

AUTOFINANCENEWS

A ROYAL MEDIA GROUP PUBLICATION

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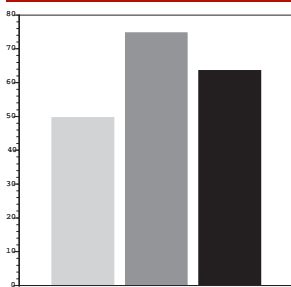
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AUTO ABS VOL.



to date 2001 total 2001 to date 2002
in billions as of 5/3

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AUTO FINANCE COS. STRUGGLE, BUT POST STRONG EARNINGS

Auto finance companies reported better-than-expected results in the first quarter of the year despite the sputtering economic recovery and escalating credit losses. True, the earnings were lower in the first three months of the year than they were in the fourth quarter of 2001, but the slump that was expected to hit the sector after last year's strong results has yet to materialize.

Companies in the auto finance sector continue to benefit from low interest rates, which fell to historic levels after the Federal Reserve Board cut its overnight lending target 11 times last year to 1.75%. Only since the start of the year have those rates begun to creep higher.

And, though the economic turnaround has been slower than some anticipated, auto sales are still higher than the same quarter last year and are on pace through April to hit 17.4 million for the year, compared with the 16.5 million pace through the same period last year.

"Auto loan originations continue to increase while delinquency and total repossessions over 30 days decreased from fourth-quarter levels," said Guillermo Bron, chairman of **United PanAm Financial Corp.**, a Newport Beach, Calif., lender. "Yet, we continue to be adversely impacted by the effects of last year's events and the decline in value of used cars. Charge-offs during the quarter were much higher than last year's."

Most of the publicly traded auto finance companies tracked by *Auto Finance News* reported net income surpassing the expectations of analysts, as tallied at **Thomson Financial/First Call**, a financial services industry barometer.

General Motors Acceptance Corp. posted net income of \$439 million, up 2% over the first quarter of 2001 when the auto finance giant reported some \$431 million. While the results

Continued on page 12

DESPITE HIGHER AUTO SALES, ECONOMISTS SEE INCENTIVES SLOWING; 0% ALMOST DEAD

Though incentives have played a major role in the unexpected surge in light vehicle sales this year — all major automakers, except **Ford Motor Co.**, recently reported gains for April — industry analysts expect manufacturers to continue slashing incentives programs.

Overall, U.S. auto sales rose 2.9% in April from a year earlier, according to **Ward's AutoInfoBank**, an industry database. Automakers sold 1.45 million cars and light trucks in April for a seasonally adjusted annual sales rate of 17.4 million vehicles, according to **Autodata Corp.**, which tracks sales.

General Motors Corp. led the way, posting a 12.4% increase in sales for April, while **Chrysler Corp.**, a unit of **DaimlerChrysler**, reported a 3% gain, and Ford slid 7.4%. Meanwhile, **Nissan Motor Co.**'s U.S. sales jumped 15%, while **Toyota Motor Corp.** (0.3%) and **American Honda Motor Corp.** (1.1%) both reported modest sales increases.

"Sales started out strong from the beginning of April, due in large part to the incentive programs from the Big Three, pushing the market much higher than most analysts anticipated," said Dr. Robert H. Schnorbus, chief economist at **J.D. Power & Associates**, a research group in Agoura Hills, Calif.

Already, the automakers are reworking their incentives strategies. General Motors, which launched the wildly popular 0% financing program that swept the industry following Sept. 11, announced recently it would end 0% financing, lower discounts on certain popular sports utility vehicles (SUVs), and raise them on less successful models.

"Going forward, I definitely see a pullback on certain incentives programs, as we are seeing

Continued on page 3

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Incentives

0% FINANCING WANING

continued from page 1

now with GM," said Greg Jelinek, executive vice president of the dealer finance division at **National City Bank**, Cleveland, Ohio. "The fact is that they just can't afford to offer some of these programs forever. The incentives have been, in some cases, at historic levels. Now that GM has cancelled 0% financing, I expect the others to soon follow."

"They're already starting to juggle and shuffle their incentive programs, but I still expect them to remain relatively high," said Schnorbus. "They need to maintain these sales levels, or close to it, to keep their factories operating at full capacity. If they don't keep pace in the incentives battle, they run the risk of losing marketshare, which will come back to haunt them."

GM and Ford have already announced they were ending their 0% financing programs, while Chrysler Group officials said the company will continue to offer the financing option on certain vehicles.

Chrysler's new incentive plan offers the choice of a \$2,500 rebate or no interest, three-year loans on the Jeep Grand Cherokee, most minivans and the Dodge Durango. The offer runs through the end of this month.

