

**ASSET ACCEPTANCE CAPITAL CORP.
CORPORATE GOVERNANCE POLICIES**

The following Corporate Governance Policies were adopted by the Asset Acceptance Capital Corp. Board of Directors on October 26, 2004.

RESOLVED, that the Asset Acceptance Capital Corp. Corporate Governance Policies are as follows:

Asset Acceptance Capital Corp. (the “Company”) recognizes the importance of corporate governance as a component of providing long-term shareholder value. The policies set forth below will be guiding principles in the Company’s approach to corporate governance and will continue to be reviewed periodically and revised as appropriate by the Board of Directors to ensure they consistently reflect the board’s governance objectives.

1. Director Qualifications.

Independence

The Company shall, within the time allowed by the NASDAQ Stock Market rules and regulations, and any permitted waivers thereof, maintain a majority of the membership of the board as independent directors. The Nominating and Corporate Governance Committee shall evaluate the independence of each director on an annual basis and shall report such evaluation to the Board, and the Board shall make an affirmative determination as to the independence of each director.

Although the Board has determined that term limits for its members are not necessary, the Board shall periodically review the appropriateness of director term limits in connection with its procedures for the selection and nomination of directors to ensure the presence of diverse viewpoints and ideas on the Board.

Simultaneous Service on Other Public Company Boards or Groups

It is the policy of the Board that every director must notify the Board once he or she has determined to accept any invitation to serve on another corporate board or with a government or advisory group or charitable organization. The Nominating and Corporate Governance Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to continued Board membership.

Changes in Primary Employment

It is the policy of the Board that every director, including the Chief Executive Officer and any inside directors, must notify the Board of his or her retirement, any change in employer and any other significant change in professional roles and responsibilities. The Nominating and Corporate Governance Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to continued Board membership.

Attributes and Experience

Directors will have such attributes, qualifications and experience as the Nominating and Corporate Governance Committee recommends and the Board has approved as appropriate to enhance the Board's effectiveness.

2. Director Responsibilities.

Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. Directors should regularly attend meetings of the Board of Directors and of all Board committees upon which they serve. To prepare for meetings, directors should review the appropriate materials that are sent to directors in advance of those meetings.

The Board of Directors of the Company will schedule regular executive sessions where non-management directors (including directors who are not company officers but who do not otherwise qualify as "independent" directors) meet without management participation. If this group includes directors who do not meet the independence standards of the NASDAQ, the directors who are so independent shall also meet in executive session at least twice a year. The non-management directors shall select a non-management director to preside at each executive session. The Board of Directors or Company will establish methods by which interested parties may communicate directly with the presiding director or with non-management directors of the Board of Directors as a group and cause such methods to be disclosed.

3. Board Committees

The Board shall at all times have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The membership of these three committees shall qualify under the independence and experience requirements of applicable law and the rules of the NASDAQ. Committee members shall be appointed by the Board based upon the recommendation of the Nominating and Corporate Governance Committee, except for the Nominating and Corporate Governance Committee, which is directly appointed by the Board. The Board may, from time to time, establish or maintain additional committees as it deems appropriate and in the best interests of the Company.

Subject to any changes that the Board may make from time to time:

- The Audit Committee shall generally be responsible for overseeing the integrity of the Company's financial statements, its independent auditor, its internal audit function and compliance by the Company with legal and regulatory requirements;
- The Compensation Committee shall generally be responsible for overseeing the Company's compensation and benefits policies, evaluating senior executive performance and compensation, evaluating director compensation and reviewing the Company's management succession plan;
- The Nominating and Corporate Governance Committee shall generally be responsible for identifying qualified Board candidates, recommending director nominees and appointments to Board committees, and overseeing the evaluation of the Board's performance, and the Corporate Governance Guidelines.

Each of the committees shall operate pursuant to its own written charter, which each committee shall develop and recommend to the Board for approval.

The charters shall, among other things, set forth the purpose, goals and responsibilities of the particular committee, the procedures for committee member appointment and removal and committee structure and operations, as well as reporting to the Board. The charters shall also provide for an annual evaluation of each committee's performance.

4. Board Member Access to Management and Independent Advisors.

Board members shall have access to the management and employees of the Company and to its outside counsel and auditors. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer, the Chief Financial Officer or the General Counsel or directly by the director in appropriate circumstance.

Executive officers and other members of senior management are expected to be present at Board meetings at the invitation of the Board. The Board encourages senior management to make presentations and to invite to Board meetings managers and other employees who can provide additional insight into the items being discussed.

The Board and each of its committees is authorized to hire independent legal, financial or other advisors as they may consider necessary, without conferring with or obtaining the approval of management or, in the case of board committees, the full Board.

5. Director Compensation.

The Compensation Committee shall review and recommend to the Board compensation (including stock option grants and other equity based compensation) and perquisites, if any, for the Company's directors.

6. Director Orientation and Continuing Education.

All new members of the Board are encouraged to participate in the Company's orientation program for directors. Other directors may also attend the orientation program. All directors will be offered the opportunity to participate in continuing education programs in order to stay current and knowledgeable about the business of the Company. Such orientation programs and continuing education policies shall be developed and overseen by the Nominating and Corporate Governance Committee of the Board.

7. Management Evaluation and Management Succession.

The Compensation Committee shall annually evaluate the performance of the senior corporate executives of the Company and shall present its findings to the full Board. The Board shall review the Compensation Committee's report in order to ensure that management's performance is satisfactory and that management is providing the best leadership for the Company in the short and long-term.

The Compensation Committee shall review and periodically report to the Board on the Company's succession planning, including succession planning in the case of the incapacitation, retirement or removal of the Chief Executive Officer and President. The Chief Executive Officer and President shall provide a report to the Compensation Committee recommending and

evaluating potential successors, along with a review of any development plans recommended for such individuals. The Chief Executive Officer shall also provide to the Board, on an ongoing basis, his or her recommendation as to a successor in the event of an unexpected emergency.

8. Annual Performance Evaluation.

The Board led by the Nominating and Corporate Governance Committee, shall establish and conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall oversee the evaluation with each director completing a questionnaire developed by the Nominating and Corporate Governance Committee with respect to various criteria. The collective evaluations shall be compiled in advance of the review session and shall be presented by the Chairperson of the Nominating and Corporate Governance Committee to the full Board for discussion. This process shall also include self-assessments by each Board committee, relying on a review process similar to that used by the Board, with performance criteria for each committee established on the basis of its charter. The Board of Directors, with the assistance of the Nominating and Corporate Governance Committee, as appropriate, shall review these Corporate Governance Guidelines periodically to determine whether any changes are appropriate.

9. Amendment and Modification.

These Corporate Governance Guidelines may be amended or modified by the Board of Directors subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules and regulations of NASDAQ.