

# GMAC FINANCIAL SERVICES

Robert S. Hull  
Executive Vice President  
Chief Financial Officer

March 5, 2009

Mr. Neil M. Barofsky  
Office of the Special Inspector General  
Troubled Asset Relief Program  
1500 Pennsylvania Avenue, N.W.  
Suite 1064  
Washington, D.C. 20220

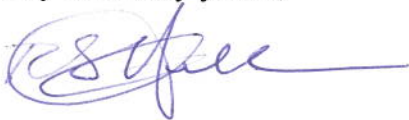
Dear Mr. Barofsky:

The following is in response your letter to Mr. David Walker of GMAC LLC dated February 5, 2009 requesting information on GMAC's use of TARP funds and our compliance with EESA's executive compensation requirements.

I hereby certify to the accuracy of all statements, representations and supporting information contained herein, as subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Please do not hesitate to contact me for further information or requests.

Very sincerely yours,



Robert S. Hull  
Executive Vice President  
Chief Financial Officer

(1)

*A narrative response specifically outlining (a) your anticipated use of TARP funds; (b) whether the TARP funds were segregated from other institutional funds; (c) your actual use of TARP funds to date; and (d) your expected use of unspent TARP funds. In your response, please take into consideration your anticipated use of TARP funds at the time that you applied for such funds, or any actions that have taken that you would not have been able to take absent the infusion of TARP funds.*

### **Summary**

On December 29, 2008, GMAC sold \$5.0 billion of preferred membership interests and warrants, which were immediately exercised, to the U.S. Department of the Treasury as a participant in the Automotive Financing Program created under the TARP. In addition, on January 16, indirectly through a loan provided to General Motors, GMAC received an additional \$884 million under the TARP. GMAC's decision to pursue federal assistance was driven by the desire to preserve funding for \$20-\$30 billion<sup>1</sup> of loans to U.S. auto dealers, 4.5 million U.S. consumer vehicle loans and leases and servicing for just under \$400 billion of U.S. mortgages<sup>2</sup>.

In summary, the TARP investment has helped GMAC in the following ways:

- Strengthened capital ratios and financial leverage to support GMAC's financing and lending initiatives in support of US consumers, automotive dealers and General Motors (our largest customer). Essentially, the TARP investment has enabled GMAC and ResCap to continue financing and lending activities that were originally curtailed during the fourth quarter of 2008, and, that would have otherwise been significantly curtailed or eliminated prospectively had we not been approved as a bank holding company nor received funds from the TARP program [*Exhibit A – Fourth quarter 2008 Earnings Release Presentation Materials dated February 3, 2009*]
- Allowed ResCap to remain servicer of 3 million residential mortgage loan customers - representing approximately \$400 billion in unpaid principal balances, and continue its loan modification activities that reduce the risk of foreclosure for thousands of homeowners

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<sup>1</sup> As of 12/31/08, GMAC LLC had approximately \$12.2 billion of U.S. on-balance sheet wholesale receivables and \$11.2 billion of off-balance sheet wholesale receivables. Balances fluctuate with seasonality.

<sup>2</sup> At 12/31/08, ResCap's U.S. mortgage servicing portfolio was approximately \$398 billion (\$365 million of primary servicing and \$33 billion sub-servicing), as disclosed in the December 31, 2008 10-K.

(b) (4)

- Becoming a bank holding company and thereby gaining access to TARP funding also facilitated the completion of GMAC's fourth quarter 2008 private debt exchange and cash tender offers. While the cash used to settle the bond exchange was provided through the then existing liquidity portfolio and not from TARP funds, the bond exchange could not have been settled without the approval from the Federal Reserve to convert GMAC to a bank holding company and the U.S. Treasury's TARP investment [*Exhibit B – Bond Exchange Press Release and Form 8-K filing dated December 30, 2008*]

### **How is GMAC currently tracking TARP funds?**

The following information is provided specifically in response to question 1(b):

The TARP funds received have not been specifically segregated from other institutional funds. However, current management routines and reporting processes are in place to track and forecast cash balances and the related sources and uses of funds. Specifically, our Global Liquidity Management committee meets bi-weekly to review and discuss such reporting. Through this routine, our executive management team effectively monitors operating and lending activities and manages the Company's cash balances to a level sufficient to meet lending and operating needs. This routine will also serve as the basis for monitoring the proper use of TARP funds. To that end, TARP funds will be used specifically to support financing and lending activities and investments, not for operating expenses or executive compensation, dividend payments, lobbying or government relations and marketing activities.

In addition, the Company's Internal Audit function plans to conduct periodic audits of the Company's processes and reporting of our use of federal funds. Results of these audits will be reported to GMAC's Audit Committee and will be available to the President's designee, SIGTARP and other entities as necessary.

### **GMAC's actions to date and plans for use of TARP funds in the future**

The following information is provided specifically in response to questions 1(a), 1(c) and 1(d):

To date, GMAC has not used a significant amount of the TARP funds received directly. Instead, the Company has leveraged those funds and the stronger capital position made possible through the TARP investment, to increase available funding for consumer auto financing and mortgage loans. Essentially, GMAC has been able to leverage the nearly \$6 billion in total TARP funds

received to make significantly more than \$6 billion in new financing and loans throughout the year.

## **I. Consumer Financing**

### A. Retail auto financing

In the fourth quarter of 2008, due to the lack of stability in the global capital and credit markets and our need to preserve capital, GMAC's management team made the difficult decision to restrict consumer auto financing activities. Leasing activities were immediately curtailed and financing was restricted only to consumers with credit bureau scores at or above 700.

In late December, after approval to convert to a bank holding company and receipt of TARP investment, we announced that GMAC was able to modify the credit criteria to include retail financing for consumers with a credit bureau score of 621 or above. *[Exhibit C – press release issued on December 30, 2008]*

Our expectation is that these actions will help us return to more normal levels of consumer financing volume while also managing portfolio risk during the current economic climate and help to stabilize the U.S. auto industry. As a result of extremely low automotive sales in January, GMAC's consumer financing activities in the month were also low by historical comparisons. However, in February, retail auto financing volumes have increased as a result of higher GM vehicle sales and incentive programs. (b) (4)

(b) (4)

We will continue to use GMAC's strengthened capital position to deploy funds for retail auto financing in order to help restore the flow of consumer credit and increase consumers' abilities to purchase new vehicles. We fund retail auto financing in one of two ways. Eligible contracts are funded through the raising of retail or brokered deposits at our subsidiary, GMAC Bank and those contracts not eligible for GMAC Bank funding are initially funded by GMAC's available cash and then later sold through whole loan committed flow arrangements or pledged to other existing secured funding facilities.

### B. Mortgage loans

To date, in 2009<sup>3</sup> we have been able to accomplish the following in our mortgage lending and servicing operations:

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<sup>3</sup> January 1- February 17, 2009

- Originated 19,912 residential mortgage loans representing (b) (4) in funded balances through our various consumer and business lending channels.
  - Of this production 7,776 loans for (b) (4) were FHA insured residential mortgage loans.
- Permanently modified 11,500 loans with over 10,000 incremental customers currently in a trial modification period.

It is through GMAC's stronger capital position that we are able to continue our mortgage loan production and servicing operations.

## **II. Protection/Support of ResCap**

### A. Parent Support

To date, while ResCap has not had direct access to the TARP funds, it has benefited from continued capital support from GMAC, as its parent. This continued support would not have been possible without the TARP investment and the strengthening of GMAC's capital position.

Since receiving the TARP investment, we have executed several transactions which have resulted in GMAC forgiving approximately \$1.8 billion of ResCap debt. As a result of this debt forgiveness, ResCap's consolidated tangible net worth (excluding GMAC Bank) was (b) (4) as of January, 31, 2009. This allowed ResCap to remain in compliance with its credit facility financial covenants, among other covenants, which require ResCap to maintain a monthly consolidated tangible net worth of \$250 million (excluding GMAC Bank). Maintaining ResCap's consolidated tangible net worth above certain minimum levels provides a direct liquidity benefit through the access to funding on certain bilateral facilities.

### B. Loss Mitigation

A stronger capital base at ResCap has enabled us to implement certain home retention solutions to assist thousands of homeowners avoid foreclosure.

Throughout 2008, ResCap was able to accomplish the following with respect to preserving homeownership across the United States:

- Generated over 40 million phone calls, personal home visits and correspondence in an effort to establish borrower contact to develop alternative solutions to foreclosure.
- Developed and implemented 856,000 default resolution plans throughout the year to keep borrowers in their homes which included repayment plans, forbearance, loan modifications, deeds in lieu of foreclosure, and short payoffs.

- Completed 60,000 permanent loan modifications where interest rates were lowered, terms extended, delinquency capitalized and debt/principal balance forgiven.

(b) (4)

### **III. Support for GM/GMAC Auto Dealer Network**

#### A. GM in-transit vehicles

GMAC currently funds vehicles coming off GM production lines enroute to dealer lots by paying GM the invoice amount for a vehicle shipped by GM to a GMAC financed dealer on the first business day after the shipping date (i.e., in advance of the expected date the vehicle will be delivered to the dealer). In the fourth quarter of 2008, due to GMAC's strained capital and liquidity position, GMAC temporarily modified its payment terms for making advance payments to GM for

these “in-transit” vehicles and deferred payments to the expected delivery date of the vehicles to the dealer lots.

As a result of the TARP investment, on December 30, 2008, GMAC reinstated the historical advance payment terms to GM, which allowed GM to continue to produce vehicles and keep factories running. Since receiving TARP funds, we have advanced approximately \$4.5 billion in wholesale payments to GM for in-transit vehicles.

B. Enhancement of existing dealer floor plan funding facilities

Dealer floorplan financing in the US totals approximately \$101.3 billion. GMAC is the principal provider of financing to the GM dealer network. GM dealers in the U.S. presently require floor plan financing totaling approximately \$30 billion. As of 12/31/08, GMAC provided approximately \$26 billion in funding to U.S. auto dealers. GMAC also provides an additional \$4 billion in funding to auto dealers outside the U.S. This dealer floor plan financing is vital to the viability of the GM dealer network and by consequence, General Motors.

GMAC finances the majority of its dealer floor plan receivables with public securitizations; approximately \$14.3 billion. The balance of the floorplan financing is funded via secured borrowing facilities with major global financial institutions. All require GMAC to pledge its rights to the dealer floorplan revolving lines of credit to the lender. The securitizations and the facilities incorporate a funding “haircut” that provides over-collateralization enhancement to the funding providers. Implicitly, these haircuts are funded by GMAC’s equity and remaining unsecured debt.

Current uncertainty about the future of GM and the general weakness in the auto industry, have combined to severely increase the risk assessment of investors and lenders. Required “haircuts” for existing structures have deteriorated from 10 to 30% (b) (4)

(2)

*Your specific plans and the status of implementation of those plans, for addressing executive compensation requirements associated with the funding. Information provided regarding executive compensation should also include any assessments made of loan risks and their relationship to executive compensation; how limitations on executive compensation will be implemented in line with Department of Treasury guidelines; and whether any such limitations may be offset by other changes to other, longer-term or deferred forms of executive compensation.*

- The TARP executive compensation requirements were reviewed in detail with the GMAC Board at their December 28, 2008 meeting
- Each of the “Top 25” executives of GMAC signed the Form of Consent and Waiver of Senior Employees to the Company and the Form of Waiver of Senior Employees to The Investor prior to the receipt of funds from TARP. These documents have the effect of these individuals waiving their rights to any compensation that does not comply with the requirements of TARP.

- (b) (4) [REDACTED]

**[REDACTED] Index**

**Exhibit A** – Fourth quarter 2008 Earnings Release Presentation Materials dated February 3, 2009

**Exhibit B** – Bond Exchange Press Release dated December 30, 2008

**Exhibit C** – Press Release issued on December 30, 2008



# **GMAC FINANCIAL SERVICES**

**Preliminary**  
**2008 Fourth Quarter and Full-Year Results**  
**February 3, 2009**  
**9:00 AM EST**

# Forward-Looking Statements

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In the presentation that follows and related comments by GMAC LLC (“GMAC”) management, the use of the words “expect,” “anticipate,” “estimate,” “forecast,” “initiative,” “objective,” “plan,” “goal,” “project,” “outlook,” “priorities,” “target,” “intend,” “evaluate,” “pursue,” “seek,” “may,” “would,” “could,” “should,” “believe,” “potential,” “continue,” or similar expressions is intended to identify forward-looking statements. All statements herein and in related management comments, other than statements of historical fact, including without limitation, statements about future events and financial performance, are forward-looking statements that involve certain risks and uncertainties. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and GMAC’s and Residential Capital, LLC’s (“ResCap”) actual results may differ materially due to numerous important factors that are described in the most recent reports on SEC Forms 10-K and 10-Q for GMAC and ResCap, each of which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: securing low cost funding for GMAC and ResCap and maintaining the mutually beneficial relationship between GMAC and General Motors Corporation (“GM”); our ability to maintain an appropriate level of debt; the profitability and financial condition of GM; our ability to realize the anticipated benefits associated with our recent conversion to a bank holding company, and the increased regulation and restrictions that we will be subject to; uncertainty concerning our ability to access additional federal liquidity programs; recent developments in the residential mortgage and capital markets; continued deterioration in the residual value of off-lease vehicles; the continuing negative impact on ResCap of the decline in the U.S. housing market; changes in U.S. government-sponsored mortgage programs or disruptions in the markets in which our mortgage subsidiaries operate; disruptions in the market in which we fund GMAC’s and ResCap’s operations, with resulting negative impact on our liquidity; changes in our accounting assumptions that may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; changes in the credit ratings of ResCap, GMAC or GM; changes in economic conditions, currency exchange rates or political stability in the markets in which we operate; and changes in the existing or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations. Investors are cautioned not to place undue reliance on forward-looking statements. GMAC undertakes no obligation to update publicly or otherwise revise any forward-looking statements except where expressly required by law. A reconciliation of certain non-GAAP financial measures included within this presentation is provided in the supplemental charts.