For its part, Ford introduced a new incentive program offering customers a cash rebate or a combination of a cash rebate and cut-rate financing on certain vehicles. That program, dubbed the "cash-plus option," extends through July 1 with rebates of as much as \$3,000 and finance rates as low as 0.9%.

Meanwhile, many analysts attribute the higher sales levels directly to the incentives programs.

"If the incentives were to disappear tomorrow, the sales rate would be at least a million units slower," said David Littmann, chief economist at **Comerica Bank**, Detroit. "Incentives are playing an essential part in auto sales, and it is incumbent on the auto-makers to realize profits through these cost cutting measures."

Regardless of the popularity of 0% financing, with interest rates creeping higher, the programs are becoming cost prohibitive, forcing automakers to use other incentive programs.

"We're going to see more cash-back incentive programs," said Schnorbus. "We'll still have to wait and see, ultimately, what manufacturers do with interest rate-tools, and it looks like they'll be moving away from them. Already, GM is blending the two with a net reduction in interest-rate programs in favor of cash rebates." GM's new "1-2-3" program offers 1.9%, 2.9% and 3.9% financing, as well as \$1,000, \$2,000 and \$3,000 cash discounts.

Analysts expect auto sales to hit the annual 16.5 million mark most experts are forecasting — which would mean a slower sales pace than the industry experienced in April.

"We're holding our breath," said Jelinek of National City Bank. "While we're on target with our retail loan volumes, I was surprised GM and Chrysler's numbers were so high, because we're hearing from our dealer base that traffic is getting lighter."

CALENDAR

May 26-28

World Trade Group holds its Financial Services Technology Summit at the Sheraton Hotel & Towers Conference Center in Frankfurt, Germany +44 (0) 20-7566-4800 or www.fst.worldtradeco.com

June 6-8

The National Association of Retail Collection Attorneys sponsors its Spring Collection Conference at the Grand Hyatt Washington in Washington, D.C. 800-233-1234 or www.narca.org

June 12-14

The Consumer Bankers Association holds its 4th annual collections conference at the Hershey Lodge & Convention Center in Hershey, Pa. 703-276-1750 or www.cbanet.org

June 16-18

The Financial Managers Society Inc. hosts "The Finance & Accounting Forum for Financial Institutions" at the Gaylord Palms Resort & Conference Center in Kissimmee, Fla. 407-586-2000 or www.fmsinc.org

June 17-19

The National Automotive Finance Association sponsors its 6th annual Nonprime Auto Lending Conference at the Sheraton Chicago Hotel & Towers. 800-463-8955

WHO'S SELLING WHAT

Automakers sold 1.45 million cars and light trucks in April for a seasonally adjusted annual sales rate of 17.4 million vehicles, up from the 16.3 million estimate in the first quarter. Those April sales statistics include:

General Motors Corp. sold 422,089 vehicles, a 12.4% increase from the same month a year ago.

Ford Motor Co. posted a 7.4% decline on sales totaling 307,061.

Chrysler Corp. sold 200,421 vehicles for a 3% gain.

Toyota Motor Corp. sales rose 0.3% to 147,334.

Nissan Motor Co. had a 15% gain on 61,172

Hyundai Motor Co., increased 14% to 30,972

Mitsubishi Motors Corp. sales rose 8.4% to 30,029

Mazda Motor Corp. reported a 5.2% decline to post 21,584 in sales.

Volkswagen posted a 0.7% decline to total 30,216 vehicles sold.

Bayerische Motoren Werke AG grew its U.S. sales 15% to 23,994.

Audi AG sales increased 0.9% to 7,134.

RVI Half- Page 2-Color Verticle Ad

Nonprime

BAD-CREDIT BORROWERS SHOP FOR CARS LIKE PRIME CONSUMERS, STUDY FINDS

Consumers with higher credit risk share the same optimistic outlook for economic recovery as average consumers, and many in both groups rank automobile purchases as one of their top spending priorities over the next year.

Those were some of the findings of a recent independent study conducted by **Market Facts Inc.**, Chicago, for auto lending giant **AmeriCredit Corp.**, Fort Worth, Texas. Two identical surveys comparing economic and spending attitudes were conducted: one of Americans 18 years of age and older; the other of borrowers with damaged credit.

The most telling finding of the survey showed that 80% of nonprime consumers anticipate their spending habits will return to normal within a year — a figure closely paralleled by the 81% of consumers in general polled who agreed that a major economic recovery is on the horizon.

"The survey shows nonprime consumers don't differ in any meaningful way from the general public in their attitudes about their financial future or future spending plans," said AmeriCredit Chief Executive Michael Barrington. "However, it does appear nonprime consumers place a much higher priority on making car and auto insurance payments in difficult economic times than the average American consumer."

