

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: AFRICAN-AMERICAN AND HISPANIC CUSTOMERS who obtained financing from American Honda Finance Corporation ("AHFC") and/or any of its subsidiaries or parent/holding companies in the United States pursuant to AHFC's non-recourse loan program between January 1, 1990, and the present.

Why Is This Notice Important? If you had an account with AHFC involving the purchase of a motor vehicle at any time between January 1, 1990, and the present, you might be a member of a **certified settlement class in a case in which a proposed settlement has been reached.**

AHFC acts as an indirect lender in the automobile financing market, and customers seeking financing through AHFC must obtain it through dealers who then may assign the loans to AHFC. Plaintiffs filed lawsuits against AHFC in May 2002 in the United States District Court for the Middle District of Tennessee, and in March 2003 in the California Superior Court, Alameda County (*Pakeman et al. v. AHFC*, Case No. RG03088920), alleging that African-Americans and Hispanics as a group paid more in finance charges than white consumers due to the amount by which individual Honda and Acura dealers have discretion to increase, or "mark-up," a customer's annual percentage rate on AHFC financing contracts. Plaintiffs claimed that AHFC's policy violated the federal Equal Credit Opportunity Act (ECOA), California's Unruh Act, and California's consumer protection laws. AHFC has vigorously denied all claims in both lawsuits, emphasizing that it does not collect race or ethnicity information and that its credit processing system treats all people equally. This Settlement is not an admission of wrongdoing by any party. Capitalized terms used in this Notice are defined in the Settlement Agreement.

This Is Only A Summary Notice. You can log onto www.ECOA-settlement.com to review a copy of the Settlement Agreement and all documents submitted to the Court in connection with preliminary approval, which contain further information about the Settlement.

The Settlement. Upon final approval of the Settlement, which has been preliminarily approved by the Court, AHFC agrees to: (i) not acquire any Contract or accept for assignment any Contract (a) with a term equal to or less than 60 months if the APR is more than two and one-quarter percentage points (2.25%) above the Buy Rate; or (b) with a term greater than 60 months if the APR is more than two percentage points (2.0%) above the Buy Rate; (ii) disclose

in AHFC Contract forms that the customer's Annual Percentage Rate may be negotiable; (iii) launch two Preapproval No-Dealer Participation APR Programs involving a combined 700,000 in preapproved No-Dealer Participation Credit Offers to African-American and Hispanic consumers over the next five years in which the Contract rate will be equal to the lower of AHFC's standard Buy Rate or any promotional rates offered on particular automobiles in conjunction with American Honda Motor Co., Inc.; (iv) institute a broad refinancing program offering a reduction in rates to African-American and Hispanic consumers whose AHFC loans were subject to a one percentage point or greater "markup"; (v) contribute \$900,000 toward consumer assistance initiatives for the purpose of improving the education of and/or assisting consumers with respect to credit financing; (vi) pay \$10,000 to each Class Representative in exchange for a release of any and all claims, including monetary claims; and (vii) pay plaintiffs' counsels' attorneys fees up to \$6,063,000.00 and litigation-related expenses up to \$680,000.00.

This proposed Settlement resolves claims for equitable, declaratory and/or injunctive relief for all members of the settlement class and monetary damage claims for class representatives, as provided in the Settlement Agreement. You will be releasing all claims for equitable, declaratory and/or injunctive relief that have been made, or could have been made, in this Litigation under the ECOA and/or any other federal or state statute or any common law theory arising out of the business practices challenged in the Litigation, that arose or that will arise on or before the Effective Date. Notwithstanding the foregoing, you will not be releasing any individual claims for monetary relief you may have, although you must release monetary claims to participate in the refinance program.

Objections: If you wish to object to the Settlement, you must deliver by hand or send by first class mail, postage prepaid, your position with supporting papers, such that they are received on or before April 1, 2005, to:

Plaintiffs' Co-Counsel
National Consumer Law Center
Attn: American Honda Finance Settlement
77 Summer Street, 10th Floor
Boston, MA 02110-1006

AHFC's Counsel
Keker & Van Nest
Attn: American Honda Finance Settlement
710 Sansome Street
San Francisco, CA 94111-1704

You also must file such papers, showing proof of service upon all counsel identified above, with the Clerk of the United States District Court for the Middle District of Tennessee, 801 Broadway, Room 800, Nashville, Tennessee 37203, on or before the same day. Any Class Member who does not make an objection in the manner provided shall have waived such objection and shall forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the proposed Settlement, or to the approval of attorneys' fees and expenses.

Fairness Hearing: A hearing will be held before the Honorable Todd J. Campbell, in Courtroom A826 at the United States District Court for the Middle District of Tennessee, 801 Broadway, Nashville, Tennessee, on April 18, 2005, at 12:00 p.m. (the "Fairness Hearing"), to determine whether the proposed Settlement is fair, adequate and reasonable and should be approved; and whether approval of attorneys' fees, costs and reimbursements should be granted. **You may, but are not required to, attend the Fairness Hearing.**

For More Information, or to obtain a copy of the Settlement Agreement as described above, go to www.ECOA-settlement.com or contact the lawyers representing the Settlement Class: National Consumer Law Center, 77 Summer Street, 10th Floor, Boston, MA 02110 (617-542-8010); Law Office of Clint W. Watkins, 5214 Maryland Way, Ste. 402, Brentwood, TN 37027 (615-376-7000); Gilmore Law Office, 116 Court St., P.O. Box 729, Grove Hill, AL 36451 (251-275-3115); Cunningham, Bounds, Yance, Crowder & Brown, L.L.C., 1601 Dauphin Street, Mobile, AL 36604 (251-471-6191); Lieff, Cabraser, Heimann & Bernstein, LLP, 275 Battery Street, 30th Floor, San Francisco, CA 94111 (415-956-1000); Goldstein, Demcheck, Baller, Borgen & Dardarian, 300 Lakeside Drive, Suite 1000, Oakland, CA 94612 (510-763-9800); and Lawyers' Committee for Civil Rights of the San Francisco Bay Area, 131 Steuart St., Suite 400, San Francisco, CA 94105 (415-543-9444); Lawson Law Offices, 835 Mandana Boulevard, Oakland, CA 94610 (510-419-0940).

Please Do Not Contact The Court Or The Clerk Of The Court Concerning This Notice

Dated: _____, 2005

By Order of the Court

THE HONORABLE TODD J. CAMPBELL
UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF TENNESSEE