Use of the term “loans” describes products associated with direct and indirect lending activities of GMAC’s global operations. The specific products include retail installment sales contracts, loans, lines of credit, leases or other financing products. The term “originate” refers to GMAC’s purchase, acquisition or direct origination of various “loan” products.

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# GMAC: 2008 Actions

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- ✓ 2/08 Announced North American Auto Finance restructuring
- ✓ 6/08 Completed largest bank line refinancing ever, covering \$46 billion of commitments
- ✓ 6/08 Completed ResCap bond exchange, capturing a \$1.7 billion discount
- ✓ 7/08 Sold Polish Commercial Finance unit
- ✓ 7/08 Secured ownership of GMAC Bank for an additional 10 years
- ✓ 9/08 Announced sale of GMAC Home Services and ResCap restructuring
- ✓ 10/08 Took various actions to reduce leasing and retail auto originations around the world
- ✓ 11/08 Announced sale of GMAC RE
- ✓ 12/08 Granted Bank Holding Company status
- ✓ 12/08 Received capital contribution of \$750 million from existing shareholders
- ✓ 12/08 Sold \$5 billion of preferred membership interests under TARP
- ✓ 12/08 Expanded consumer auto lending
- ✓ 12/08 Completed GMAC and ResCap bond exchanges, raising \$11.7 billion of capital\*
- ✓ 12/08 Reduced assets by around \$60 billion, or around 24%, from prior year
- ✓ 12/08 Reduced unsecured debt roughly \$50 billion, or 50%, from prior year
- ✓ 1/09 Closed rights offering for \$1.25 billion of common equity equivalents
- ✓ 1/09 GMAC purchased ResCap's interests in GMAC Bank
- ✓ 1/09 Completed additional debt repurchase, generating approx. \$0.6 billion of capital

\* Capital raised includes \$11.4 billion from gain on transaction and \$0.2 billion book value of new preferred interests

# GMAC: Fourth Quarter 2008 Performance Highlights

## Q4 2008 consolidated net income of \$7.5 billion, primarily driven by a gain on the bond exchange

- Excluding the bond exchange gain of \$11.4 billion, the consolidated net loss was \$3.96 billion
  - Loss of \$1.3 billion at Global Auto Finance, driven by weak credit conditions and falling used vehicle prices
  - Net income of \$95 million at Insurance
  - Loss, excluding debt retirement gain, of \$1.7 billion at ResCap, due to falling asset values and continued distress in the real estate market
    - ▶ Total GAAP loss at ResCap of \$981 million, which includes \$754 million of debt retirement gains
- Gain of \$11.4 billion on bond exchange and debt retirement
  - \$754 million of gain at ResCap

## GMAC ended Q4 2008 with \$15.2 billion of cash and cash equivalents

GMAC ex. ResCap	\$8.2 billion
ResCap*	\$7.0 billion
GMAC LLC	\$15.2 billion

\* Includes the cash and cash equivalents of GMAC Bank as presented on ResCap's financial statements.

# GMAC: Net Income by Segment

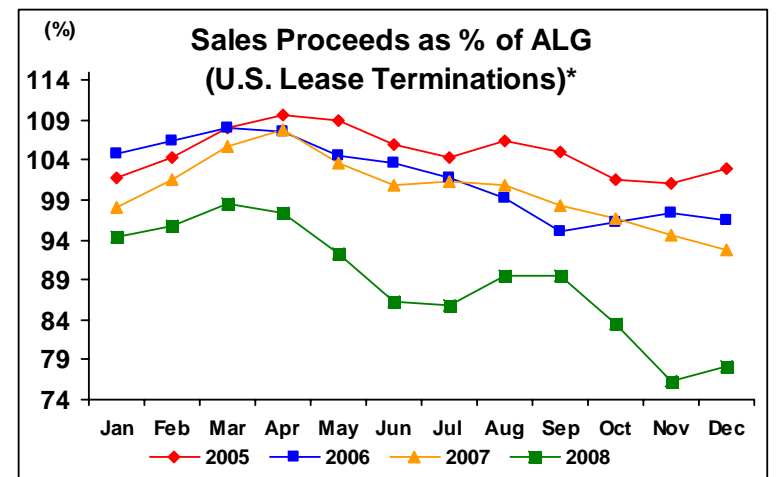
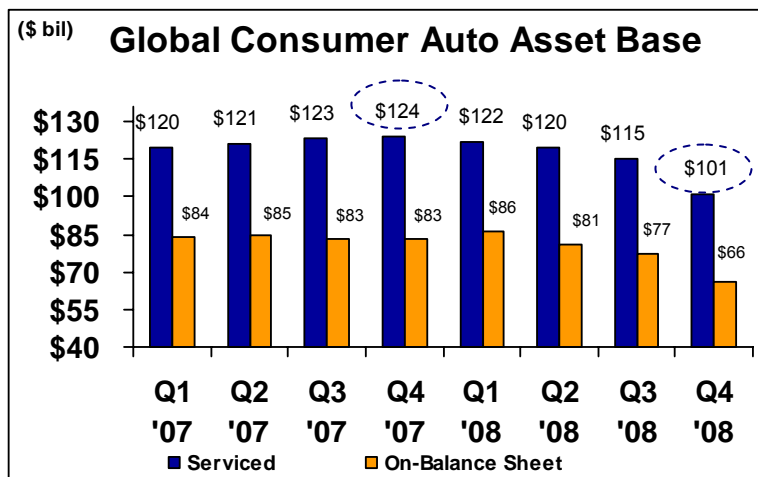
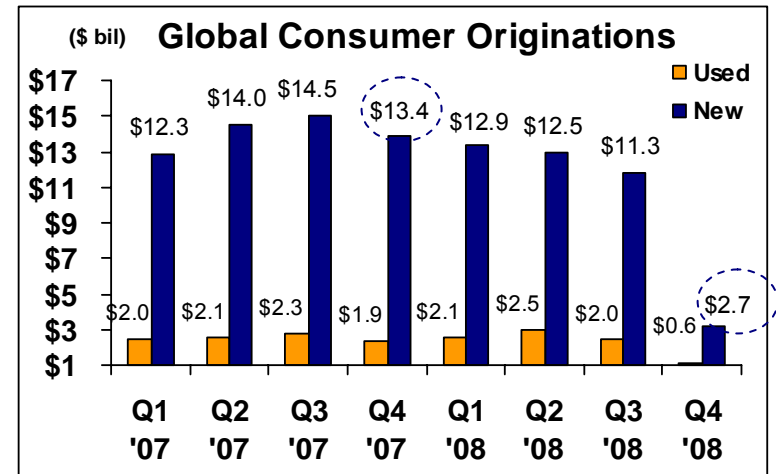
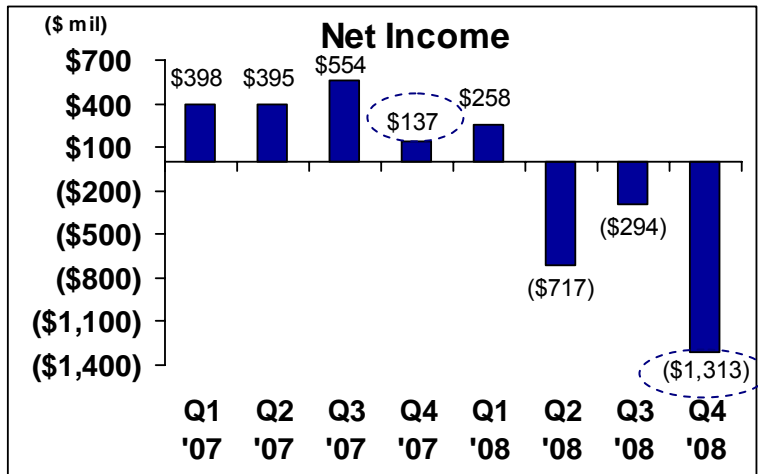
## Net Income by Segment

(\$ millions)	Q4 '08	Q4 '07
North America	<b>(\$1,202)</b>	<b>\$40</b>
International	(111)	97
Global Automotive Finance	(1,313)	137
Insurance	95	68
ResCap excluding Debt Retirement*	(1,735)	(1,441)
Other excluding Bond Exchange**	(1,005)	(50)
Gain on Bond Exchange and Debt Retirement	11,420	562
<b>Consolidated net income (loss)</b>	<b>\$7,462</b>	<b>(\$724)</b>

\* ResCap total GAAP net income was \$981 million, including \$754 million debt retirement gains.

\*\* Other segment includes Commercial Finance, equity investments and other corporate activities. Other had total GAAP net income of \$9.66 billion, including \$10.66 billion of bond exchange gain.

# Global Auto Finance: Key Metrics



All tables include North American and International Operations except where noted. Origination and asset base figures include auto loans and leases.

\*U.S. scheduled terminations on a managed basis by termination year - all lease terms, all vehicle segments (cars, trucks and SUVs)

# Global Auto Finance: Condensed Income Statement

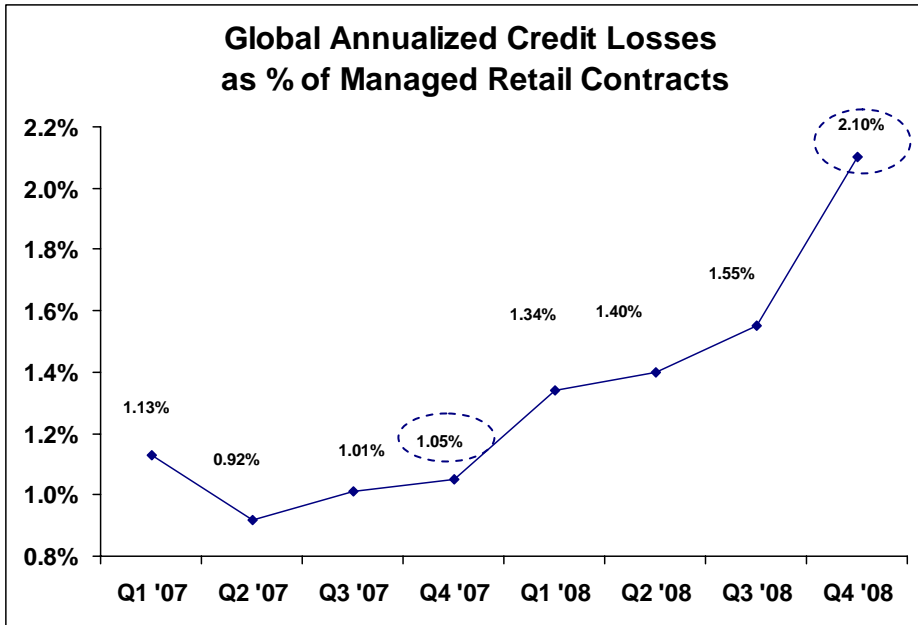
(\$ millions)	Q4 2008	Q4 2007
<b>Revenue</b>		
Total financing revenue	<b>\$3,303</b>	<b>\$3,804</b>
Interest expense	2,276	2,314
Depreciation expense on operating leases	1,273	1,383
Impairment of investment in operating leases	425	-
Net financing (loss) revenue	(671)	107
<b>Other revenue</b>		
Servicing fees	71	89
Gain on automotive loans, net	169	165
Gain on extinguishment of debt	4	-
Investment (loss) income	(114)	116
Other income	592	743
Total other revenue	722	1,113
<b>Total net revenue</b>	<b>51</b>	<b>1,220</b>
<b>Provision for credit losses</b>	<b>510</b>	<b>188</b>
<b>Noninterest expense</b>	<b>957</b>	<b>789</b>
<b>(Loss) income before income tax (benefit) expense</b>	<b>(1,416)</b>	<b>243</b>
Income tax (benefit) expense	(103)	106
<b>Net (loss) income</b>	<b>(\$1,313)</b>	<b>\$137</b>

## Notable Items (Pre-Tax)

(\$ millions)	Q4 2008	Q4 2007
Impairment charges on operating leases	(\$425)	-
Valuation adjustment auto HFS (LOCOM) and retained interests	(\$249)	-
Credit loss provision for retail balloon contract residuals	(\$162)	-



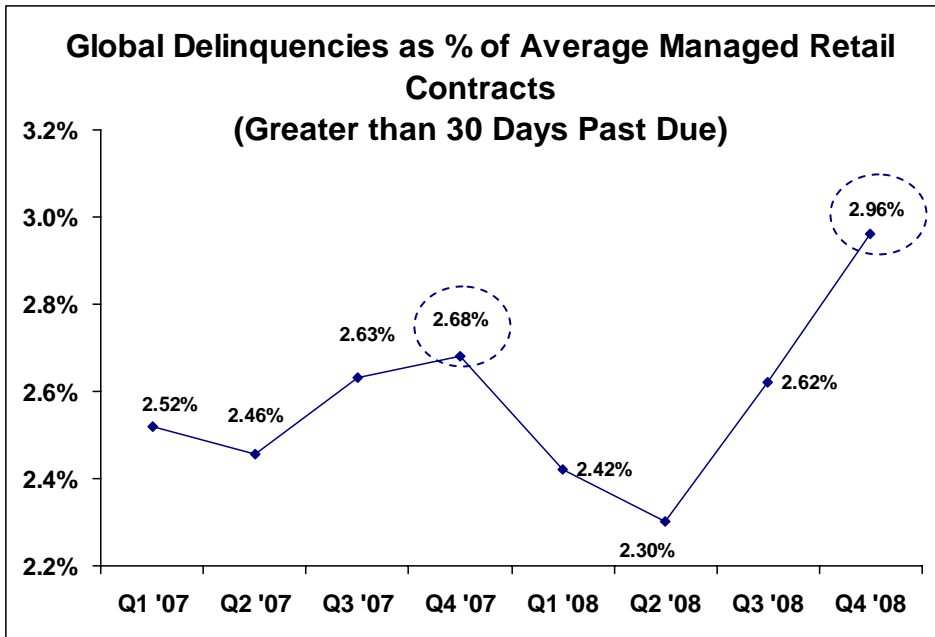
# Global Auto Finance: Consumer Auto Loss Trends