In fact, the report showed that while 85% of nonprime consumers ranked their mortgage or rent first in payment priorities, 67% ranked car payments second, and 58% ranked auto insurance third. By contrast, 79% of average consumers ranked their mortgage or rent first, followed by car payments (41%) and auto insurance (39%).

Monthly credit card payments ranked fourth in importance with both groups.

Looking ahead, the study reported that regardless of credit standing, consumers not only agreed there will be an imminent return to "normalcy," but shared the same priorities when it comes to purchasing in the coming year.

The majority of members in both groups listed an automobile as a major purchase they plan to make next year, surpassed in order of priorities only by vacations and home improvements.

"With car sales already higher than expected for this year, I think this bodes well for the auto finance sector for the rest of 2002 and into 2003," said John Hoffmann, a spokesman for AmeriCredit.

Strategies

UAC TO OFFER 3RD-PARTY SERVICING, INSURANCE

Indianapolis-based **Union Acceptance Corp.** expects to begin offering insurance products to its dealer-clients and subservicing functions to other auto financiers later this year.

The move is part of a broader effort initiated by Michael G. Stout, the company's chief executive, to increase revenue and to position UAC for stable growth.

Since last year, the company has been bolstering its servicing and collection platforms under the leadership of Lee N. Ervin, the company's recently appointed president and chief operating officer. In the last six months, UAC has purchased a system developed by **CenterForce Technologies Inc.**, Bethesda, Md., to better gauge when customers will be home, thereby improving chances for collecting delinquent loan payments. Ervin has also instituted Sunday hours for collection phone calls, and

has modified the incentive program for the company's 200 loan collectors.

In January, Ervin hired Bob Hardman as senior vice president of servicing, a newly created position. Hardman was most recently employed at **Bank of America Corp.** subsidiary **EquiCredit Corp.**, where he managed a \$29 billion portfolio as vice president of foreclosure. In his 29 years at EquiCredit and its predecessor companies, Hardman held positions in underwriting, collections, and asset disposition, among other things.

Last month, UAC hired Brett Hughes to head the insurance initiative, which will be called **Union Acceptance Insurance Services Inc.** and be developed in conjunction with **Balboa Insurance Co.**, the Irvine, Calif.-based unit of **Countrywide Credit Industries Inc.** The agency will offer auto-related insurance products to UAC's 5,800 dealers nationwide.

UAC expects to sign its first subservicing client next quarter, and begin its insurance operations in the fourth quarter.

REGIONAL AND NATIONAL AUTO LOAN RATES

Rates are for 60-month loans on 2001-2002 new autos and one-year-old used autos. For purposes of this survey, borrowers are considered to have A+ credit if their scores on auto-specific models of combined credit reporting bureaus exceeds 720; A if their scores fall between 680 and 719; B, 650 and 679; and C, 625 and 649. For lender-specific rate and fee information, contact Bob Johnston at INFORMA RESEARCH SERVICES INC. at 800-848-0218 x291.	NEW AUTOMOBILE RATES					
		A+	A	B	C	Nat'l Avg.
	Northeast	5.65	5.79	6.64	8.21	6.57
	Southeast	5.66	5.78	6.71	8.44	6.65
	Central Midwest	5.84	5.84	6.96	9.33	6.99
	TX & Southwest	5.90	6.13	7.56	9.93	7.38
	Western	6.06	6.12	7.17	9.48	7.21
	Northwest	6.64	6.97	7.99	9.73	7.83
	Tier Avg. Rate	5.96	6.10	7.17	9.18	7.10
	USED AUTOMOBILE RATES					
		A+	A	B	C	Nat'l Avg.
	Northeast	5.74	5.85	6.72	8.31	6.66
	Southeast	5.83	5.96	6.93	8.68	6.85
	Central Midwest	6.13	6.13	7.16	9.63	7.26
	TX & Southwest	6.17	6.43	7.76	10.14	7.62
	Western	6.27	6.35	7.40	9.61	7.41
	Northwest	6.65	6.98	8.02	9.74	7.85
	Tier Avg. Rate	6.13	6.28	7.33	9.35	7.27

Source: Informa Research Services Inc., 800-848-0218

*as of 5/2

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People

CASSATA FILLS NEW UAC SALES POST

Union Acceptance Corp., Indianapolis, has named Phil Cassata to the newly created position of senior vice president of sales. Reporting directly to company President and COO Lee Ervin, Cassata will coordinate corporate sales, including new product development. Cassata will also oversee the national sales staff and new sales efforts in conjunction with other auto-related financial service already in play.

