Select Inquiries Received through December 20, 2004

1. Great results...congratulations...any thoughts on giving same store dealer partner growth rate in originations? Also, you talk about a modest change in forecast that would cause a large change in the variance between the Company's recorded net investment and the present value of estimated future cash flows...what is a modest change? Is the .3% and .5% for 2002 and 2003 considered modest?

Same dealer-partner volumes, defined as unit volume for dealer-partners active in both the current period, and the same period of the prior year ("same dealer-partner volume") declined 6.8% for the nine months ended September 30, 2004 compared to the same period in 2003.

The reason for the decline is not clear. We could reverse the decline by pricing more aggressively but, since overall volumes are near optimal, we have chosen not to do so.

All things equal, we would prefer average dealer-partner volumes to be higher. The larger the impact we can make on our dealer-partner's profitability, the better our long-term prospects. As a result, a number of initiatives designed to improve dealer-partner volumes are in process.

The second part of your question seeks clarification on what we meant by a "modest change". What we were trying to communicate was that investors should think carefully about the relationship between a percentage change in our forecast, and the dollar change in the variance between the recorded net investment and the present value of estimated cash flows. For example, if the present value of estimated cash flows were to decrease by 1%, and the recorded net investment did not change, the resulting $5.2 million decrease would reduce the variance between the recorded net investment and the present value of estimated cash flows by 12%.

2. The excess of the estimated PV of future cash flows over the recorded net investment increased $3.1 million from 6/30/04 to 9/30/04. Is it fair to say that in the 3rd qtr, 2004 CAC's true (but non-GAAP) economic earnings were 5 cents higher per share (after tax) than what was reported?

We do not feel comfortable with your conclusion that our "true" earnings for the quarter were $.05 higher.

With one important caveat, we do feel comfortable with the following: If GAAP were modified to allow the net investment in loans receivable to be recorded at the NPV of estimated future cash flows, our "modified GAAP" earnings would have been $.05 higher per share (($3.1 million x 1-tax rate)/weighted average shares outstanding).

The caveat is as follows: If GAAP were modified in this way, and we have no reason to believe it will be, our earnings would be much more volatile than they are today. So while our results are more favorable this quarter under "modified GAAP", shareholders should avoid making any conclusions about the long-term profitability of our business based on a single quarter.

3. On the cash flow statement; what is 'Accelerated payments of dealer holdbacks' and what is the significance of the number being 2x's the size in the first 9 mths of this year vs. the number in the same period in 2003?

See question #4 posted August 16, 2004 for an explanation of this line item. The dollar amount of accelerated dealer holdback payments is a function of loan volumes, collection rates and the number of loan pools closed.

Select Inquiries Received through October 19, 2004

1. Is there an easy way you can explain to me how your Dutch auction works? And what the advantage is to both the company and the shareholders?

Shareholders can choose a price at which they are willing to sell their shares, within the range specified by the Company in the offering document. At the completion of the tender, the Company selects the lowest single purchase price that results in the purchase of the number of shares specified. If fewer than the target number of shares are tendered, the Company purchases all of the tendered shares at the highest price specified by tendering shareholders. All shares acquired in the tender offer will be purchased at the same purchase price regardless of whether the shareholder selected a lower price. A more detailed description of the tender offer can be found in the Offer to Purchase. This document can be located on the investor relations section of our website under SEC filings.

The second part of your question relates to the advantages to "both the Company and to shareholders." The advantage of our Dutch Tender offer for shareholders depends on whether the Company has correctly assessed the capital needs and value of our business. If our assessments are correct, the per share value of our business will increase as a result of our share repurchase. The incremental benefit depends on the true value of our Company, that is, the discounted value of future dividends. For example, if we were able to repurchase 10% of our shares at a 50% discount to true value, the per share value of the remaining shares would be increased by 5%. Of course, the discounted value of future dividends is not a number that can be calculated with precision. It depends largely on an assessment of the Company's future prospects.

Your question inquires about the benefit to "the Company". There is no benefit to the Company that is separate from the benefit to shareholders described above.

2. If the $40 million "in excess collections expected" from the current loan base (as noted in the release) were included in GAAP accounting, meaning it ran through the P&L and the balance sheet, what would the impact be to quarterly earnings?

Assuming GAAP were modified to allow the net investment in loans receivable to be recorded at the estimated present value of future cash flows ("PVFCF"), to the extent the $40 million excess of PVFCF over the net investment recorded under current GAAP ("excess") increased over time, our earnings would be higher under modified GAAP then under current GAAP. To the extent the $40 million "excess" decreased over time, our earnings would be lower under modified GAAP then under current GAAP. In each case, the difference in pre-tax earnings would equal the amount of the change in the "excess" during the period. For example, if the "excess" increased to $45 million during Year 1, our pre-tax earnings would be $5 million higher under modified GAAP then under current GAAP.

