

CREDIT ACCEPTANCE CORP
Form 10-Q
July 30, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-20202
CREDIT ACCEPTANCE CORPORATION
(Exact name of registrant as specified in its charter)

MICHIGAN
(State or other jurisdiction of incorporation or
organization)

38-1999511
(I.R.S. Employer Identification No.)

25505 WEST TWELVE MILE ROAD
SOUTHFIELD, MICHIGAN
(Address of principal executive offices)

48034-8339
(Zip Code)

Registrant's telephone number, including area code: 248-353-2700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated
filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller
reporting company)

Smaller reporting
company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
 No

The number of shares of Common Stock, par value \$0.01, outstanding on July 19, 2013 was 23,280,737.

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PART I. - FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED BALANCE SHEETS

(In millions, except share and per share data)

	As of	
	June 30, 2013 (Unaudited)	December 31, 2012
ASSETS:		
Cash and cash equivalents	\$ 9.0	\$ 9.0
Restricted cash and cash equivalents	116.9	92.4
Restricted securities available for sale	47.5	46.1
Loans receivable (including \$7.3 and \$5.9 from affiliates as of June 30, 2013 and December 31, 2012, respectively)	2,278.5	2,109.9
Allowance for credit losses	(185.8)	(176.4)
Loans receivable, net	2,092.7	1,933.5
Property and equipment, net	22.4	22.2
Income taxes receivable	0.8	1.1
Other assets	26.0	28.9
Total Assets	\$ 2,315.3	\$ 2,133.2
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 112.3	\$ 105.8
Revolving secured line of credit	150.8	43.5
Secured financing	902.3	853.0
Mortgage note	3.9	4.0
Senior notes	350.2	350.3
Deferred income taxes, net	141.3	148.4
Income taxes payable	0.6	6.3
Total Liabilities	1,661.4	1,511.3
Commitments and Contingencies - See Note 14		
Shareholders' Equity:		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none issued	—	—
Common stock, \$.01 par value, 80,000,000 shares authorized, 23,280,737 and 24,114,896 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively	0.2	0.2
Paid-in capital	58.7	53.4
Retained earnings	595.2	568.4

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Accumulated other comprehensive loss	(0.2)	(0.1)
Total Shareholders' Equity	653.9	621.9
Total Liabilities and Shareholders' Equity	\$ 2,315.3	\$ 2,133.2

See accompanying notes to consolidated financial statements.

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CREDIT ACCEPTANCE CORPORATION
 CONSOLIDATED STATEMENTS OF INCOME
 (UNAUDITED)

(In millions, except share and per share data)	For the Three Months		For the Six Months	
	Ended		Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Revenue:				
Finance charges	\$ 147.5	\$ 134.0	\$ 290.4	