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Ally Financial's Mortgage Subsidiaries Reach Agreement with Fannie Mae on Repurchase Exposure

DETROIT (Dec. 27, 2010) -- Ally Financial Inc. (Ally) today announced that its mortgage unit, Residential Capital, LLC (ResCap), and certain ResCap subsidiaries have reached an agreement with Fannie Mae to resolve potential repurchase exposure for breaches of selling representations and warranties. The agreement covers loans serviced by GMAC Mortgage on behalf of Fannie Mae prior to June 30, 2010 and all mortgaged-backed securities that Fannie Mae purchased at various times prior to the settlement, including private label securities. The settlement was for approximately \$462 million and releases ResCap and its subsidiaries from liability related to approximately \$292 billion of original unpaid principal balance (\$84 billion of current UPB) on these loans.

"At the start of 2010, we set a goal to substantially reduce risk in our mortgage operation and, during the last twelve months, we have successfully completed a series of steps toward that objective and are largely complete," said Ally Chief Executive Officer Michael A. Carpenter. "This agreement, along with prior repurchase settlements with Freddie Mac and others and the sale of legacy assets and operations, has significantly reduced Ally's risk related to the legacy mortgage business going forward."

"We are very encouraged to have reached this agreement with Fannie Mae," said ResCap Chief Executive Officer Thomas Marano. "They are a key counterparty to our mortgage business and we look forward to continuing our important and productive relationship. With our de-risking initiatives largely complete, the mortgage business will focus predominantly on the origination and servicing of conforming mortgages, which is where the company holds leadership positions."

The settlement was modestly in excess of reserves previously taken. In addition to the settlement amount, ResCap and Fannie Mae have an arrangement in regard to ResCap's payment of mortgage insurance proceeds where mortgage insurance coverage is rescinded or canceled. ResCap does not expect this exposure to be material. The agreement does not extend to other contractual obligations that ResCap has with Fannie Mae such as those that may arise in connection with the servicing of mortgages.

The settlement covers ResCap and its subsidiaries but excludes Ally Bank. The company does not expect significant repurchase claims on the loans at Ally Bank, as more than 90 percent of the Ally Bank loans serviced on behalf of Fannie Mae were originated from 2008 to 2010. Ally, through ResCap, provides a guaranty to Ally Bank associated with the bank's servicing obligations to Fannie Mae.

Concurrently with the settlement agreement, Ally has increased an existing line of credit with ResCap to \$1.6 billion from \$1.1 billion. As of Sept. 30, 2010, ResCap has paid debt obligations totaling \$2.0 billion, as well as \$559 million under Ally's first lien revolving credit facility.

About Ally Financial Inc.

Ally Financial Inc. (formerly GMAC Inc.) is one of the world's largest automotive financial services companies. The company offers a full suite of automotive financing products and services in key markets around the world. Ally's other business units include mortgage operations and commercial

finance, and the company's subsidiary, Ally Bank, offers online retail banking products. With more than \$173 billion in assets as of Sept. 30, 2010, Ally operates as a bank holding company. For more information, visit the Ally media site at <http://media.ally.com>.

About Residential Capital, LLC

Residential Capital, LLC (ResCap) is a wholly owned subsidiary of Ally Financial Inc. specializing in residential mortgage finance. ResCap's subsidiary GMAC Mortgage LLC originates and services residential mortgages under the GMAC Mortgage and ditech(SM) brand names.

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