope that has been provided for this purpose. Alternatively, you may send your instruction by first-class mail or by registered, certified, express or overnight delivery to: Computershare, c/o Voluntary Corporate Actions, Suite V, 250 Royall Street, Canton, MA 02021. Your instructions may also be returned by facsimile transmission to the Tabulator at (617) 360-6810. **Do not deliver your instructions to the human resources department.**

**6. Must I provide directions to the Trustee?**

You must respond **if** you wish the Trustee to tender any of your Plan Shares. **If you do not wish to tender any of your Plan Shares, do nothing.** If you do nothing, you will be deemed to have instructed the Trustee not to tender any of the Plan Shares held for your benefit.

**7. How many Plan Shares may I tender and how do I learn the number of Plan Shares held for my benefit in the Plan?**

You may tender a percentage in increments of 5% (up to 100%) of the Plan Shares allocated to your Plan account as of June 11, 2014 (unless the Tender Offer is extended, in which case on the date that is three (3) business days before the new date on which the Tender Offer expires).

The expiration date of the Tender Offer is currently scheduled to occur at 5:00 p.m., New York City time, on June 16, 2014, (unless it is extended). The actual number of Plan Shares in your Plan account may change between the date that you instruct the Trustee to tender shares from your Plan account and the date that the Trustee actually tenders the Plan Shares. You may obtain information about the number of Plan Shares allocated to your Plan account by calling the Trustee, New York Life Trust Company, at (800) 294-3575.

**8. Why must I direct the tender of Plan Shares allocated to my Plan account by percentage, rather than designating a set number of shares?**

A percentage designation allows the Trustee to take into account transactions involving Plan Shares that might be effected after you complete and send your election form to the Tabulator, such as additional contributions to investment funds under the Plan that are open for new investments, exchanges or distributions of shares. The percentage designation allows the Trustee to tender your shares based upon the most recent information available to Trustee as of the date that the Trustee submits the tendered shares in the Tender Offer.

**9. What if I have shares in my Plan account AND hold shares outside of the Plan?**

If you have shares in the Plan and also own other shares (either in your possession or held by a bank or brokerage firm, or otherwise) outside of the Plan, you will receive two or more sets of Tender Offer materials. You should be careful to follow the different instructions that apply for tendering each kind of shares. See the Offer to Purchase for more details.

**10. Who will know whether I tendered my Plan Shares?**

Your directions to the Trustee will be kept **confidential**. No CA employee, officer or director will learn of your instruction unless such disclosure is required by law.

**11. Can I change my mind and direct the Trustee to withdraw Plan Shares that I previously directed the Trustee to tender?**

Yes, but only if you perform ALL of the following steps:

1. You must send a completed and signed copy of the enclosed Notice of Withdrawal to the Tabulator.
2. The Notice of Withdrawal must set forth your name and social security number and it must state that you are directing the Trustee to withdraw all Plan Shares that you previously directed the Trustee to tender on your behalf.
3. The Tabulator must receive the Notice of Withdrawal before 2:00 p.m., New York City time, on June 11, 2014 (unless the Tender Offer is extended, in which case, such notice must be received by no later than 2:00 p.m., New York City time, on the date that is three (3) business days before the new date on which the Tender Offer expires).

**12. Can I direct the Trustee to re-tender my Plan Shares?**

Yes. If, after directing the Trustee to withdraw your previously tendered Plan Shares, you wish to direct the Trustee to re-tender your Plan Shares (or any portion thereof), you must complete another Election Form and return it to the Tabulator by 2:00 p.m., New York City time, on June 11, 2014 (unless the Tender Offer is extended, in which case the deadline for receipt of your Election Form will be extended until 2:00 p.m., New York City time on the date that is three (3) business days before the new date on which the Tender Offer expires). You may request additional copies of the Election Form by calling Georgeson Inc., the Information Agent for the Tender Offer, toll-free, at (866) 729-6818.

**13. Will CA purchase all Plan Shares that I direct the Trustee to tender?**

The answer to this question depends on the total number of shares validly tendered (and not validly withdrawn) by all tendering shareholders. If you tender your Plan Shares, then CA will purchase your Plan Shares subject to the proration provisions of the Offer. See the Offer to Purchase for a description of how the proration process works.

**Please note that the Plan is prohibited by law from selling Plan Shares to CA for a price that is less than the prevailing market price of its common stock. Accordingly, if the closing price of CA's common stock on the date the Tender Offer expires is higher than \$125.58 per share, none of the Plan Shares will be tendered and your tender will be deemed to have been withdrawn.**

Plan Shares held in your Plan account that are tendered but not purchased by CA will remain in your Plan account as if nothing had happened, subject to the rules and provisions governing the Plan.

**14. What if I have general questions about the Tender Offer relating to the Plan?**

Please contact Georgeson Inc., the Information Agent for the Tender Offer, toll-free, at (866) 729-6818 or the Trustee, New York Life Trust Company, at (800) 294-3575.

**15. How will I know if CA has purchased my Plan Shares?**

The purchase will be reflected in your Plan account as a transfer from the Credit Acceptance Stock (DTO) into the applicable Retirement Portfolio based on your date of birth under the Plan. The transfer may not occur until seven (7) to ten (10) business days after the Tender Offer expires.