- Losses are up significantly due to:
  - Higher frequency in Europe and North America
  - Increased severity, especially in North America
- Frequency is up, driven by economic weakness and the seasoning of the portfolio
- The asset base is shrinking, pushing loss ratios up

<b>Net Retail Losses (% Avg Assets)</b>	<b>North America</b>	<b>Europe</b>	<b>Asia Pacific</b>	<b>Latin America</b>	<b>Global</b>
Q4 2008	2.51%	0.85%	0.70%	1.49%	2.10%
Q4 2007	1.31%	-0.01%	0.47%	1.20%	1.05%
Year over Year Change	+120bps	+86bps	+23bp	+29bps	+105bps

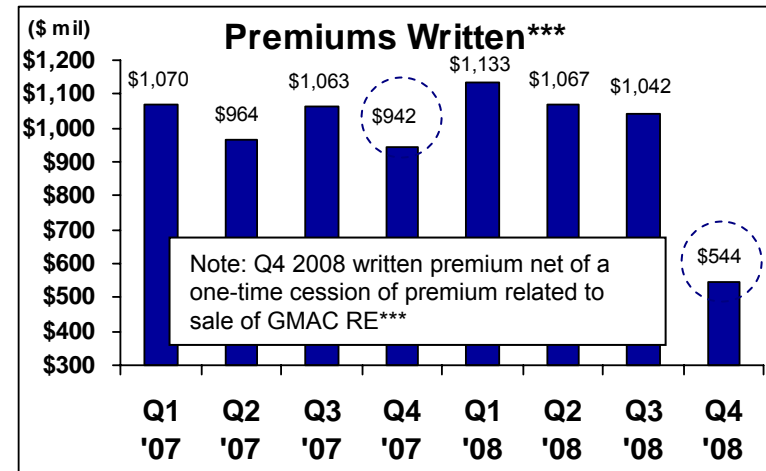
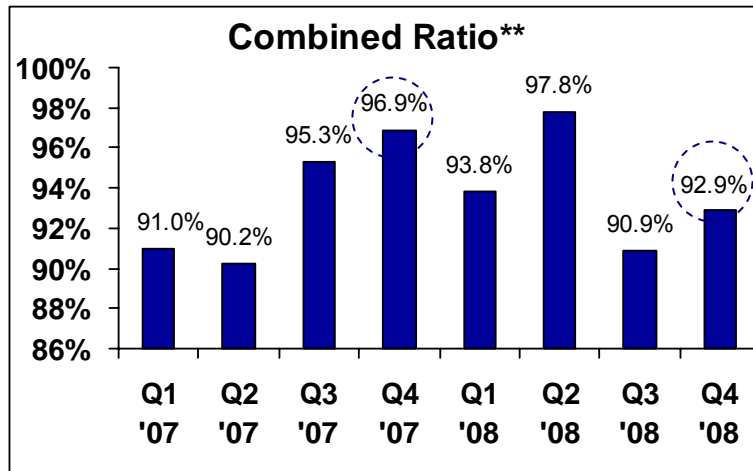
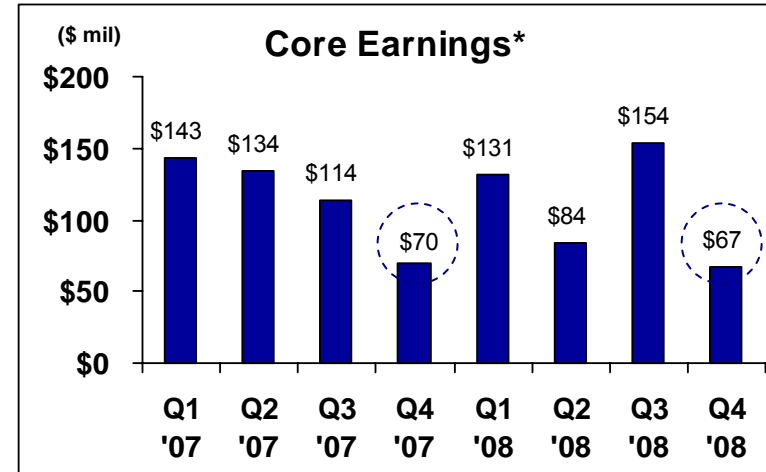
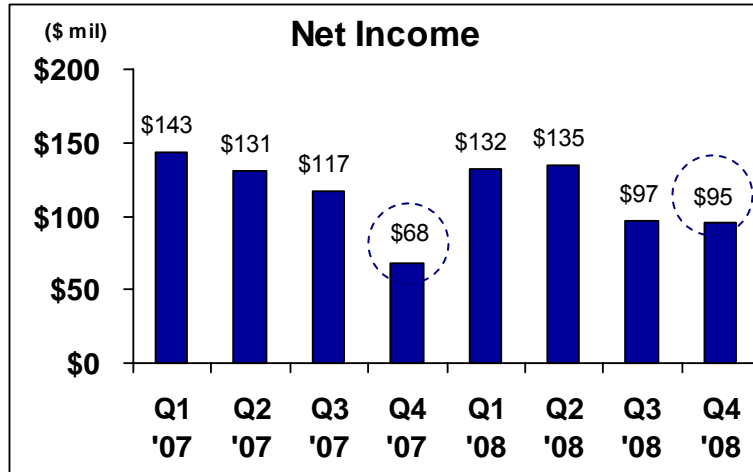
# Global Auto Finance: Auto Delinquency Trends



- Delinquency has historically been highly correlated to the unemployment rate, which is what we are seeing in North America
- Economic weakness, particularly in Spain, has caused European credit performance to deteriorate
- Overall delinquency rates are up due to shrinking portfolios in North America and Europe

<b>Loans &gt; 30 Days Past Due</b>	<b>North America</b>	<b>Europe</b>	<b>Asia Pacific</b>	<b>Latin America</b>	<b>Global</b>
Q4 2008	3.18%	1.52%	1.74%	4.06%	2.96%
Q4 2007	2.77%	1.36%	1.90%	4.08%	2.68%
Year over Year Change	+41bps	+16bps	-16bps	-2bps	+28bps

# Insurance: Key Metrics



\* Core Earnings = underwriting income + investment income + goodwill impairment + interest expense, less gain on sale of business, less capital gains; net of tax. See supplemental charts for a reconciliation of core earnings to GAAP income.

\*\* Combined ratio represents the sum of all incurred losses and expenses (excluding interest and income tax expense) divided by the total premiums and service revenues earned and other income. For 2008, sale of GMAC RE and goodwill impairment have also been excluded.

\*\*\* Q4 2008 reflects the sale of GMAC RE, which closed on November 3, 2008. Excluding GMAC RE, premiums written (\$ millions) would be \$859, \$939, \$942 and \$937 for Q4 2007, Q1 2008, Q2 2008 and Q3 2008, respectively.

# Insurance: Condensed Income Statement

(\$ millions)	Q4 2008	Q4 2007
<b>Revenue</b>		
Insurance premiums and service revenue earned	\$963	\$1,133
Investment income	9	107
Other income	132	42
Total insurance premiums and other income	1,104	1,282
<b>Expense</b>		
Insurance losses and loss adjustment expenses	514	656
Acquisition and underwriting expense	415	496
Impairment of goodwill	42	-
Total expense	971	1,152
<b>Income before income tax expense</b>	133	130
Income tax expense	38	62
<b>Net income</b>	<b>\$95</b>	<b>\$68</b>

## Notable Items (Pre-Tax)

(\$ millions)	Q4 2008	Q4 2007
Goodwill impairment	(42)	-
Gain on sale of business	98	-

# ResCap: Key Messages

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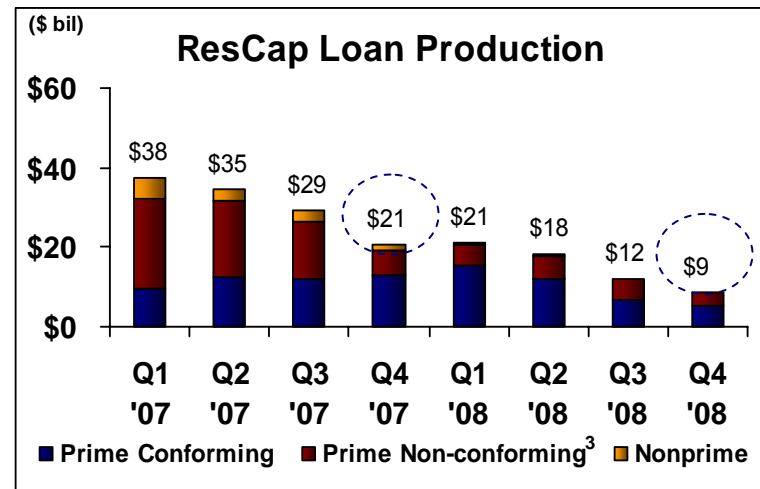
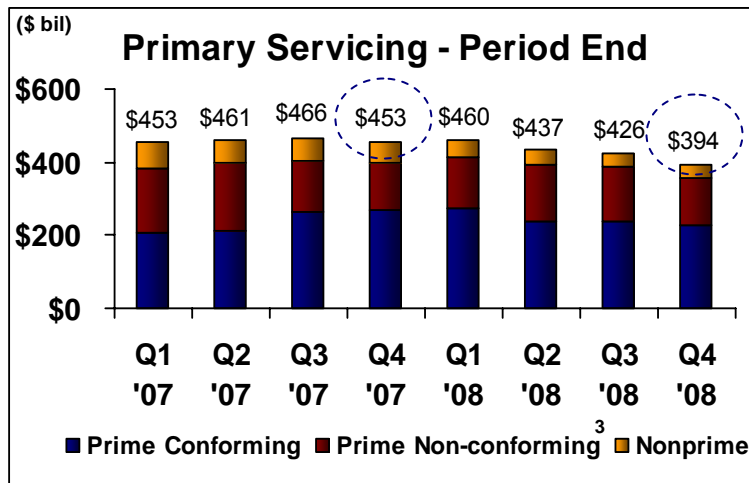
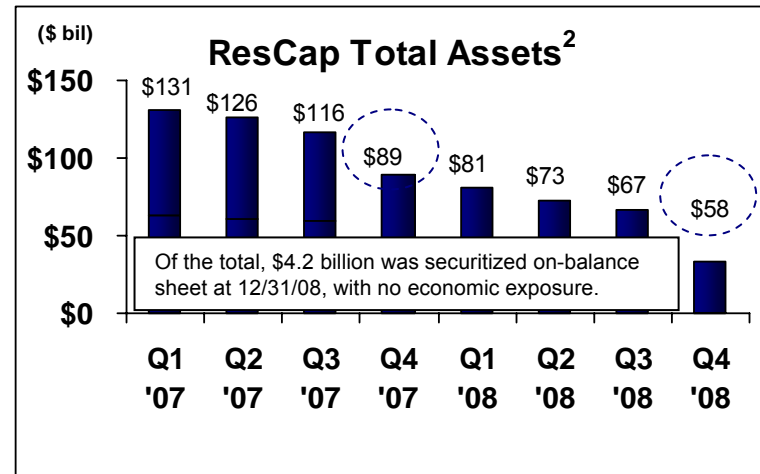
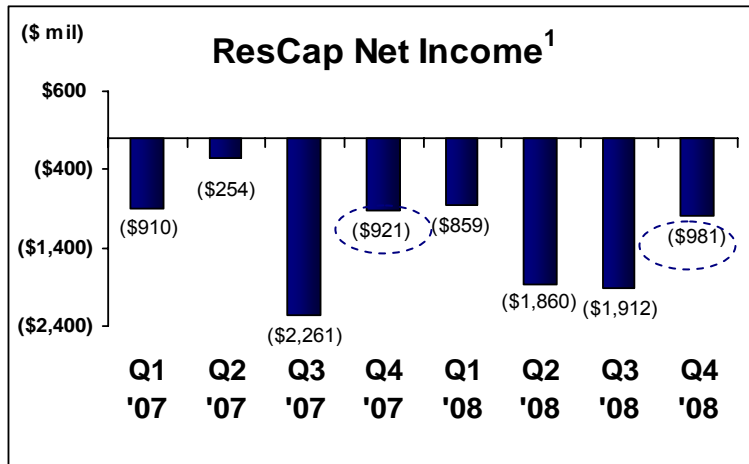
## Operating and market environments

- Execution of strategic initiatives continues to reduce the balance sheet and lower operating costs; however, weak real estate market conditions persist
  - Credit-related costs remain at elevated levels
  - Cost of funding is very high
  - Significant portion of assets are in run-off; poor market for disposition of non-conforming assets

## Capital and liquidity needs continue

- Remained compliant with key covenants
- Ongoing evaluation of plans to address capital and liquidity needs
- GMAC holds significant portions of ResCap debt from bond exchange
- Core origination and servicing business provides diversification for GMAC
- ResCap continues to rely on GMAC support

# ResCap: Key Metrics



<sup>1</sup> Q4 '08 includes \$754 million after-tax gain on extinguishment of debt.

<sup>2</sup> Total assets include the assets of auto division of GMAC Bank as presented on ResCap's financial statements.

<sup>3</sup> Government and Prime Second Liens are included in Prime Non-conforming.