Cassata come over to UAC from **Isuzu Motors Acceptance Corp.**

LISK DEPARTS SAAB, FINANCING UNIT DISBANDED

Michael Lisk, president of **Saab Financial Services Corp.** (SFSC), recently left the automaker and the unit's operations have been absorbed by parent **General Motors Corp.**

Lisk was appointed to the post shortly after SFSC — the Norcross, Ga.-based captive finance company for **Saab Cars USA Inc.** — began offering lease and retail financing to Saab franchise dealers in the U.S. in August of 1999.

GM bought 50% of Saab Automobile AB in 1990, and in early 2000 bought the remaining 50% for \$700 million from **Investor AB**, a Swedish holding company. Last year, according to an internal document obtained by *Auto Finance News*, GM officials launched a major restructuring of Saab Cars USA's global legal and capital operations, which included transferring ownership and management of Saab's finance companies in the U.S. and the U.K. to **General**

Motors Acceptance Corp. (GMAC) and its **Nuvel Financial Services Corp.** subsidiary.

"SCUSA and SFSC are partnered with Nuvel Financial Services, a GMAC subsidiary, to manage the core operations and functions for SFSC," the document stated. "Nuvel will continue to oversee the SFSC operation and will assume certain management functions previously handled by SCUSA. Therefore, the day-to-day business relationship between Saab retailers and SFSC will not change."

From the customer's vantage point, all financing will continue to be written in the name of SFSC. The primary difference will only be in the ownership of the SFSC portfolio.

A spokesman for Saab said Lisk's exit was amicable, and he stayed on several months after the restructuring was formalized in January to oversee a smooth transition before departing in March. Lisk could not be reached for comment.

NAF Assoc. Half-Page Black & White Advertisement

INCENTIVE MONITOR

AUDI

2002 model incentives

Model	24 Mos.	36 Mos.	48 Mos.	60 Mos.
A4	1.9%	2.9%	3.9%	4.9%
A6	1.9%	2.9%	3.9%	4.9%
A8	1.9%	2.9%	3.9%	4.9%
S4	1.9%	2.9%	3.9%	4.9%
S6	1.9%	2.9%	3.9%	4.9%
S8	1.9%	2.9%	3.9%	4.9%
TT	1.9%	2.9%	3.9%	4.9%
Allroad Quattro	1.9%	2.9%	3.9%	4.9%

DAEWOO

Financing for new 2001 Lanos, Nubira, and Leganza:

Model	Cash Back	24 Mos.	36 Mos.	48 Mos.	60 Mos.
Lanos S	\$1,000	0%	0%	2.9%	5.9%
Lanos Sport	\$1,500	0%	0%	2.9%	5.9%
Nubira Wagon	\$1,500	0%	0%	2.9%	5.9%
Nubira CDX	\$1,750	0%	0%	2.9%	5.9%
Nubira SE	\$1,500	0%	0%	2.9%	5.9%
Leganza CDX	\$2,500	0%	0%	2.9%	5.9%
Leganza SX	\$2,000	0%	0%	2.9%	5.9%
Leganza SE	\$1,750	0%	0%	2.9%	5.9%

Financing for new 2002 Leganza, Nubira, and Lanos:

Model	Cash Back	24 Mos.	36 Mos.	48 Mos.	60 Mos.
Lanos S	\$500	—	—	—	—
Lanos Sport	\$500	—	—	—	—
Nubira SE	\$750	—	—	—	—
Leganza CDX	\$1,000	—	—	—	—
Leganza SE	\$750	—	—	—	—

FORD

2002 model incentives

Model	Cash Back	36 Mo.	48 Mo.	60 Mo.
Windstar	\$3,000	0.9%	0.9%	3.9%
F-150 (excl Super Crew)	\$2,500	0.9%	2.9%	3.9%
F-150 Super Crew	\$1,000	0.9%	2.9%	3.9%
F-Series Super Duty	\$1,000	0.9%	2.9%	4.9%
Expedition	\$2,500	0.9%	2.9%	3.9%
Explorer	\$1,500	0.9%	2.9%	4.9%
Explorer Sport	\$2,500	0.9%	2.9%	4.9%
Explorer Sport Trac	\$2,000	0.9%	2.9%	4.9%
Econoline Wagon	\$1,000	0.9%	3.9%	4.9%
Taurus	\$2,000	0.9%	2.9%	4.9%
Ranger	\$2,500	0.9%	2.9%	4.9%
Excursion	\$2,000	0.9%	2.9%	4.9%
Crown Victoria	\$2,500	0.9%	2.9%	4.9%
Focus	\$1,500	0.9%	0.9%	3.9%
Mustang	\$1,500	0.9%	2.9%	4.9%
Escort	\$1,500	0.9%	2.9%	4.9%