Under modified GAAP, the initial difference of $40 million would be recorded as an increase in the net investment in loans receivable of $40 million, an increase in retained earnings of $26 million and an increase in deferred taxes of $14 million.

We have no reason to believe GAAP will be modified in this manner.

Select Inquiries Received through September 7, 2004

1. What is the future of CACC as a public company? Does the company intend to stay public, or is the company exploring the option of going private? Management owns a significant portion of this highly illiquid stock and the buybacks, while admirable, will most likely exacerbate this issue.

We intend to continue to repurchase shares when we have excess capital and the share price is attractive. We believe it is unlikely this strategy, given the number of unrestricted shares outstanding and the capital needs of our business, will result in us repurchasing all the publicly owned shares.

Our goal is to create the most valuable business possible, in per share terms. We believe our historical share repurchases have been beneficial in this regard. Creating liquidity in our shares has never been and is not likely to be a priority for us.

2. Regarding Hurricane Charley, can you give us an idea of the level of your business in Florida (loan originations and dealers relative to your overall business)?

Approximately 2% of our business is originated in Florida.

3. I am working on a report on the sub prime auto finance industry. Can you provide me with your most recent delinquency rates for 30-60 days and 60+? I can't seem to find this metric in your reports.

We have not found portfolio delinquency rates to be useful in running our business, primarily because portfolio delinquency rates are influenced to a significant degree by the rate of growth in loan originations. Since we do not find the metrics you requested useful, we do not believe adding these metrics to our disclosures is appropriate at this time.

Investors monitoring our credit quality are provided with actual and forecasted collection rates by year of origination. In addition, in the most recent quarter we began disclosing discounted and undiscounted cash flows expected from our loan portfolio. We believe the information provided is more useful than traditional delinquency measures.

Select Inquires Received through August 16, 2004

We have received many thoughtful questions since our new policy was announced. We have posted answers to questions we were able to respond to quickly, and are researching several others that will require more time. Although the process is new, we have now received enough questions to develop a sense for questions we will not answer. Questions we will not answer fall into three categories:

(1) Questions requiring a projection (i.e. earnings, loan volume, credit quality).
(2) Questions inquiring about our mental state (i.e. How do you feel about credit quality?)
(3) Question that have been previously answered.

Thank you for your questions thus far.

1. What comprises the 'Other Income' line item and what was the primary reason for the increase in 'Other Income'? What was the amount of gains on leases?

Other income includes monthly fees paid by our dealer-partners for access to CAPS (our Internet based origination system), premiums earned on our credit life insurance product, gains on operating leases at termination, dealer enrollment fees and fees charged to dealer-partners for other services like training and lead generation.

Other income increased, as a percentage of revenue, to 11.4 % and 12.3% for the three and six month periods ended June 30, 2004, from 10.0% and 11.3% for the same period of the prior year.

The increase is primarily due to an increase in monthly fees paid by dealer-partners for access to CAPS. CAPS fees are expected to increase proportionately with the active dealer-partner count. To a lesser extent, Other Income increased as a result of an increase in lease termination gains, dealer enrollment fees, and fees charged to dealer-partners for other products and services relating to our core program such as training and lead generation services.

Lease termination gains were $361,000 for the quarter, compared to $161,000 for the same period of 2003.

2. Why did the average contract size decline to $12,500 from $12,900 in the first quarter and $13,000 in the second quarter of 2003?

The average contract size did not decline. The table in our earnings release included the following data regarding contract size:

	Three months ended June 30,			Six months ended June 30,		
	2004	2003	% change	2004	2003	% change
(Dollars in thousands)						
Average loan size	12.5	12.5	-	12.5	12.1	3.5%

We did, however, change the way we report this number. Reported loan originations previously included transactions that increased our loan balance but did not represent new loans. These transactions, the most common of which are late fees charged to existing loans, are now reported in a separate line item called Other fees, in Footnote 3 of our Financial Statements. Previously the reported average loan size was calculated by dividing the reported dollar amount of loan originations for the period, which included Other fees, by the number of loans for the period.

Average loan sizes reported in the current period exclude Other fees. All prior period numbers reported in the current period have been reclassified to conform to the new presentation.

3. In your 10Q, you previously had a summary of the changes in the investment in operating leases. We noticed you do not have it in the 2Q 10Q. Why did you decide to stop providing this?

We dropped this disclosure based on materiality. Our net investment in operating leases has been reduced to $1.9 million. Our current projections show this amount to be recoverable.

4. In the cash flow statement there is a new line item 'Accelerated Payments of Dealer Holdbacks.' What is this?

We pay a portion of the dealer-holdback at the time a dealer-partner closes a pool of loans. To be eligible for this payment, dealers must meet certain criteria relating to the quality of their portfolio and the length of time that they have been on our program. The amount of the payment is based upon a formula that considers the forecasted collections of the pool of loans and the current advance balance.