# ResCap: Condensed Income Statement

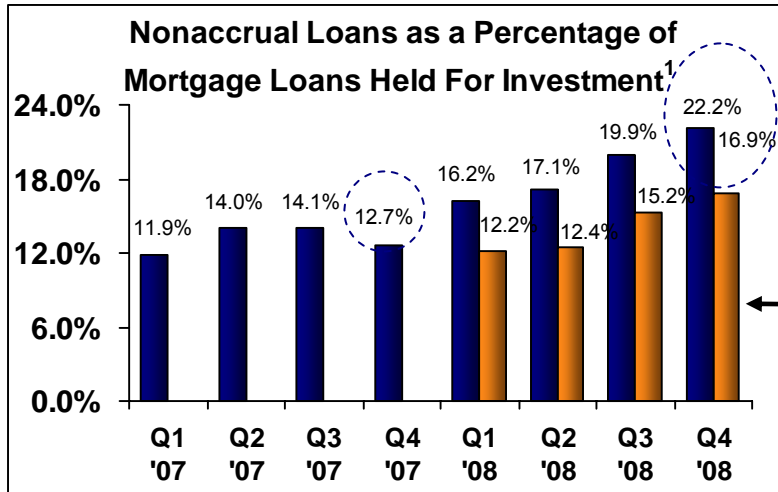
(\$ millions)	Q4 2008	Q4 2007
<b>Revenue</b>		
Total financing revenue	<b>\$600</b>	<b>\$1,288</b>
Interest expense	777	1,421
Net financing loss	(177)	(133)
Servicing fees	334	440
Servicing asset valuation and hedge activities, net	(248)	34
Net loan servicing income	86	474
(Loss) gain on mortgage loans, net	(56)	299
Gain on extinguishment of debt	757	521
Other loss	(195)	(388)
Total other revenue	506	432
<b>Total net revenue</b>	<b>415</b>	<b>773</b>
<b>Provision for credit losses</b>	<b>817</b>	<b>830</b>
<b>Noninterest expense</b>	<b>666</b>	<b>875</b>
<b>Loss before income tax benefit</b>	<b>(1,068)</b>	<b>(932)</b>
Income tax benefit	(87)	(11)
<b>Net loss</b>	<b>(\$981)</b>	<b>(\$921)</b>

## Notable Items (Pre-Tax)\*

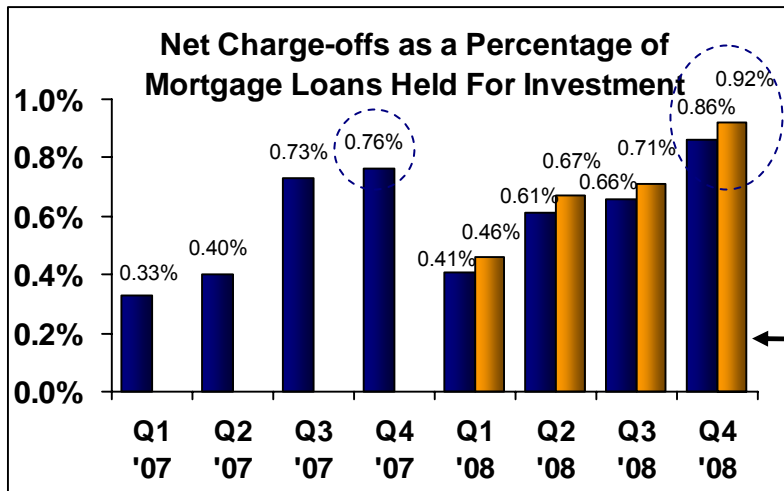
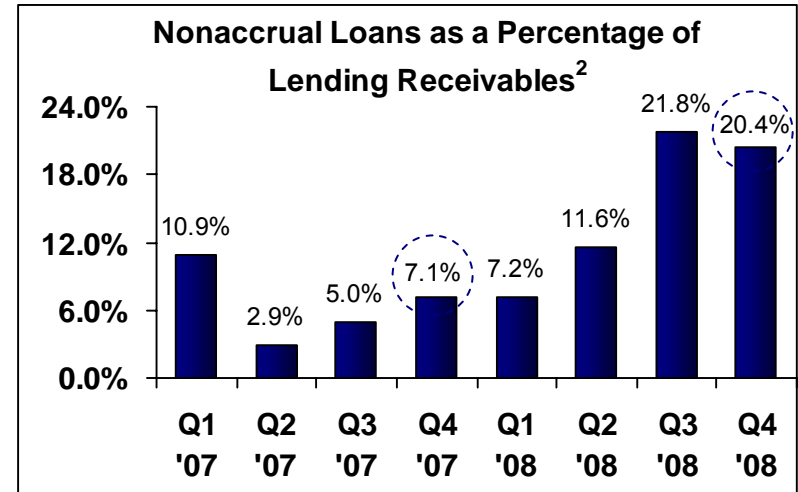
(\$ millions)	Q4 2008	Q4 2007
ResCap gain/loss on investment securities, net	(80)	(399)
ResCap provision for loan losses	(817)	(830)
ResCap FX currency impacts	(122)	12
Gain on extinguishment of debt (pre-tax)	757	521

Note: Income statement presentation (condensed) as it appears on a GMAC reported basis; results on a ResCap reported basis can be found on page 37 of this presentation.

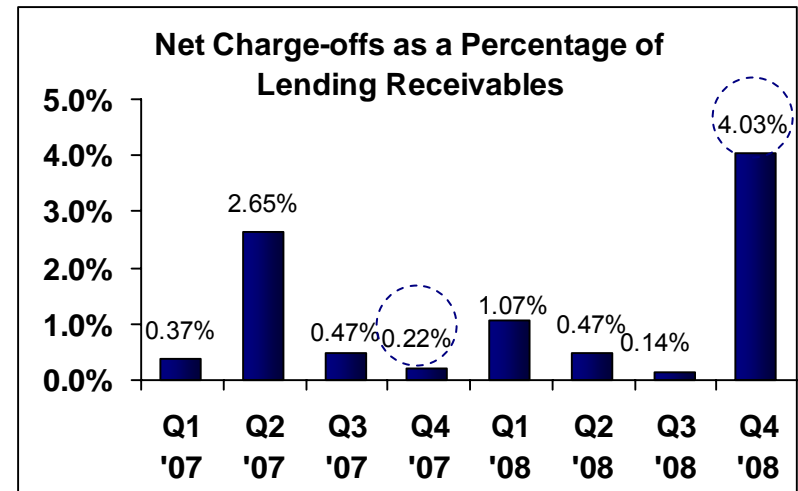
# ResCap: Global Portfolio Credit Quality



Excluding loans impacted by FAS 159



Excluding loans impacted by FAS 159



Total HFI\* = \$25.9 billion

Total Lending Receivables\* = \$6.6 billion

\*Note: HFI and Lending Receivables balances are carry value before allowance; charge-off percentages are not annualized.

1- Mortgage loans HFI are part of Finance Receivables and Loans (consumer) on GMAC's financial statements.

2- Lending Receivables are part of Finance Receivables and Loans (commercial) on GMAC's financial statements.



# ResCap: Capital and Liquidity

## Total equity of \$2.2 billion (12/31/08)

- ResCap received equity infusions of \$1.67 billion from GMAC during Q4 2008, including \$690 million of GMAC MSR debt forgiveness and the contribution of \$976 million of ResCap bonds (face value plus accrued interest) that resulted in a gain on the extinguishment of debt of \$757\* million
- Tangible net worth, without GMAC Bank, as required by certain bank facility covenants, was \$350 million vs. \$250 million covenant requirement\*\*
- ResCap was also compliant with its minimum cash covenants at quarter end
- If ResCap were to need additional support, GMAC would provide that support so long as it was in the best interests of GMAC stakeholders. While there can be no assurances, GMAC's recently approved status as a regulated bank holding company has increased the importance of its support for ResCap.

## Global ResCap cash and cash equivalents of \$7.0 billion (12/31/08)

- ResCap cash and cash equivalents increased \$98 million compared to Q3 2008
- Of the total, \$5.5 billion was held at GMAC Bank\*\*\*

(\$ billions)	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Cash and cash equivalents <sup>1</sup>	\$7.0	\$6.9	\$6.6	\$4.2	\$4.4	\$6.5	\$3.7	\$2.6
Common equity	\$2.2	\$2.3	\$4.1	\$5.7	\$6.0	\$6.2	\$7.5	\$7.2

\* Represents a before-tax number.

\*\* For this purpose, consolidated tangible net worth is defined as the company's consolidated equity, excluding intangible assets and any equity in GMAC Bank to the extent included in the Company's consolidated balance sheet.

\*\*\* GMAC Bank Cash & Cash Equivalents as presented on GMAC Bank's GAAP financial statements.

<sup>1</sup> These figures include the auto division of GMAC Bank, as presented on ResCap's financial statements.

# GMAC Bank: IB Finance Transaction

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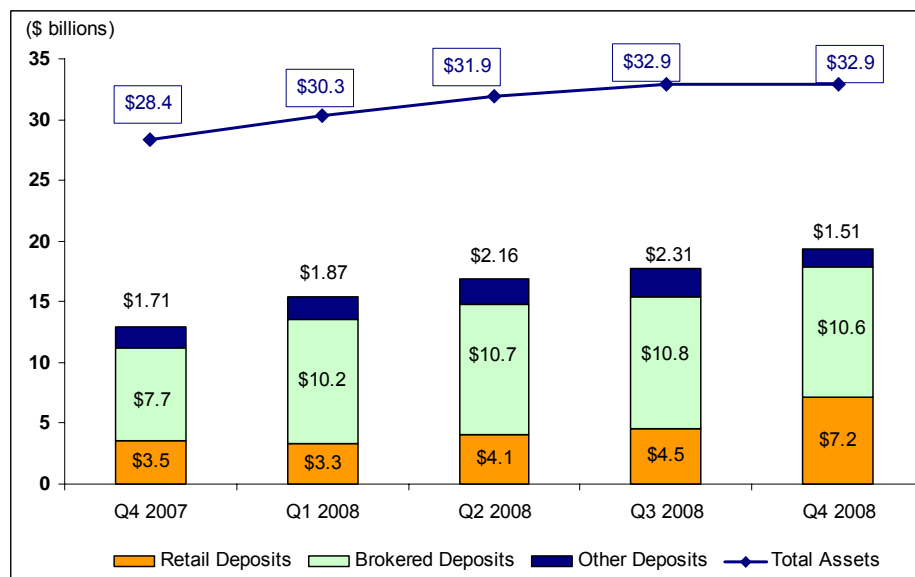
## On January 30, GMAC acquired 100% of ResCap's non-voting equity interest in IB Finance Holdings, the parent company of GMAC Bank

- Prior to the transaction, IB Finance was jointly owned by GMAC and ResCap (GMAC held 100% of outstanding voting interests, and ResCap held non-voting equity interests) but consolidated with ResCap for stand-alone reporting purposes
  - At 12/31/08, ResCap stand-alone financial statements included \$33 billion in assets associated with IB Finance and a \$1.9 billion minority interest associated with GMAC ownership in the entity
- Transaction Mechanics
  - GMAC converted its \$806 million of preferred interests in ResCap into \$806 million of preferred interests in IB Finance consistent with the terms of the Exchange Agreement entered into on March 31, 2008
  - \$830 million of ResCap debt was forgiven by GMAC in exchange for 100% of ResCap's remaining non-voting equity interest in IB Finance ("Class M Common Units")
  - ResCap has the right to market the Class M Common Units on similar terms and conditions to third parties for a period of 60 days following the closing, and will receive any upside should a third party buyer be identified
  - All business arrangements between ResCap and GMAC Bank will remain in place at closing
- As a result of this, all voting and economic interests in IB Finance are now owned directly by GMAC
  - IB Finance will no longer consolidate with ResCap for stand-alone reporting purposes
  - GMAC segment reporting is unaffected by this transaction

# Global Capital and Liquidity: GMAC Bank

## Continuing to grow GMAC Bank assets and deposits in line with FDIC guidelines

- Assets of \$32.9 billion include \$10.9 billion of assets at the auto division, and \$22.0 billion of assets at the mortgage division
- Increased marketing efforts have raised deposits to \$19.3 billion as of 12/31/08
- More rapid growth of assets in the bank remains constrained by restrictions on affiliate related business
- Total FHLB borrowing capacity of \$9.5 billion (\$0.2 billion of which is unused) available to fund mortgage assets



Note: GMAC Bank assets and deposits as presented on GMAC Bank call report filed with the FDIC.