GENERAL MOTORS

2002 model incentives

Model	Cash Back	36 Mo.	48 Mo.	60 Mo.
Prizm	\$3,000	1.9%	2.9%	3.9%
Cavalier	\$3,000	1.9%	2.9%	3.9%
Sunfire	\$3,000	1.9%	2.9%	3.9%
Camaro (all models)	\$2,000	1.9%	2.9%	3.9%
Firebird (all models)	\$2,000	1.9%	2.9%	3.9%
Corvette	\$1,000	1.9%	2.9%	3.9%
Alero	\$2,000	1.9%	2.9%	3.9%
Grand Am	\$2,000	1.9%	2.9%	3.9%

Malibu	\$2,000	1.9%	2.9%	3.9%
Impala	\$2,000	1.9%	2.9%	3.9%
Century (all models)	\$2,000	1.9%	2.9%	3.9%
Monte Carlo	\$2,000	1.9%	2.9%	3.9%
Grand Prix	\$2,000	1.9%	2.9%	3.9%
Intrigue	\$2,000	1.9%	2.9%	3.9%
Regal (all models)	\$2,000	1.9%	2.9%	3.9%
Bonneville	\$3,000	1.9%	2.9%	3.9%
LeSabre	\$3,000	1.9%	2.9%	3.9%
DeVille (all models)	\$1,000	1.9%	2.9%	3.9%
Eldorado	\$3,000	1.9%	2.9%	3.9%
Seville	\$2,000	1.9%	2.9%	3.9%
Park Avenue	\$3,000	1.9%	2.9%	3.9%
Park Avenue Ultra	\$3,000	1.9%	2.9%	3.9%
Aurora	\$3,000	1.9%	2.9%	3.9%
S-10 (all models)	\$3,000	1.9%	2.9%	3.9%
Sonoma (all models)	\$3,000	1.9%	2.9%	3.9%
Silverado (all but crew)	\$2,000	1.9%	2.9%	3.9%
Silverado crew cab	\$1,000	1.9%	2.9%	3.9%
Sierra (all but crew)	\$2,000	1.9%	2.9%	3.9%
Sierra crew cab	\$1,000	1.9%	2.9%	3.9%
Avalanche	\$2,000	1.9%	2.9%	3.9%
Escalade EXT	\$2,000	1.9%	2.9%	3.9%
Tracker	\$3,000	1.9%	2.9%	3.9%
Blazer (all models)	\$2,000	1.9%	2.9%	3.9%
TrailBlazer (GMT360)	\$1,000	1.9%	2.9%	3.9%
TrailBlazer EXT (GMT370)	\$1,000	1.9%	2.9%	3.9%
Envoy (GMT360)	\$1,000	1.9%	2.9%	3.9%
Envoy XL (GMT370)	\$1,000	1.9%	2.9%	3.9%
Bravada (GMT360)	\$1,000	1.9%	2.9%	3.9%
Aztek	\$2,000	1.9%	2.9%	3.9%
Rendezvous	\$2,000	1.9%	2.9%	3.9%
Tahoe (GMT820)	\$2,000	1.9%	2.9%	3.9%
Yukon (GMT820)	\$2,000	1.9%	2.9%	3.9%
Yukon XL (GMT830)	\$2,000	1.9%	2.9%	3.9%
Escalade	\$1,000	1.9%	2.9%	3.9%
Chevy Suburban	\$2,000	1.9%	2.9%	3.9%
Venture	\$3,000	1.9%	2.9%	3.9%
Silhouette	\$3,000	1.9%	2.9%	3.9%
Montana	\$3,000	1.9%	2.9%	3.9%
Astro (passenger models)	\$3,000	1.9%	2.9%	3.9%
Astro (conv. models)	\$3,000	1.9%	2.9%	3.9%
Astro (all other models)	\$2,000	1.9%	2.9%	3.9%
Safari (passenger models)	\$3,000	1.9%	2.9%	3.9%
Safari (conv. models)	\$3,000	1.9%	2.9%	3.9%
Safari (all other models)	\$2,000	1.9%	2.9%	3.9%
Express (conv. models)	\$2,000	1.9%	2.9%	3.9%
Savana (conv. models)	\$2,000	1.9%	2.9%	3.9%
Express (all other models)	\$2,000	1.9%	2.9%	3.9%
Savana (all other models)	\$2,000	1.9%	2.9%	3.9%