Prior to 2004, these payments were included in Payments of dealer holdbacks in our cash flow statement.

5. Why did the number of loans per active dealer decline to 19.2 loans from 21.8 loans in the second quarter of 2003?

The decline in loans per active dealer for the six-month period is the result of an increase in new dealer-partner enrollments. The decline in loans per active dealer-partner for the second quarter, compared to the same period in the prior year, is partially explained by an increase in new dealer-partner enrollments. The remainder of the decline in loans per active dealer-partner experienced in the second quarter is either related to overall market conditions, or is not fully understood at this stage.

To arrive at this conclusion, we performed the following analysis: First, we segmented active dealer-partners into groups according to how long they had been active on our program. We observed that loans per active dealer-partner increase over time. We also observed the percentage of dealers in the 0-1 year old and 1-2 year old segments were higher in 2004 than in 2003.

To calculate the impact, we recalculated average volume per dealer-partner in 2004 assuming the distribution by age group was the same as in 2003. The results are as follows:

		2004	
	Q1	**Q2**	**YTD**
Change in average volume per dealer-partner (reported)	-1.7%	-11.8%	-6.1%
Change in average volume per dealer-partner (recalculated assuming same dealer-partner age as 2003)	3.3%	-6.9%	-1.1%

If the distribution by age group had not changed, we have reason to believe average volume per dealer-partner in Q1 would have been higher than in 2003. Although average volume per dealer-partner was negatively impacted by dealer age in Q2 as well, after adjusting for this variable we still observe a 6.9% decline compared to the same period in the prior year. We cannot explain the remaining decline with confidence. We noticed other companies in our industry, like CarMax and AutoNation, reported lower used vehicle sales volumes on a same store basis during their most recent quarters. CarMax attributed the decline to higher gas prices, interest rates and wholesale prices. These factors could have impacted our volumes as well.

The significance of the trend in average dealer-partner volumes will be more apparent at the end of the third quarter.

<u>Select Inquires Received through August 6, 2004</u>

1. Why did you use a 30% discount rate to calculate the present value of the future expected cash flows from the current asset base? Why not 10%?

30% was selected to be consistent with the discount rate used to establish our allowance for credit losses under GAAP. Conceptually, it represents the average expected yield at the inception of the loan. Using 10% would result in an estimated present value of future cash flows of approximately $571 million. Keep in mind the estimated cash flows are before tax and before expenses required to service the loans.

2. Why are some of the historical numbers listed in the 2 tables for forecasted collections (12/31/03) and advance rates different from the 1st quarter 10Q?

We changed the table to report U.S. results, as this is our only active segment going forward. Last quarter's table was consolidated, which means it included the United Kingdom and Canada.

3. What level of growth in dealer-partners (#of) do you anticipate/project a year from now?

Although we have internal goals related to dealer-partner enrollments and attrition, we don't believe it is helpful to make these targets public. However, given the importance of this metric, we believe it is appropriate to expand our disclosures in this area.

The dealer-partner number we disclose is a count of active dealer-partners. The number of active dealer-partners is a function of new dealer-partner enrollments and attrition. The following table rolls forward the count of active dealer-partners from Q2 of 2003 to Q2 of 2004:

Active dealer-partners - Q2 2003	677
New dealer-partners	385
Attrition	(163)
Active dealer-partners - Q2 2004	899

We added 385 dealer-partners and lost 163 or 24% of the active dealer-partners as of Q2 of 2003.

New dealer-partner enrollments are a function of the number of sales personnel, called MAM's for Market Area Managers, and their productivity. The following table details new dealer-partners and productivity per MAM over the past 12 months:

	New Dealer-Partners	MAM's	Productivity
Jul-03	36	35	1.03
Aug-03	23	33	0.70
Sep-03	29	33	0.88
Oct-03	28	34	0.82
Nov-03	26	40	0.65
Dec-03	27	40	0.68
Jan-04	40	40	1.00
Feb-04	36	42	0.86
Mar-04	44	43	1.02
Apr-04	24	47	0.51
May-04	41	48	0.85
Jun-04	31	49	0.63
			0.80

We expect to add 1 MAM per month over the next 18 months.

We will begin to include the above tables in our quarterly reports.

4. Did loan originations grow at the +17% rate in each of the months of the quarter? Meaning, did the quarter end at roughly the same run rate as you averaged for the quarter?

April	16.2%
May	8.3%
June	27.5%

May 2004 had on less business day than the prior year. June 2004 had one more business day than the prior year.

5. Why didn't you buy back additional stock during the quarter?

We stopped repurchasing shares on April 1 intending to begin again after our earnings release. Our first quarter earnings were not released until May 14, at which time we no longer believed we could repurchase shares without an unfair advantage. Now that our second quarter release and 10-Q have been filed we are free again to repurchase shares.