## **GMAC Bank: Regulatory Restrictions for Auto Assets**

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### **Banking regulations limit GMAC Bank's ability to fund the majority of GMAC's U.S. auto assets**

- Certain transactions with affiliates are extremely limited, without an exemption
  - Currently, GM is considered an affiliate of GMAC Bank
  - GMAC Bank can not fund the following unless regulators provide an exemption:
    - ▶ Dealer inventory finance for new GM vehicles, as long as GM is considered an affiliate
    - ▶ Consumer leasing
    - ▶ Retail auto loans on vehicles for which GMAC provides the dealer financing

**While these restrictions limit our ability to grow GMAC Bank assets, the Bank remains a key funding source**

# Global Capital and Liquidity: Cash Roll Forward

(\$ billions)	GMAC Consolidated	ResCap Consolidated	GMAC Bank
<b>Cash &amp; Cash Equivalents (9/30/08)</b>	<b>\$13.5</b>	<b>\$6.9</b>	<b>\$4.9</b>
Debt Maturities	(5.5)	(0.3)	0.0
Q4 Wholesale Securitization Maturities	(0.7)	0.0	0.0
Asset RunOff net of On-Balance Sheet Securitizations	7.5	0.0	(0.2)
Intercompany Secured Loans	0.0	(0.7)	0.0
Other*	0.4	1.1	0.7
<b>Cash &amp; Cash Equivalents (12/31/08)</b>	<b>\$15.2</b>	<b>\$7.0</b>	<b>\$5.5</b>
<b>Net Q4 Change in Cash &amp; Cash Equivalents</b>	<b>\$1.7</b>	<b>\$0.1</b>	<b>\$0.6</b>

\* Includes receipt of \$5.0 billion in TARP funds and cash tender payment of \$2.5 billion for debt exchange

Note: Numbers may not foot due to rounding

# Global Capital and Liquidity: Capital Base

(\$ billions)	Preferred Interests	Common Interests	Total Equity
<b>Total Equity at 9/30/08</b>	<b>\$1.05</b>	<b>\$8.19</b>	<b>\$9.24</b>
Q4 Net Loss Excluding Bond Exchange and Debt Retirement*		(3.96)	(3.96)
Bond Exchange and Debt Retirement Gain*		11.42	11.42
Preferred Interests Issued During Bond Exchange	0.23		0.23
US Treasury TARP Investment	5.00		5.00
Common Equity Issued in Exchange for GM/Cerberus Contribution of Participation in ResCap \$3.5 Bn Secured Facility		0.75	0.75
Accumulated Other Comprehensive Income		(0.81)	(0.81)
<b>Total Equity at 12/31/08</b>	<b>\$6.28</b>	<b>\$15.59</b>	<b>\$21.85</b>

Memo: Additional Debt Repurchase Completed 1/05/09 (est)		0.60	0.60
Rights Offering Completed 1/16/09		1.25	1.25
<b>Proforma Total Capital**</b>	<b>\$6.28</b>	<b>\$17.44</b>	<b>\$23.70</b>

Note: Numbers may not foot due to rounding.

\* Q4 total GAAP income was \$7.5 billion, consisting of \$11.4 billion bond exchange gain and \$3.96 million of other losses

\*\* 12/31/2008 capital plus impact of rights offering and debt repurchase; does not include any impact from January 2009 operating performance.

- The bond exchange increased equity capital by \$3.7 billion from principal reduction, cash tender and issuance of other securities, \$0.2 billion from converting principal to preferred stock and \$7.7 billion from recording the debt and preferred at fair market value
- GMAC now has four classes of preferred stock including preferred interests held by GM, two series of interests held by the U.S. Treasury and interests issued in the bond exchanges

# Global Capital and Liquidity: Capital Ratios

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## Capital ratios

	12/31/08	09/30/08	12/31/07
Total Equity / Total Assets	11.5%	4.4%	6.3%
Tangible Equity / Tangible Assets*	10.9%	3.7%	5.7%
Bank Agreement Leverage Ratio**	2.8x	10.0x	N/A

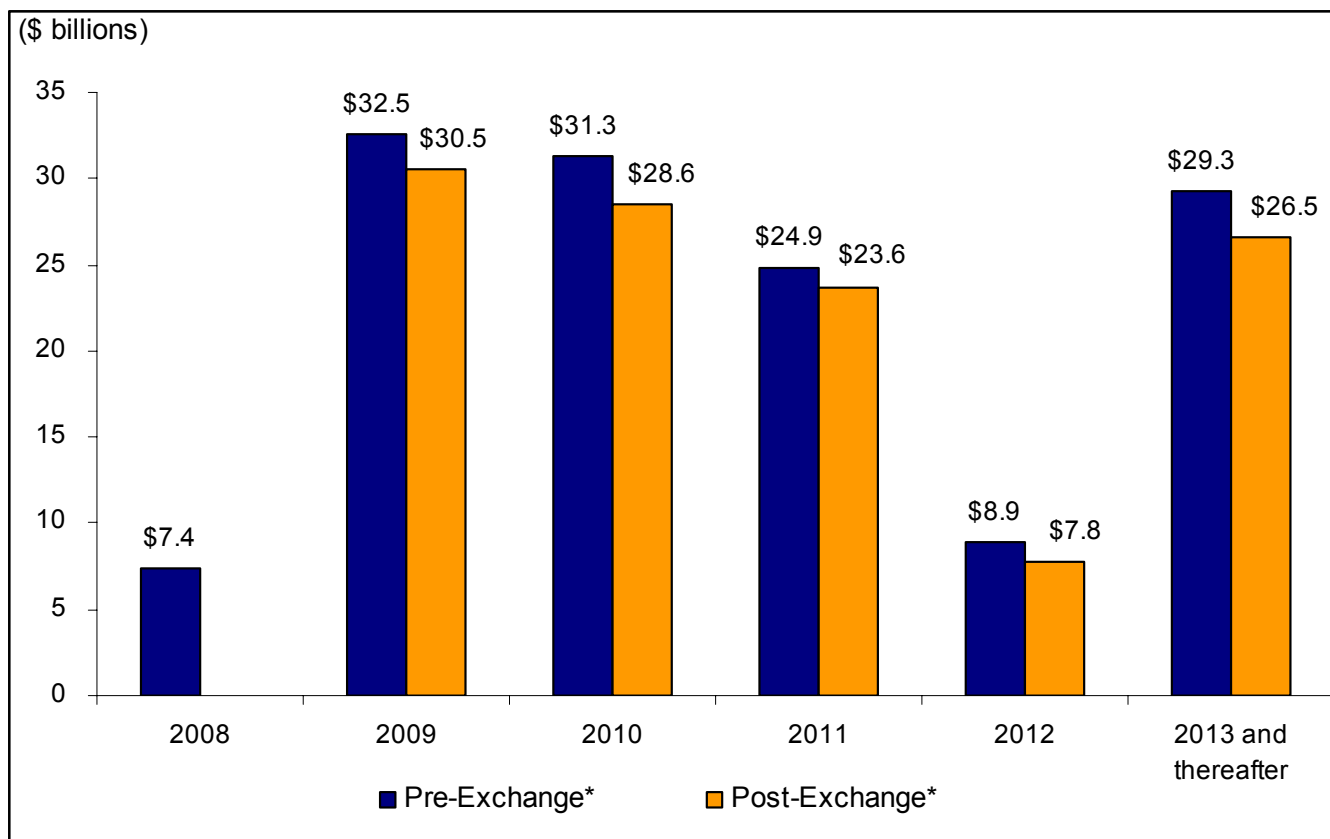
\* The ratio of Tangible Equity/Tangible Assets excludes Intangibles of \$1.4 billion (12/31/08), \$1.5 billion (9/30/08) and \$1.6 billion (12/31/07) from Total Equity and Total Assets.

\*\* Under a revolving credit facility, we are subject to a leverage ratio covenant under which adjusted consolidated debt should not exceed 11 times adjusted consolidated net worth. Details on this calculation can be found on slide 33.

# Global Capital and Liquidity: Term Debt Maturity Profile

## Debt exchange did not significantly change GMAC's overall maturity profile

- Unsecured and secured term maturities in 2009 are \$30.5 billion, down only \$2.0 billion from pre-exchange levels



*\*Note: Pre-exchange maturities as of 9/30/2008 and post-exchange maturities as of 12/31/2008 reflect par value of debt. Excludes collateralized borrowings in securitization trusts representing mortgage lending related debt that is repaid upon the principal payments of the underlying assets, of \$7.0 billion (as of 9/30/08) and \$3.8 billion (as of 12/31/08).*



# GMAC: Funding Strategy

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## Within GMAC Bank:

- Increase deposits and shift toward a higher proportion of retail deposits
- Continue to access FHLB funding
- Access federal funding facilities as appropriate

## Outside GMAC Bank

- Maintain key components of current funding strategy
  - Emphasis on secured committed facilities
  - Maintain strong and deep lending relationships with key bank partners
  - Manage asset originations to match available funding
  - As origination patterns change, reshape funding to reflect this
- Expand funding in new ways where possible
  - Applying for TLGP
  - Exploring opportunities within TALF
- **When markets return, access public ABS market and perhaps unsecured market**

**Credit market challenges remain, and GMAC will continue to focus on enhancing liquidity**

# GMAC: Selected BHC Requirements

The transformation to a BHC involves a number of changes, including those to our current business model, corporate governance and reporting requirements

- GMAC-GM operating agreements being revised
- GMAC Board will be reconstituted
- GMAC must comply with bank regulations and reporting requirements
- GMAC ownership will be restructured
  - GM’s ownership is limited to no more than 9.9% of voting interest and economic
    - ▶ GM has indicated it will contribute all equity in excess of this limit to two blind trusts
    - ▶ The trustees must dispose of all the equity in the trusts within 3 years
  - Cerberus’ ownership is limited to no more than 14.9% of voting interest and 33% of economic interest
    - ▶ Cerberus will distribute excess equity to its investors

## GMAC Voting Interest Ownership

(%)	GM	GM Trust <sup>1</sup>	Treasury Trust <sup>2</sup>	Cerberus	Cerberus Co-Investors	Total
9/30/08	49.0%	-	-	51.0%	-	100.0%
1/16/09	59.9%	-	-	40.1%	-	100.0%
3/31/2009 (expected)	9.9%	14.6%	35.4%	14.9%	25.2%	100.0%

<sup>1</sup> Blind trust, of which GM will be the beneficiary. GM will appoint Trustee, subject to Federal Reserve approval

<sup>2</sup> Blind trust, of which GM will be the beneficiary. U.S. Treasury will appoint Trustee

# GMAC: Corporate Governance

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## **GMAC is required to reconstitute its board by March 24, 2009**

- The new board will be comprised of seven members including:
  - One member appointed by Cerberus
  - Two members appointed by the Trustee of the “Treasury Trust”
    - ▶ The Treasury Trust is a blind trust or trusts that will be established by GM to hold certain voting interests in GMAC. The Trustee will be appointed by the U.S. Treasury
  - The GMAC CEO
- Three independent members appointed by the above four members.

**One independent member will appointed chairman by a majority of the board**

# Conclusion

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**The difficult economic and financial environment in 2008 threatened GMAC's mission of lending to car buyers, homebuyers and auto dealers**

**Our actions throughout the year have improved GMAC's position, yet challenges remain**

- Stressed capital markets
- Poor economic conditions
- Weaker consumer and commercial credit
- Concentration of risk in Auto and Mortgage
- New regulatory requirements

**To address these challenges, GMAC will focus on 5 key priorities for 2009**

1. Transition to and meet all bank holding requirements
2. Strengthen the company's liquidity and capital position
3. Build a world class GMAC organization
4. Expand and diversify customer-focused revenue opportunities in auto and mortgage, with available funding driving originations
5. Drive returns by repositioning the risk profile of GMAC's revenue mix and asset base, and maximizing efficiencies

# Supplemental Charts

## GMAC: Preliminary Quarterly Consolidated Net Income

(\$ millions)	Q4 2008	Q4 2007
<b>Revenue</b>		
Total financing revenue	<b>\$4,000</b>	<b>\$5,193</b>
Interest expense	2,917	3,653
Depreciation expense on operating lease assets	1,274	1,384
Impairment of investment in operating leases	425	-
Net financing (loss) revenue	(616)	156
<b>Other revenue</b>		
Net loan servicing income	157	563
Insurance premiums and service revenue earned	974	1,144
Gain on mortgage and automotive loans, net	113	464
Gain on extinguishment of debt	11,464	563
Investment loss	(183)	(75)
Other (loss) income	(491)	478
Total other revenue	12,034	3,137
<b>Total net revenue</b>	<b>11,418</b>	<b>3,293</b>
<b>Provision for credit losses</b>	<b>1,340</b>	<b>1,021</b>
<b>Noninterest expense</b>		
Insurance losses and loss adjustment expenses	537	656
Other operating expenses	2,137	2,191
Impairment of goodwill	42	-
Total noninterest expense	2,716	2,847
<b>Income (loss) before income tax (benefit) expense</b>	<b>7,362</b>	<b>(575)</b>
Income tax (benefit) expense	(100)	149
<b>Net income (loss)</b>	<b>\$7,462</b>	<b>(\$724)</b>

## GMAC: Preliminary Full-Year Consolidated Net Income

(\$ millions)	2008	2007
<b>Revenue</b>		
Total financing revenue	<b>\$18,395</b>	<b>\$21,187</b>
Interest expense	11,870	14,776
Depreciation expense on operating lease assets	5,483	4,915
Impairment of investment in operating leases	1,234	-
Net financing (loss) revenue	(192)	1,496
<b>Other revenue</b>		
Net loan servicing income	1,498	1,649
Insurance premiums and service revenue earned	4,329	4,378
(Loss) gain on mortgage and automotive loans, net	(1,560)	508
Gain on extinguishment of debt	12,628	563
Investment (loss) income	(446)	473
Other income	601	2,732
Total other revenue	17,050	10,303
<b>Total net revenue</b>	<b>16,858</b>	<b>11,799</b>
<b>Provision for credit losses</b>	<b>3,683</b>	<b>3,096</b>
<b>Noninterest expense</b>		
Insurance losses and loss adjustment expenses	2,522	2,451
Other operating expenses	8,734	7,739
Impairment of goodwill	58	455
Total noninterest expense	11,314	10,645
<b>Income (loss) before income tax (benefit) expense</b>	<b>1,861</b>	<b>(1,942)</b>
Income tax (benefit) expense	(7)	390
<b>Net income (loss)</b>	<b>\$1,868</b>	<b>(\$2,332)</b>

## GMAC: Preliminary Consolidated Balance Sheet

(\$ billions)		
<b>Assets</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Cash and cash equivalents	\$15.2	\$17.7
Investment securities	8.4	16.7
Loans held for sale	7.9	20.6
Finance receivables and loans, net of unearned income	100.1	127.5
Allowance for credit losses	(3.4)	(2.8)
Investment in operating leases, net	26.4	32.3
Other assets	34.9	36.9
<b>Total assets</b>	<b>\$189.5</b>	<b>\$248.9</b>
<b>Liabilities</b>		
Unsecured debt	\$53.2	\$102.3
Secured debt	73.1	90.8
Total debt	126.3	193.1
Deposit liabilities	19.8	15.3
Other liabilities	21.5	24.9
Total liabilities	167.6	233.3
<b>Equity</b>		
Total equity	21.9	15.6
<b>Total liabilities, preferred interests and equity</b>	<b>\$189.5</b>	<b>\$248.9</b>