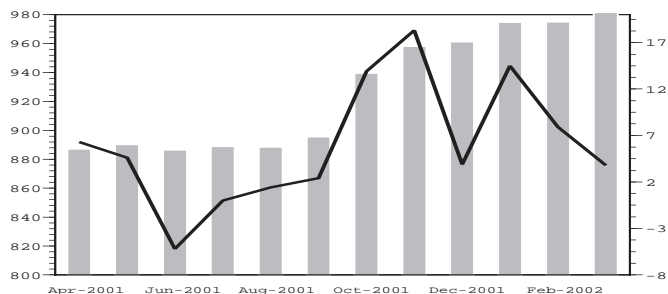
HONDA

2002 model incentives

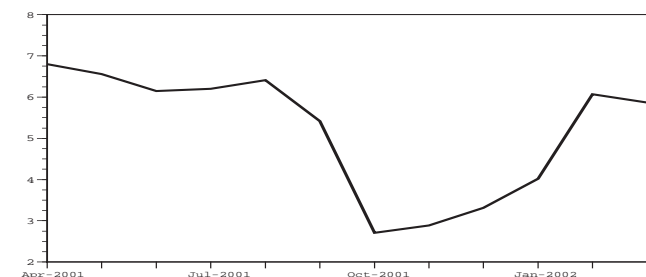
Model	36 Mo.	60 Mo.
Accord DX	2.9%	4.9%
Accord EX	2.9%	4.9%
Accord LX	2.9%	4.9%
Accord SE	2.9%	4.9%
Civic DX	2.9%	4.9%
Civic EX	2.9%	4.9%
Civic GX	2.9%	4.9%
Civic HX	2.9%	4.9%
Civic LX	2.9%	4.9%
Civic Si	2.9%	4.9%

Market Monitor

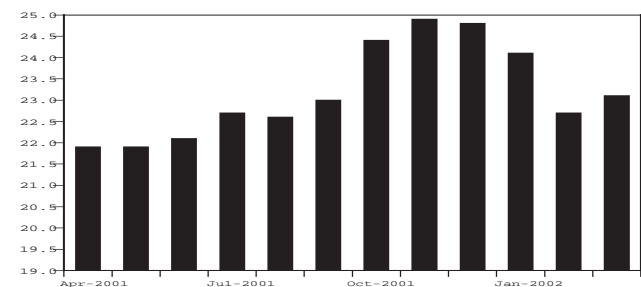
BANKS' NONREVOLVING LOAN OUT.*



AVG. INTEREST RATE AT FINANCE COS.♦



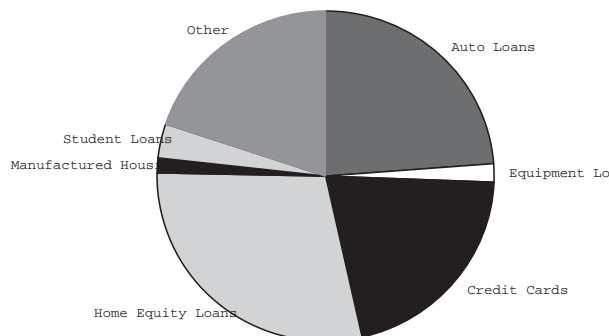
LENDING VOL. AT AUTO FINANCE COS.♦



*IN \$BILLIONS
♦INCLUDES DATA FROM FORD MOTOR CO., GENERAL MOTORS CORP., AND DAIMLERCHRYSLER AG.

SOURCE: FEDERAL RESERVE BOARD

ASSET SECURITIZATION BY SECTOR



TYPE	'02 YTD (%)	'01 YTD (%)
Auto Loans	20.3	21.6
Equipment Loans	1.3	1.3
Credit Cards	15.1	20.2
Home Equity Loans	29.4	27.0
Manufactured Housing	1.5	1.5
Student Loans	6.7	2.3
Other	25.7	26.1

NEW CAR LENDING AT FINANCE COS.♦

Average Maturity*

Oct.	Nov.	Dec.	Jan.	Feb.	March
53.7	51.0	48.6	48.8	56.4	56.4

Average Loan-to-Value Ratio

Oct.	Nov.	Dec.	Jan.	Feb.	March
94	92	91	90	89	90

* IN MONTHS

SOURCE: FEDERAL RESERVE BOARD

Securitization Monitor

Date	Seller/Service	Lead Manager	Amount (\$M)	Enhancement
3/11	Union Acceptance Corp.	Wachovia Securities/BofA Securities	300.0	MBIA
3/12	WFS Financial Inc.	Banc of America Securities	1,800.0	FSA
3/13	National City Corp.	Merrill Lynch & Co.	1,050.0	senior-sub
3/20	TFC Enterprises Inc.	WestLB Panmure Securities Inc.	64.6*	Radian Asset Assurance Inc.
4/9	Nissan Motor Acceptance Corp.	n/a	1,500.0	senior-sub
4/10	AmeriCredit Corp.	BofA Securities/Deutsche Banc	800.0	n/a
4/23	Onyx Acceptance Corp.	Salomon Smith Barney	400.0	MBIA

