

January 31, 2008

Re: 2007 Form 1099-DIV

Dear Stockholder:

You should have recently received a Form 1099-DIV for tax year 2007 that reports the tax characteristics of the cash dividend distribution paid to our stockholders on July 31, 2007 (the "2007 Distribution"). The information is provided on the Form 1099-DIV as required by the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder to aid you in the preparation of your 2007 income tax return.

We believe that the 2007 Distribution would be treated as taxable dividend income to our stockholders to the extent of our applicable "earnings and profits" (as defined by the Code). To the extent the 2007 Distribution exceeded such "earnings and profits", which we believe it did, the 2007 Distribution should be treated as a nondividend distribution that is characterized as (i) first a nontaxable return of capital to each stockholder to the extent a stockholder has tax basis in his, her or its shares and then (ii) a taxable capital gain to each stockholder after a stockholder's tax basis in his, her or its shares is reduced to zero after accounting for any return of capital. You must reduce your tax basis in your stock for the portion of the 2007 Distribution that is a return of capital. While we believe the information on the Form 1099-DIV is generally accurate, such information is based on a preliminary, unaudited estimate of our applicable "earnings and profits" (as defined by the Code). We are in the process of finalizing our "earnings and profits" computation and we expect to have final results by February 29, 2008. If such determination requires a change to the Form 1099-DIV recently sent to you, we will send a letter notifying you of the change and expect you will be sent an updated Form 1099-DIV.

The above discussion and the Form 1099-DIV recently sent to you are provided solely for informational purposes and should not be considered tax advice. The determination of whether the portion of the 2007 Distribution treated on the Form 1099-DIV as a nondividend distribution is a nontaxable return of capital or a taxable capital gain depends on the particular facts and circumstances of each stockholder. **You are urged to consult with your own tax advisor for guidance on the proper tax treatment and particular tax consequences to you of the 2007 Distribution, including any federal, state, local or foreign tax considerations.** You are also urged to consult with your own tax adviser regarding any appropriate corrective actions you could take if a revised Form 1099-DIV is issued.

Thank you for your continued support. If you have any questions regarding your Form 1099-DIV, please contact Investor Relations at ir@AssetAcceptance.com or 586-939-9600 option 5. Please periodically check the Investors section of our website at www.AssetAcceptance.com for updated information as to whether revised 1099-DIV forms will be required.

Sincerely,

Asset Acceptance Capital Corp.