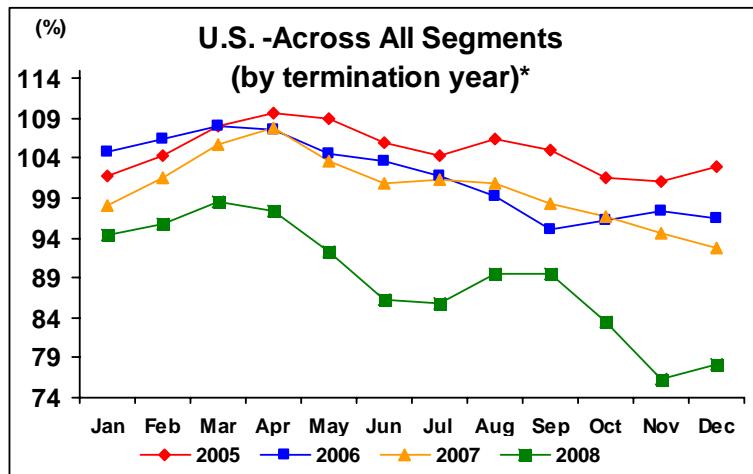


## GMAC: Leverage Ratio as of 12/31/08

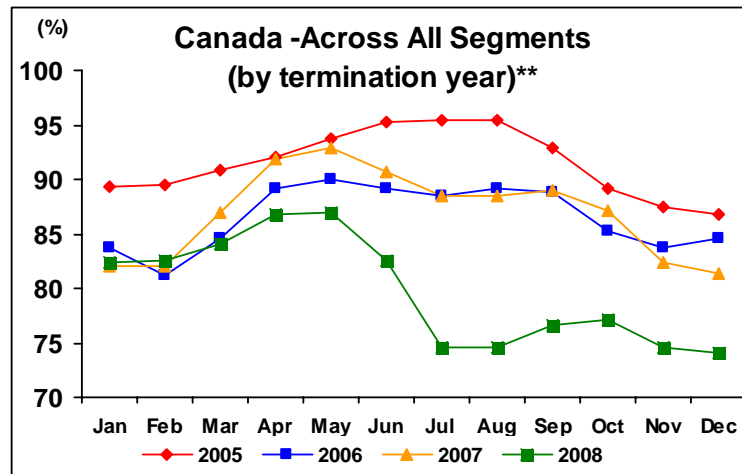
December 31, 2008 (\$ millions)	GMAC LLC	Less: ResCap	Adjusted leverage metrics
Consolidated borrowed funds:			
Total debt	\$126,321	\$30,576	\$95,745
Less:			
Obligations of bankruptcy-remote SPEs	(54,876)	(3,753)	(51,123)
Intersegment eliminations	-	(7,440)	7,440
<b>Consolidated borrowed funds used for leverage ratio</b>	<b>71,445</b>	<b>19,383</b>	<b>52,062</b>
Consolidated net worth:			
Total equity	21,854	2,187	19,667
Less:			
Intersegment credit extensions	(866)	-	(866)
<b>Consolidated net worth used for leverage ratio</b>	<b>\$20,988</b>	<b>\$2,187</b>	<b>\$18,801</b>
<b>Leverage ratio</b>			<b>2.8</b>

# Global Auto Finance: Lease Residual Trends

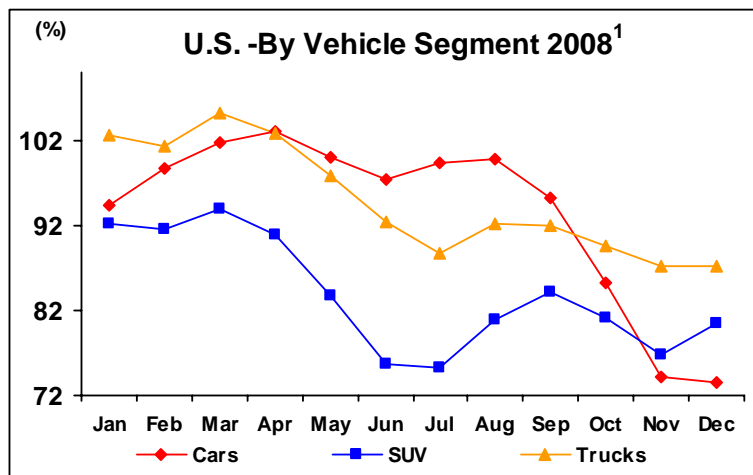
## U.S. and Canada Sales Proceeds as a % of Original ALG Estimate



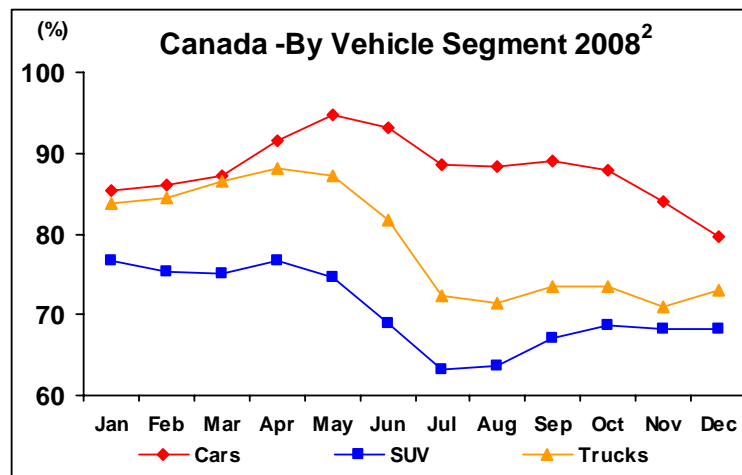
\* U.S. scheduled terminations on a managed basis, all lease terms.



\*\*Canada scheduled terminations on a managed basis, all lease terms.



1- U.S. scheduled terminations, all lease terms.



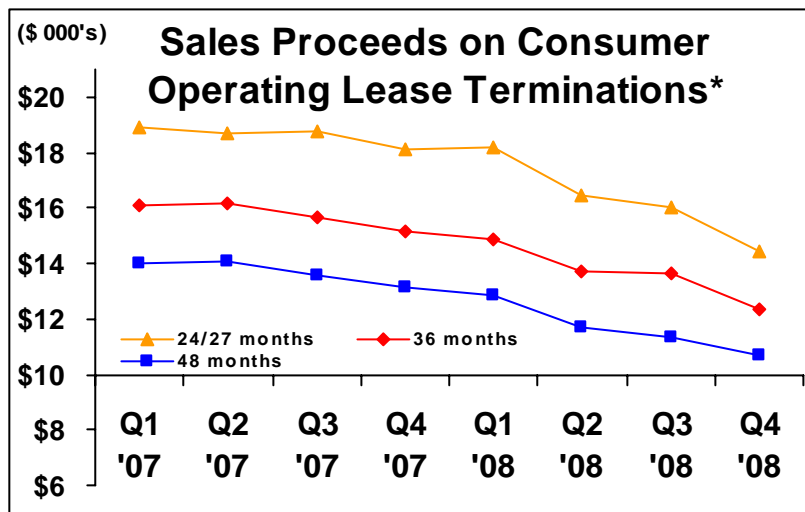
2- Canada scheduled terminations, all lease terms.

# Auto Finance: Portfolio Composition

## North America Lease Portfolio by Vehicle Mix

	As % of Units	Units (000's)	As % of Value	Net Book Value (\$bn)
Car	49%	651	40%	\$9.4
Truck	17%	219	17%	\$4.0
SUV	34%	455	44%	\$10.4
<b>TOTAL</b>		<b>1,325</b>		<b>\$23.8</b>

As of 12/31/08. Numbers may not foot due to rounding.



\*U.S. managed portfolio, adjusted for Q4 2008 vehicle mix.

# Reconciliation of Insurance Core Earnings

(\$ millions)	4Q 2008	3Q 2008	2Q 2008	1Q 2008	4Q 2007	3Q 2007	2Q 2007	1Q 2007
<b>Net Income</b>	<b>\$95</b>	<b>\$97</b>	<b>\$135</b>	<b>\$132</b>	<b>\$68</b>	<b>\$117</b>	<b>\$131</b>	<b>\$143</b>
Add: Impairment of Goodwill <sup>1</sup>	42							
Add: Pre-tax interest (benefit) expense <sup>1</sup>	2	(2)	(72)	5	8	9	5	4
Less: Pre-tax gain on sale of business <sup>2</sup>	98							
Less: Pre-tax capital (losses) gains <sup>3</sup>	(63)	(90)	6	7	5	13	1	4
Add: Estimated taxes	(37)	(31)	27	1	(1)	1	(1)	0
<b>Core Earnings</b>	<b>\$67</b>	<b>\$154</b>	<b>\$84</b>	<b>\$131</b>	<b>\$70</b>	<b>\$114</b>	<b>\$134</b>	<b>\$143</b>

1. Amount within acquisition and underwriting expense in Forms 10-Q and 10-K.

2. Amount within other income in Forms 10-Q and 10-K.

3. Amount within investment income in Forms 10-Q and 10-K.

# ResCap: Income Statement

(\$ millions)	Q4 2008	Q4 2007
<b>Revenue</b>		
Total financing revenue	\$957	\$1,719
Interest expense	852	1,479
Depreciation expense on operating lease assets	96	89
Impairment of investment in operating leases	75	-
Net financing revenue	(66)	152
<b>Other revenue</b>		
Servicing fees	334	440
Servicing asset valuation and hedge activities, net	(248)	34
Gain (loss) on sale of loans	(56)	299
Gain (loss) on investment securities	(80)	(399)
Gain (loss) on retirement of debt	757	521
Other income	(189)	(204)
Total other revenue	518	691
<b>Total net revenue</b>	451	843
<b>Provision for credit losses</b>	825	836
<b>Non-interest expense</b>		
Compensation and benefits expense	144	234
Other operating expenses	570	665
Total non-interest expense	714	899
Minority Interests	(9)	26
<b>Loss before income tax benefit</b>	(1,079)	(917)
Income tax (benefit) expense	(98)	4
<b>Net income (loss)</b>	<b>(\$981)</b>	<b>(\$921)</b>
(\$ millions)	Q4 2008	Q4 2007
<b>Net Income</b>		
Residential Finance Group	(\$591)	(\$618)
Business Capital Group	(417)	(325)
International Business Group	(482)	(184)
ResCap Corp/Elims	510	206
<b>Total</b>	<b>(\$981)</b>	<b>(\$921)</b>

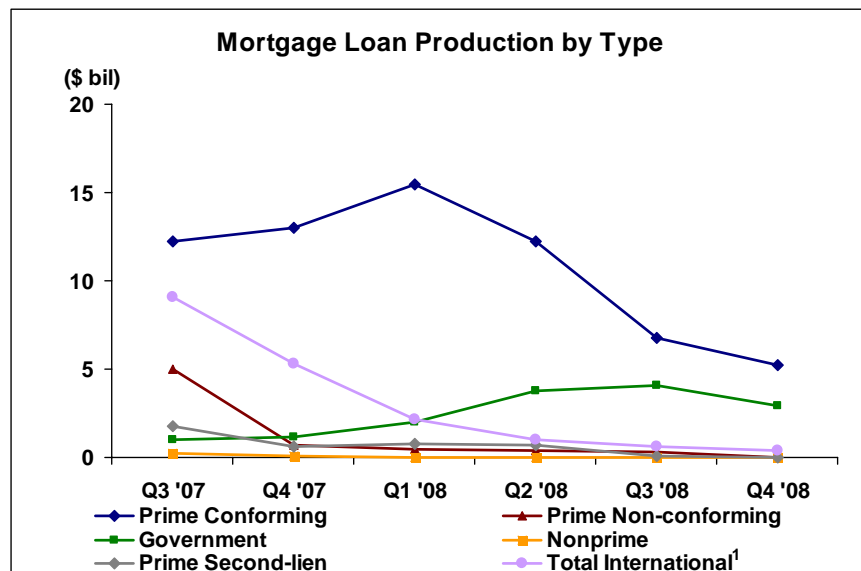
Note: Numbers may not foot due to rounding. Income statement presentation (condensed) as it appears on a ResCap reported basis; results as they appear on a GMAC reported basis can be found on page 15 of this presentation.