*indicates private transaction

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EQUITIES MONITOR

RECENT PERFORMANCE OF PUBLICLY TRADED AUTO FINANCE COMPANIES

Company	Ticker	Price 5/06	Price 4/22	2-wk ch.(%)	P/E	52-wk Hi	52-wk Lo	Shrs.Out.*	MarketCap.*	Avg Vol
AmeriCredit Corp.	ACF	36.510	45.620	-20.0	10.1	64.900	14.000	71,397	2,606,704.5	2,241,363
Asbury Automotive Group	ABG	20.950	17.340	20.8	22.3	21.170	14.300	24,000	502,800.0	2,681
AutoNation Inc.	AN	16.950	14.200	19.4	20.2	17.500	7.750	468,599	7,942,753.1	1,465,500
CarMax Group	KMX	32.300	28.840	12.0	35.2	33.260	9.200	25,639	828,139.7	902,454
Consumer Portfolio Services	CPSS	2.19	3.000	-27.0	n/a	3.810	1.010	20,108	44,036.5	40,545
Credit Acceptance Corp.	CACC	13.260	13.250	0.1	19.5	13.790	6.650	46,113	611,458.4	33,636
FirstCity Financial Corp.	FCFC	1.150	1.110	3.6	n/a	2.000	0.900	9,551	10,983.	3,181
First Investors Fin'l Svcs. Grp.	FIFS	3.700	3.750	-1.3	n/a	3.980	2.000	5,567	20,597.9	1,590
Household International Inc.	HI	55.680	62.440	-10.8	13.1	69.980	43.500	492,408	27,417,277.4	3,184,409
Nicholas Financial Inc.	NICK	4.530	4.140	9.4	6.04	5.725	2.875	2,357	10,677.2	3,500
Onyx Acceptance Corp.	ONYX	5.000	4.530	10.4	6.7	7.380	3.500	6,159	30,795.0	7,045
TFC Enterprises Inc.	TFCE	1.580	1.590	-0.6	3.9	2.880	1.020	11,290	17,838.2	11,636
Union Acceptance Corp.	UACA	6.540	6.902	-5.2	n/a	9.450	3.900	30,915	202,184.1	12,818
United PanAm Financial Corp.	UPFC	6.936	5.950	16.6	13.6	7.490	1.950	17,275	119,819.4	21,545
WFS Financial Inc.	WFSI	30.180	29.330	2.9	17.3	32.970	14.920	35,700	1,077,426.0	45,818

*in thousands

Largest Gainers Since April 22

Company	2-Week % Change
1) Asbury Automotive Group	+20.8
2) AutoNation Inc.	+19.4
3) United PanAm Financial Corp.	+16.6
4) Onyx Acceptance Corp.	+10.4
5) Nicholas Financial Inc.	+9.4

Biggest Losers Since April 22

Company	2-Week % Change
1) Consumer Portfolio Services	-27.0
2) AmeriCredit Corp.	-20.0
3) Household International Inc.	-10.8
4) Union Acceptance Corp.	-5.2
5) First Investors Financial Services Group	-1.3

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Operations

VIRTUALBANK SHORTENS "LAGS" IN LENDING PROCESS

Online auto lender **VirtualBank** is rolling out a suite of applications to reduce the processing time of auto loan applications.

Specifically, the Palm Beach Gardens, Fla., lender is implementing so-called workflow solutions from **Ultimus Inc.**, Cary, N.C., to reduce the "lag time" associated with moving a loan application through the various stages of its lending operations.

While VirtualBank automated much of its loan origination and servicing processes earlier — using technology such as an auto-decisioning engine that supports underwriting — there existed significant "lags," or delays, as applications moved along the chain from underwriting all the way through fulfillment and servicing.

For example, when an auto loan applica-

tion is submitted, VirtualBank begins the credit approval process, which includes a fraud check. The three possible outcomes of this process are an automatic approval, a decline, or a so-called pend, which occurs when, for whatever reason, the application is held up and requires manual review. This increases the "lag time" before the application can advance to the next stage of the loan cycle.

According to an Ultimus spokesman, analysts say "lag time" represents 90% of the time required to complete a task, with the 10% being actual task time.

Using Ultimus, the application would immediately be routed to the fraud workflow queue, and distributed to a particular agent based upon criteria.

"Essentially, what Ultimus does is reduce the lag time between each of the steps of the processes, while providing supervi-

sors with an overview so they can monitor productivity and make changes where necessary," said William Decker, president of VirtualBank. Once the application is forwarded to a particular department, instead of being randomly distributed to multiple agent queues, the documents are distributed based on internal criteria, while also having the flexibility to take into account such things as absences and vacations.

"Let's also say the underwriter wants a supervisor to look at the application," said Decker. "Instead of running around looking for someone to respond, Ultimus puts the application in the appropriate queue, notifies the supervisor, and sets a time limit."

With several applications already in full production, VirtualBank plans to bring the remainder of its Ultimus applications fully live by the end of this month.