## OPERATION OF THE PLAN DURING THE OFFER

### **16. What happens to contributions to my Plan account that are made after May 16, 2014?**

Contributions made after May 16, 2014 to investment funds under the Plan that are open for new investments will be allocated as usual, in accordance with the sources of the contributions and, where applicable, your investment directions in effect at the time of your contribution, including any direction to invest such contributions in Plan Shares. Although the contributions will continue to be allocated during the Tender Offer, only the Plan Shares in your Plan account as of June 11, 2014 (unless the Tender Offer is extended, in which case on the date that is three (3) business days before the new date on which the Tender Offer expires) are subject to the Tender Offer.

### **17. How will my Plan account be affected by the Tender Offer?**

If you direct the Trustee to tender some or all of the shares attributable to your Plan account, then as of 2:00 p.m., New York City time, on June 11, 2014, certain transactions involving the tendered shares of CA common stock attributable to your Plan account, including all exchanges out, loans, withdrawals and distributions, will be prohibited until all processing related to the Tender Offer has been completed, unless the Tender Offer is terminated or the Tender Offer is extended. This restriction on transactions will apply to all tendered Plan Shares and associated cash allocable to your Plan account, and these balances will be moved into an interim restricted stock fund called Credit Acceptance Stock (DTO). In the event that the Tender Offer is extended, the restriction on transactions involving the Plan Shares will, if feasible, be temporarily lifted until three (3) business days prior to the new date on which the Tender Offer expires, as extended, at which time a new restriction on these transactions involving your Plan Shares will commence. You can call Georgeson Inc., the Information Agent for the Offer, toll-free, at (866) 729-6818 to obtain updated information on expiration dates and deadlines and you can call the Trustee, New York Life Trust Company, at (800) 294-3575 for information on Plan restrictions.

### **18. What happens if I request a distribution, withdrawal or reallocation following the announcement of the Tender Offer but before the restricted period starts?**

Distributions and withdrawals from the Plan and transfers into or out of your Plan account will be processed in accordance with normal procedures prior to the start of the restricted period. However, if you have submitted an Election Form to direct the tender of any or all of your shares as indicated above, no transactions involving your units of Credit Acceptance Stock Fund will occur during the restricted period as described in the previous question.

## REINVESTMENT OF TENDER PROCEEDS

### **19. How will the Plan invest the proceeds received from the Plan Shares that are tendered?**

If you have directed the Trustee to tender any Plan Shares held for your benefit in the Plan's Credit Acceptance Stock Fund, the tender proceeds and the cash associated with the tendered shares will be reinvested in the applicable Retirement Portfolio based on your date of birth under the Plan. Each Retirement Portfolio is intended to constitute a "qualified default investment alternative" under Section 404(c)(5) of the ERISA. After the proceeds from the redemption of your Credit Acceptance Stock Fund units are reinvested into the applicable Retirement Portfolio based on your date of birth, you may choose to rebalance your account into any of the other investment options within the Plan at any time by contacting New York Life Trust Company at (800) 294-3575 or via the web at [www.mylife.newyorklife.com](http://www.mylife.newyorklife.com).

**ELECTION FORM  
CA 401(K) PLAN AND TRUST (THE "PLAN")**

**Your election must be received no later than 2:00 p.m., New York City time, on June 11, 2014,  
to be included in the tabulation, unless the Tender Offer is extended.**

In accordance with the CA Offer to Purchase dated May 16, 2014, a copy of which I have received, I hereby instruct New York Life Trust Company, the directed trustee of the Plan which holds the shares of common stock of CA (the "Trustee"), to tender shares of CA common stock allocated to my Plan account as follows:

I hereby elect to tender \_\_\_\_\_% of the shares allocated to my Plan account in the Tender Offer under the procedures described in the "Letter to Participants in the Credit Acceptance 401(k) Plan and Trust."

The Trustee is required to follow your validly delivered instructions, provided they are in accordance with the terms of the Plan. The CA 401(k) Plan and Trust is prohibited by law from selling your shares to CA for a price that is less than the prevailing market price of CA's common stock. If the closing price of CA's common stock on the date the Tender Offer expires is higher than \$125.58 per share, none of the shares will be tendered pursuant to your tender instruction above and your instruction will be deemed to have been withdrawn.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Date: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Incorrectly completed or unsigned forms will be discarded in the Tender Offer.**

**NOTICE OF WITHDRAWAL  
FROM THE TENDER OFFER OF  
CREDIT ACCEPTANCE CORPORATION  
FOR PARTICIPANTS IN THE CREDIT ACCEPTANCE CORPORATION 401(K)  
PLAN AND TRUST**

To: Tabulator for Credit Acceptance Corporation 401(k) Plan and Trust

As a participant in the above-referenced plan, I hereby instruct New York Life Trust Company, the directed trustee (the "Trustee") of the CA 401(k) Plan and Trust which holds the shares of common stock of CA to withdraw from the Tender Offer (as defined in the Offer to Purchase) all Plan Shares that I previously instructed the Trustee to tender on my behalf, pursuant to the Tender Offer.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

Area Code and Telephone Number: \_\_\_\_\_

**DO NOT USE THIS FORM TO TENDER YOUR PLAN SHARES.  
ONLY USE THIS FORM TO WITHDRAW YOUR PREVIOUS TENDER OF PLAN  
SHARES FROM THE TENDER OFFER.**

**Mail or fax this withdrawal notice promptly to:**

Computershare  
c/o Voluntary Corporate Actions  
P.O. Box 43011  
Providence, RI 02940-3011  
Facsimile: (617) 360-6810