# ResCap: Mortgage Production

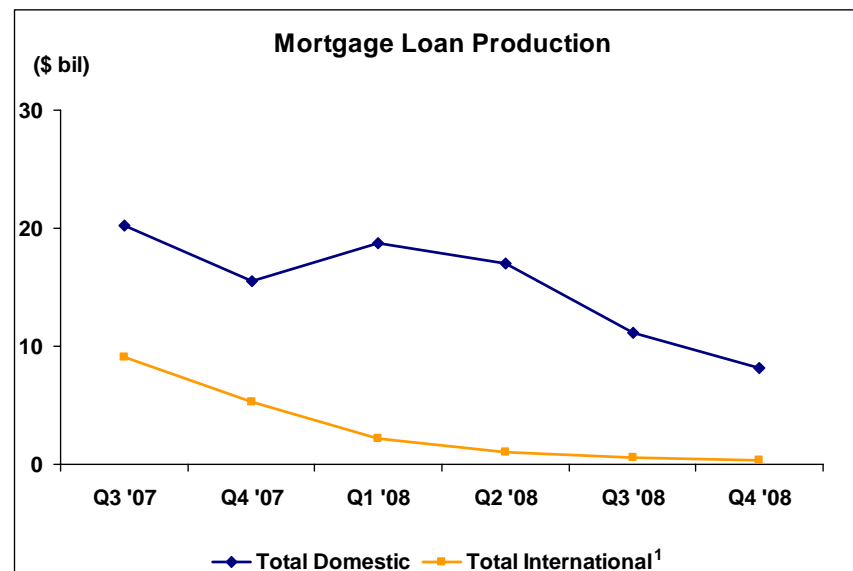
(\$ billions)	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Prime conforming	\$5.2	\$6.8	\$12.2	\$15.4	\$13.0	\$12.2	\$12.7	\$9.6
<b>Total conforming</b>	<b>5.2</b>	<b>6.8</b>	<b>12.2</b>	<b>15.4</b>	<b>13.0</b>	<b>12.2</b>	<b>12.7</b>	<b>9.6</b>
Prime non-conforming	0.0	0.3	0.4	0.5	0.7	5.0	9.8	12.3
Government	2.9	4.1	3.8	2.0	1.2	1.0	0.8	0.6
Nonprime	-	-	-	0.0	0.1	0.2	0.7	3.3
Prime second-lien	0.0	0.1	0.7	0.8	0.6	1.8	3.1	5.3
<b>Total non-conforming</b>	<b>3.0</b>	<b>4.5</b>	<b>4.8</b>	<b>3.3</b>	<b>2.6</b>	<b>8.0</b>	<b>14.5</b>	<b>21.5</b>
<b>Total domestic</b>	<b>8.2</b>	<b>11.2</b>	<b>17.0</b>	<b>18.7</b>	<b>15.5</b>	<b>20.2</b>	<b>27.1</b>	<b>31.0</b>
International <sup>1</sup>	0.4	0.6	1.0	2.2	5.3	9.1	7.7	6.5
<b>TOTAL</b>	<b>\$8.5</b>	<b>\$11.9</b>	<b>\$18.1</b>	<b>\$20.9</b>	<b>\$20.8</b>	<b>\$29.3</b>	<b>\$34.9</b>	<b>\$37.5</b>

<sup>1</sup> International includes some nonprime production.

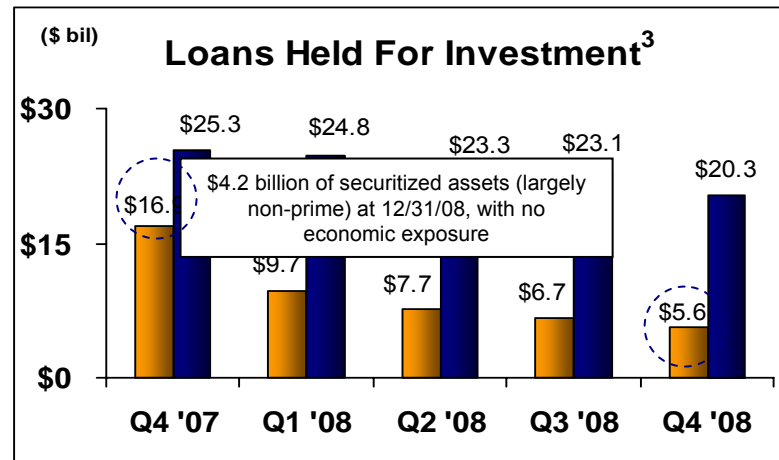
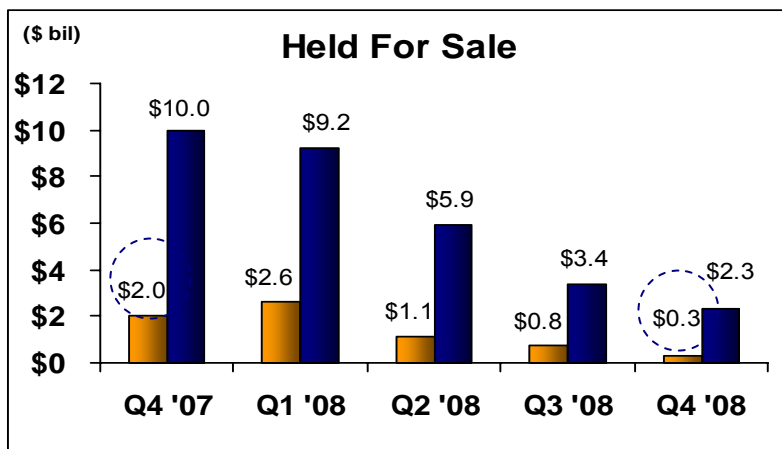
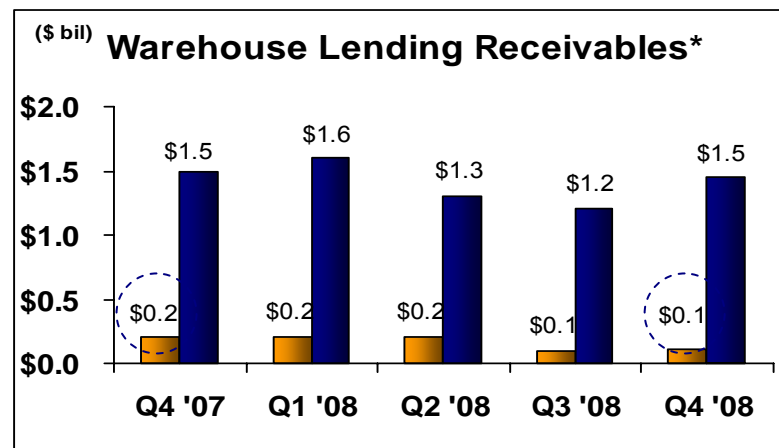
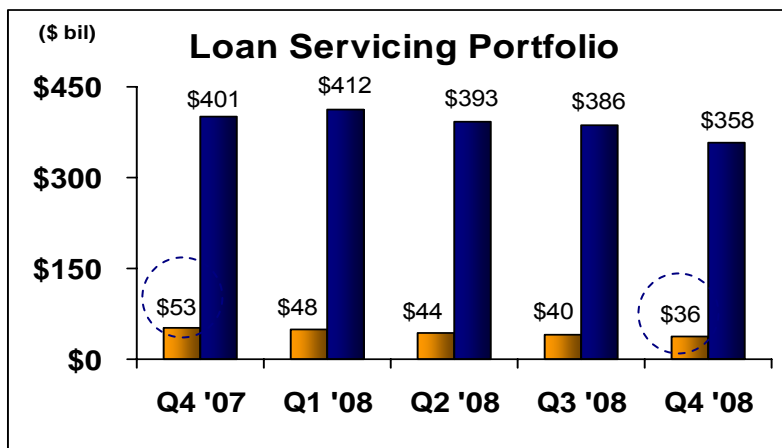
Note: Totals may not foot due to rounding.



<sup>1</sup> International includes some nonprime production.



# ResCap: Nonprime and Prime Exposure



Nonprime<sup>1</sup>
 Prime and Other<sup>2</sup>

1) The nonprime category includes high FICO/high LTV loans, high FICO alternative attribute loans, purchased distressed assets, and subprime assets (Weighted Average FICO 618) for the domestic business and international loans with at least some adverse credit history.

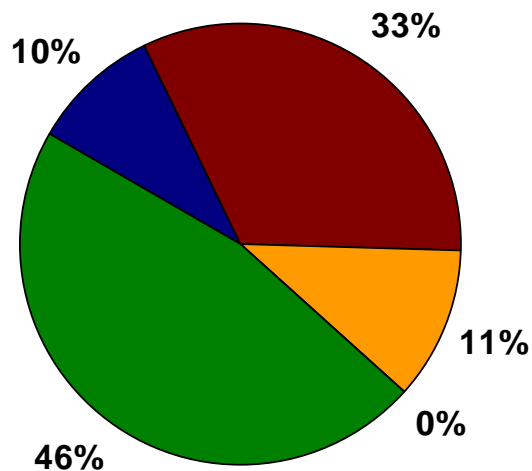
2) Prime and Other includes Prime Conforming, Prime Non-conforming, Prime Second-Lien, and Government.

3) HFI is before allowance. Loans HFI are part of Finance receivables and loans (consumer) on GMAC's financial statements.

\* Warehouse lending receivables are part of Finance receivables and Loans (commercial) on GMAC's financial statements.

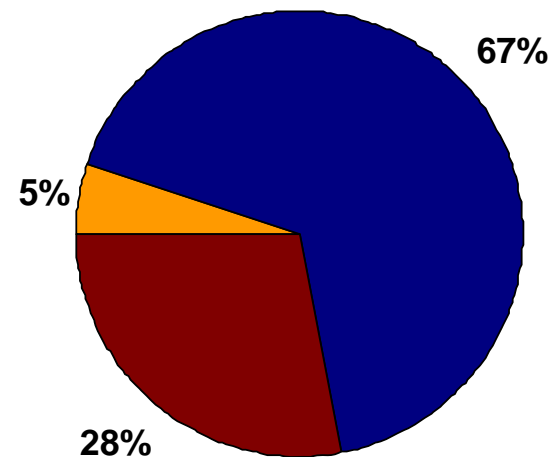
# ResCap: Global HFS Portfolio

Q4 2008 Total HFS Portfolio of \$2.6 billion



- Prime Conforming
- Nonprime
- Government
- Prime Nonconforming
- Prime Second-lien

Q4 2008 Distribution of \$10.0 billion (Issuance and whole loan sales)



- Non-Agency Public Securitizations
- Agency
- Non-Agency Whole Loans

## HFS and HFI Q4 08 transfers:

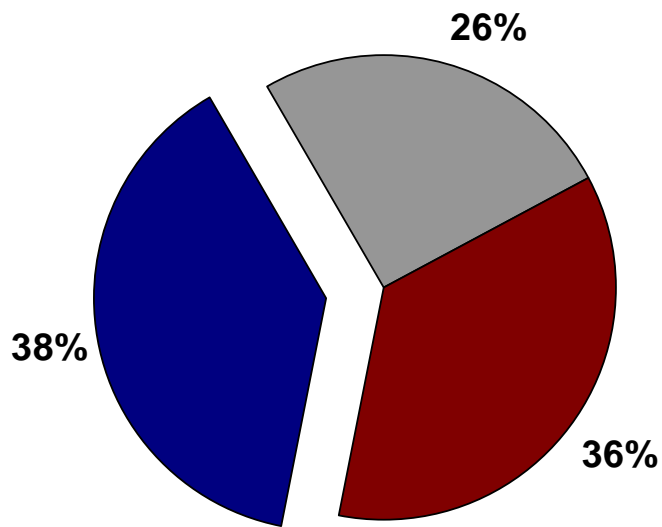
- HFS to HFI \$240 million
- HFI to HFS \$17 million

*Note: ResCap's HFS is part of total Loans Held for Sale*

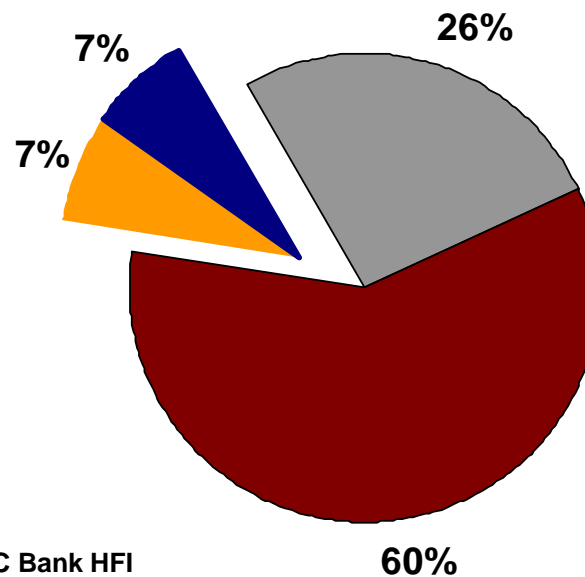


# ResCap: HFI Portfolio

Q4 2007 Total HFI Portfolio of \$42.2 billion



Q4 2008 Total HFI Portfolio of \$25.9 billion



- The Q4 2007 pie chart represents the HFI portfolio before FAS 159 Fair Value Election on January 1, 2008 which resulted in a \$10.5 billion reduction in HFI balance related to securitized loans

Note: ResCap's HFI is part of Finance Receivables and Loans (consumer), net in GMAC's financial statements.