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Earnings Roundup

AUTO FINANCE COS. STRUGGLE

continued from page 1

reflected a significant increase in earnings from mortgage operations, with continued strong origination volumes in both the residential and commercial sectors, the company stated income from automotive financing operations declined due to higher credit losses and the 0% financing program.

Meanwhile, **Ford Motor Credit Co.** earned \$242 million in the first quarter, a drop from the \$406 million a year ago. The company stated that the results were lower primarily due to the unfavorable impact of securitizations on revenues and higher actual credit losses resulting from poor loan performance.

[DaimlerChrysler no longer supplies earnings data for its North American financing arm].

Credit Acceptance Corp. was among the companies that reported lower earnings, posting net income of \$6.3 million or \$0.15 per share, as compared with \$6.5 million or \$0.15 per share for the same period in 2001.

Meanwhile, **First Investors Financial Services Group Inc.** reported a net loss of \$681,144 or \$0.12 per share for the third quarter ended January 31, 2002, down from a \$0.07 gain per share for the same period last year. And, **Union Acceptance Corp.**, reported a net loss for the quarter of \$6.9 million or \$0.22 per share compared with net earnings of \$6.5 million.

AmeriCredit Corp.'s net income of \$91.6 million, or \$1.02 per share, was up from \$60.4 million, or \$0.70 per share, a year earlier.

AmeriCredit is among several companies in the sector — a list including Ford Motor Credit — tightening credit standards in the face of mounting defaults and delinquencies.

AutoNation Inc. was also on the plus side, reporting a 53% increase in first quarter net income, representing one of several companies AFN tracks that bested Thomson Financial/First Call estimates, beating the consensus estimate of \$0.21 per share to come in at \$0.28 per share.

Earnings for **CarMax Group** — the financier owned by **Circuit City Group** — totaled \$6.6 million, or \$0.17 per share, compared with \$2 million, or \$0.07 per share last year. And earnings rose at **Household International Inc.**, to \$511 million, or \$1.09 per share, in the first quarter. That compares with \$431.8 million, or \$0.91 per share, in the year-earlier period. First Call analysts had expected the company to earn between \$1.03 and \$1.06 per share.

Rounding out the pack, **Nicholas Financial Inc.** reported a 10% increase to \$1,172,085 compared with \$1,061,588 in the fourth quarter last year. **United PanAm Financial Corp.**, posted \$2.7 million, or \$0.15 per share, up from \$0.10 per share a year ago, and **WFS Financial Inc.** was up to \$18.2 million, or \$0.50 per share, as compared with \$18.8 million, or \$0.66 per share for the same period a year ago.

FORD TO SELL DEBT SECURITIES

Ford Motor Credit Co., recently filed with the Securities and Exchange Commission to sell an undisclosed amount of debt securities, warrants and preferred securities.

According to the filing, Ford Motor Credit, which provides financing to Ford retail dealerships and leasing companies, said it intends to use the net proceeds to buy receivables, make loans and retire debt. Filing a so-called SEC shelf registration statement will enable Ford Motor Credit to go directly to the equity or debt markets to sell securities quickly. The company may now sell securities from time to time in one or more separate offerings at prices and on terms to be determined at the time of sale.

Ford stated in the filing it has created three special purpose entities in connection with the registration — registering a total of \$1 million of the securities in the filing. Ford's filing did not include a total dollar figure, but one could be added in a subsequent amended filing.

The special purpose entities — Ford Credit Capital Trust I, II and III — do not have independent operations and won't engage in any activity except issuing of trust preferred securities and holding Ford Motor Credit's subordinated debt securities as trust assets.

FIRST QUARTER EARNINGS PER SHARE

Company	1Q01EPS (\$)	2Q01 EPS (\$)	3Q01 EPS (\$)	4Q01 EPS (\$)	1Q02 EPS (\$)
AmeriCredit Corp.	0.70	0.81	0.88	0.91	1.02
AutoNation Inc.	0.17	0.26	0.24	0.02	0.28
CarMax Group*	0.07	0.25	0.25	0.17	0.17
CreditAcceptance Corp.	0.15	0.18	0.18	0.17	0.15
First Investors Fin. Ser. Grp. **	0.07	0.01	0.08	0.09	-0.12
Household International Inc.	0.91	0.93	1.07	1.17	1.09
Nicholas Financial Inc.	0.42	0.35	0.18	0.18	0.22
Union Acceptance Corp.	0.17	-0.55	-0.76	0.02	-0.22
United PanAm Financial Corp.	0.34	0.11	0.12	0.13	\$0.10
WFS Financial Inc.	0.66	0.63	0.27	0.4	\$0.50

* quarter ended Feb. 28, 2002s; ** quarter ended Jan. 31, 2002