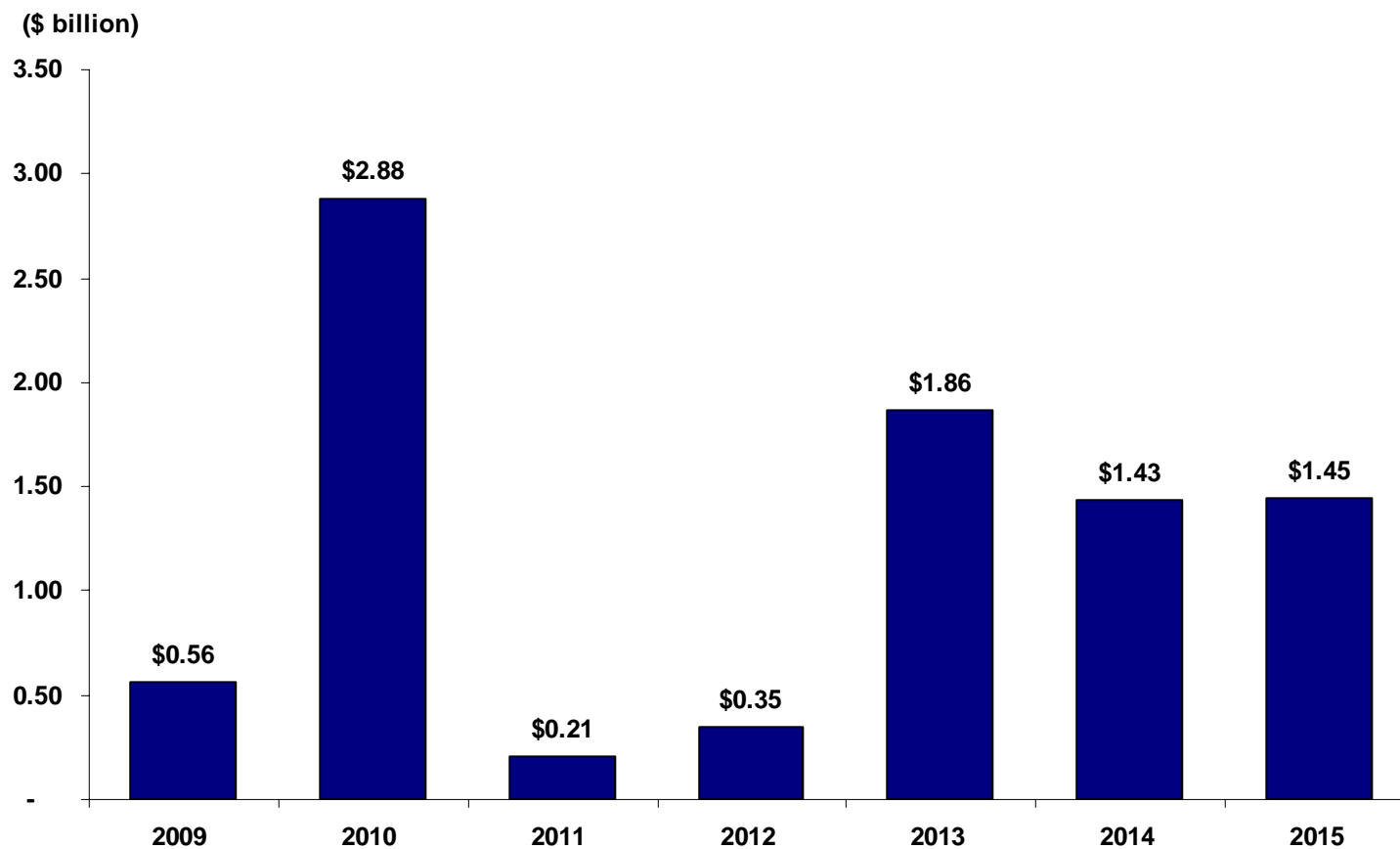
# ResCap: Q4 Significant Items

<b>GMAC ResCap</b>										
<b>Significant Items (Pre-tax)</b>										
<b>Q4 2008</b>										
<b>(\$ millions)</b>										
	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>YTD 2008</b>	<b>Q4 2007</b>	<b>Q3 2007</b>	<b>Q2 2007</b>	<b>Q1 2007</b>	<b>FY 2007</b>
Provision for Loan Losses	(\$825)	(\$661)	(\$467)	(\$302)	(\$2,255)	(\$836)	(\$884)	(\$330)	(\$545)	(\$2,595)
Gain/(Loss) on Sale of Loans <sup>1</sup>	(53)	(138)	(1,062)	(748)	(2,001)	(139)	(658)	174	(235)	(858)
Gain/(Loss) on Investment Securities, net	(80)	(42)	(90)	(444)	(656)	(399)	(333)	(56)	40	(748)
Lot Option/Model Home Impairment	(19)	(49)	(79)	(93)	(239)	(77)	(98)	(20)	(9)	(204)
Repurchase and Other Reserves	(114)	(166)	(125)	(34)	(439)	(107)	(0)	(60)	(160)	(327)
Loss on Foreclosed Real Estate (REO)	(90)	(49)	(75)	(85)	(299)	(172)	(138)	(70)	(22)	(402)
Net SFAS 159 impact recorded in Other Income	(37)	(72)	(74)	(54)	(237)	N/A	N/A	N/A	N/A	N/A
Restructuring Costs	(34)	(73)	(18)	(20)	(145)	(127)	-	-	-	(127)
Debt Retirement / Tender Offer	757	42	647	480	1,925	521	-	-	-	521
Gain from Deconsolidation of Securitized HFI <sup>1</sup>	(3)	-	-	-	(3)	438	88	-	-	526
FX Currency Impacts	(122)	(368)	46	(2)	(446)	12	1	(1)	4	17
Goodwill Impairment	-	-	-	-	-	-	(455)	-	-	(455)

<sup>1</sup> Gain/(Loss) on Sale of Loans excludes the Gain/(Loss) from Deconsolidation of Securitized HFI

Note: These amounts are classified according to ResCap's income statement presentation (includes auto division of GMAC Bank).

## ResCap: Term Debt Maturity Profile



*Note: Maturities as of 12/31/2008 and reflect par value of debt. Excludes collateralized borrowings in securitizations trusts representing mortgage lending related debt that is repaid upon the principal payments of the underlying assets, of \$3.8 billion (as of 12/31/08).*

## GMAC Announces Consummation of Its Notes Exchange Offers

**NEW YORK (Dec. 31, 2008)** -- GMAC Financial Services today announced that it has consummated its separate private exchange offers and cash tender offers to purchase and/or exchange certain of its and its subsidiaries' (the "GMAC offers") and Residential Capital, LLC's (the "ResCap offers") outstanding notes specified in the tables below (the "GMAC old notes" and the "ResCap old notes", respectively). Approximately \$17.5 billion in aggregate principal amount (or 59%) of the outstanding GMAC old notes were validly tendered and accepted in the GMAC offers and approximately \$3.7 billion in aggregate principal amount (or 39%) of the outstanding ResCap old notes were validly tendered and accepted in the ResCap offers.

Consummation of the GMAC offers will result in the issuance of approximately \$11.9 billion aggregate principal amount of new GMAC senior guaranteed notes of various series and approximately \$2.6 billion aggregate liquidation preference of new GMAC cumulative perpetual preferred stock.

The table below shows, for each series of existing GMAC notes, the aggregate principal amount tendered and accepted and the related aggregate principal amount of new senior guaranteed notes that will be issued.

Series of Old Notes	Principal Amount of Related New Senior	
	Principal Amount Tendered and Accepted	Guaranteed Notes Issued
Euribor + 1.250% Notes due 2009	EUR 309,193,000	USD 323,103,000
4.750% Notes due 2009	EUR 225,680,000	USD 211,885,000
6.500% Notes due 2009	USD 149,677,000	USD 126,982,000
7.750% Notes due 2010	USD 1,181,709,000	USD 778,854,000
5.750% Notes due May 2010	EUR 36,734,000	USD 34,327,000
5.750% Notes due Sept. 2010	EUR 456,475,000	USD 448,949,000
6.625% Notes due 2010	GBP 51,833,000	USD 48,830,000
7.250% Notes due 2011	USD 1,202,931,000	USD 802,159,000
6.000% Notes due Apr. 2011	USD 174,284,000	USD 122,605,000
5.375% Notes due 2011	EUR 594,069,000	USD 570,441,000
6.875% Notes due 2011	USD 4,347,883,000	USD 3,087,771,000
6.000% Notes due Dec. 2011	USD 871,998,000	USD 562,268,000
7.000% Notes due 2012	USD 544,784,000	USD 357,492,000
6.625% Notes due 2012	USD 613,701,000	USD 407,348,000
6.000% Notes due 2012	EUR 136,772,000	USD 129,264,000
6.875% Notes due 2012	USD 1,198,666,000	USD 784,677,000
6.750% Notes due 2014	USD 1,194,091,000	USD 764,653,000
Libor + 2.200% Notes due 2014	USD 471,615,000	USD 294,768,000
8.000% Notes due 2031	USD 3,034,460,000	USD 1,995,021,000

Consummation of the ResCap offer will result in the issuance of approximately \$688 million aggregate principal amount of new GMAC 7.50% senior notes due 2013 and approximately \$483 million aggregate principal amount of new GMAC 8.00% subordinated notes due 2018.

-- Continued --

The table below shows for each series of existing ResCap notes the aggregate principal amount tendered and accepted.

Series of Old Notes	Principal Amount Tendered and Accepted
Libor + 3.10% Floating Rate Notes due April 2009	USD 6,225,000
Libor + 3.83% Floating Rate Subordinated Notes due April 2009	USD 15,000,000
Libor + 3.10% Floating Rate Notes due May 2009	USD 12,940,000
8.500% Senior Secured Guaranteed Notes due 2010	USD 830,511,000
8.375% Notes due 2010	USD 429,211,000
Euribor + 3.45% Floating Rate Notes due 2010	EUR 18,100,000
8.000% Notes due 2011	USD 9,372,000
7.125% Notes due 2012	EUR 12,295,000
8.500% Notes due 2012	USD 15,089,000
8.500% Notes due 2013	USD 401,417,000
8.375% Notes due 2013	GBP 3,965,000
9.875% Notes due 2014	GBP 1,000,000
9.625% Junior Secured Guaranteed Notes due 2015	USD 1,889,828,000
8.875% Notes due 2015	USD 38,728,000

The cash elections for each of the GMAC offers and the ResCap offers were oversubscribed. As a result, each eligible holder who made a cash election in the GMAC offers will have approximately 23.2% of the amount of old notes it tendered accepted for cash, and the balance of old notes each such holder tendered that was not accepted for purchase for cash will be exchanged into new securities, in the amount determined pursuant to the applicable new securities exchange ratios, as if such holder had made a new securities election with respect to such balance of old notes. Furthermore, each eligible holder who made a cash election in the ResCap offers will have approximately 47.8% of the amount of old notes it tendered accepted for cash, and the balance of old notes each such holder tendered that was not accepted for purchase for cash will be exchanged into new securities, in the amount determined pursuant to the applicable new securities exchange ratios, as if such holder had made a new securities election with respect to such balance of old notes.

To determine the consideration paid, the principal amounts of old notes denominated in Euros and Sterling have been converted to U.S. dollars at currency exchange rates set on December 24, 2008 of \$1.3964/EUR and \$1.4673/GBP.

**About GMAC Financial Services**

GMAC Financial Services is a global finance company operating in and servicing North America, South America, Europe and Asia-Pacific. GMAC specializes in automotive finance, real estate finance, insurance, commercial finance and online banking. As of Dec. 31, 2007, the organization had \$248 billion in assets and serviced 15 million customers. Visit the GMAC media site at <http://media.gmacfs.com/> for more information.

**Forward-Looking Statements**

This press release contains various forward-looking statements within the meaning of applicable federal securities laws, including the Private Securities Litigation Reform Act of 1995, that are based upon our current expectations and assumptions concerning future events, which are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated.

The words "expect," "anticipate," "initiative," "plan," "intend," "may," "would," "could," "should," "believe," or the negative of any of those words or similar expressions is intended to identify forward-looking statements. All statements contained in or incorporated by reference into this press release, other than statements of historical fact, including, without limitation, statements about our plans, strategies, prospects and expectations regarding future events and our financial performance, are forward-looking statements that involve certain risks and uncertainties.

-- Continued --

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and our actual results may differ materially due to numerous important factors that are described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2007, as updated by our subsequent Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K. Many of these risks, uncertainties and assumptions are beyond our control, and may cause our actual results and performance to differ materially from our expectations. Factors that could cause our actual results to be materially different from our expectations include, among others, the final settlement amounts and proration factors described above in this press release. Accordingly, you should not place undue reliance on the forward- looking statements contained or incorporated by reference in this press release. These forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, except where expressly required by law.

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## **GMAC to Expand Retail Auto Financing** **Customers to benefit from greater access to low cost funding**

**DETROIT (Dec. 30, 2008)** -- GMAC Financial Services will immediately resume auto financing for a broader spectrum of U.S. customers as a result of expanded access to funding as a bank holding company. The company will modify its credit criteria to include retail financing for customers with a credit bureau score of 621 or above, a significant expansion of credit compared to the 700 minimum score put in place two months ago.

GMAC's application to become a bank holding company was approved by the Federal Reserve Board of Governors on Dec. 24, 2008. The company also announced that it received an investment from the U.S. Treasury Department as part of the Troubled Assets Relief Program.

"The actions of the federal government to support GMAC are having an immediate and meaningful effect on our ability to provide credit to automotive customers," said GMAC President Bill Muir. "We will continue to employ responsible credit standards, but will be able to relax the constraints we put in place a few months ago due to the credit crisis. We will immediately put our renewed access to capital to use to facilitate the purchase of cars and trucks in the U.S."

At this time, GMAC will not finance higher risk transactions characterized by a credit bureau score of 620 or below. The company will utilize both GMAC Bank and funding from other sources to resume its traditional spectrum of prime-based credit, appropriately pricing for risk and requiring down payments where necessary.

"The majority of GMAC's auto financing has been in the prime arena," Muir said. "Therefore, opening access to credit for those with CB scores of 621 or better will allow us to return to more normal levels of financing volume, and should help in efforts to stabilize the U.S. auto industry."

GMAC's expanded financing policy and improved retail financing rates will apply to both new and certified used vehicles. Dealer wholesale financing remains a priority for GMAC, and is unchanged.

### **About GMAC Financial Services**

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# GMAC FINANCIAL SERVICES

Robert S. Hull  
Executive Vice President  
Chief Financial Officer

March 5, 2009

Mr. Neil M. Barofsky  
Office of the Special Inspector General  
Troubled Asset Relief Program  
1500 Pennsylvania Avenue, N.W.  
Suite 1064  
Washington, D.C. 20220

Dear Mr. Barofsky:

Please accept this side letter as an addition to our submission, dated March 5, 2009 to your inquiry made to GMAC LLC

This document contains confidential business information. Any public disclosure of this information could harm the commercial or financial interest of GMAC and its affiliates (collectively, "GMAC"). If disclosed, this information would permit GMAC's competitors to learn details of GMAC's business plans. Accordingly, we request, pursuant to 5 U.S.C. Section 552(b)(4), confidential treatment of this document. Also, we request notification if anyone submits a Freedom of Information Act request for a copy of this document.

Very sincerely yours,



Robert S. Hull  
Executive Vice President  
Chief Financial Officer

Confidential Business Information