

MORRISON & FOERSTER LLP
1290 Avenue of the Americas
New York, New York 10104
Telephone: (212) 468-8000
Facsimile: (212) 468-7900
Todd M. Goren
Samantha Martin

*Counsel for the Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----)	
In re:)	Case No. 12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
)	
Debtors.)	Jointly Administered
-----)	

LIMITED NOTICE OF DE MINIMIS SALE

PLEASE TAKE NOTICE that, on August 29, 2012, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered the *Order Pursuant to 11 U.S.C. §§ 105, 363, and 365 to (A) Establish Procedures for the Sale or Disposal of De Minimis Assets; and (B) Authorize the Debtors to (I) Pay Related Fees and Expenses and (II) Assume, Assign, or Reject Related Executory Contracts and Unexpired Leases* [Dkt. No. 1311] (the “Sale Order”) authorizing the above-captioned debtors and debtors in possession (collectively, the “Debtors”), to sell certain *de minimis* assets (collectively, the “De Minimis Assets”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Sale Order, the Debtors propose to sell or transfer (the “Proposed Sale”) the *De Minimis Assets* set forth and described on Exhibit A attached hereto (the “Sale Assets”). Exhibit A identifies, for each Sale Asset: (i) the purchaser, (ii) the Sale Assets, (iii) the major economic terms and conditions of the Proposed Sale, including the net proceeds, (iv) the proposed assumption, assignment, or rejection of related contracts, if any, (v) the identities of any parties holding or asserting liens against the Sale Assets, and (vi) the financing facility to which the Sale Assets are pledged, if any, and (vii) the identity of the broker, if any, and related commissions.



PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Sale shall be made in writing, shall state with particularity the grounds therefore, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-399 (General Order M-399 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court's case filing system, and by all other parties in interest, on a 3.5 inch disk or CD-ROM, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served in accordance with General Order M-399 or otherwise so as to be actually received by the following parties (the "Notice Parties") **no later than December 14, 2012 at 4:00 p.m. (prevailing Eastern Time)**: (i) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, NY 10004 (Attn: Brian S. Masumoto, Esq.); (ii) counsel to the Creditors' Committee, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas New York, NY 10036, (Attn: Kenneth H. Eckstein and Douglas H. Mannal); (iii) the Office of the United States Attorney for the Southern District of New York, 86 Chambers Street, Third Floor, New York, New York 10007; (iv) counsel to Ally Financial, Inc., Kirkland & Ellis, 601 Lexington Avenue, New York, New York 10022 (Attn: Ray C. Schrock, Stephen E. Hessler, and Craig A. Bruens); (v) counsel to Barclays Bank, PLC, as Administrative Agent for the DIP Lenders, Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, New York 10036 (Attn: Ken Ziman and Jonathan H. Hofer); (vi) co-counsel to the Ad Hoc Group of Junior Secured Noteholders, White & Case LLP, 1155 Avenue of the Americas, New York, New York 10036 (Attn: David Thatch); (vii) co-counsel to the Ad Hoc Group of Junior Secured Noteholders, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Gerard Uzzi); and (viii) counsel to U.S. Bank, N.A., as Trustee for the Junior Secured Notes, Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York 10178 (Attn: Eric R. Wilson).

If no written objections are filed with the Bankruptcy Court and timely served on the Notice Parties, the Debtors are authorized to immediately consummate the Proposed Sale.

Dated: November 30, 2012
New York, New York

Respectfully submitted,

/s/ Todd M. Goren

Todd M. Goren
Samantha Martin
MORRISON & FOERSTER LLP
1290 Avenue of the Americas
New York, New York 10104
Telephone: (212) 468-8000
Facsimile: (212) 468-7900

*Attorneys for the Debtors and
Debtors in Possession*

Exhibit A

Sellerⁱ	Purchaser	Sale Assetsⁱⁱ	Major Economic Terms and Conditions	Assumption/ Assignment/ Rejection	Parties Holding Liens	Financing Facility to Which Sale Assets are Pledged	Identity of Broker and Related Commissions
Residential Funding of Canada (legal interest) Residential Funding Corporation (economic interest)	MCAP Commercial LLP or an affiliate thereof (Purchaser is not an affiliate of AFI or any of the Debtors)	30 insured Canadian mortgage loans with unpaid principal balance CAD \$3,186,749.99 as of 10/15/12 ⁱⁱⁱ 22 uninsured, performing Canadian mortgage loans with unpaid principal balance CAD \$2,096,140.75 as of 10/15/12 ⁱⁱⁱ 23 uninsured, non-performing mortgage loans and real estate owned with unpaid principal balance CAD \$4,248,863.23 as of 10/15/12 ⁱⁱⁱ	Purchase price equal to approximately 101% of outstanding principal balance. As of 10/15/12, approximately CAD \$3,215,816. Purchase price equal to approximately 100% of outstanding principal balance. As of 10/15/12, approximately CAD \$2,096,140. Purchase price equal to approximately 46% of outstanding principal balance plus 25% of recovery over the bid amount during the 12 month period following the closing date. As of 10/15/12, approximately CAD \$1,986,416 plus future recoveries. ^{iv}	N/A	AFI/Wells Fargo Bank, N.A. as Collateral Control Agent	Ally Revolver/Junior Secured Bonds	N/A
Residential Funding of Canada	MCAP Commercial LLP or an affiliate thereof (Purchaser is not an	Servicing rights to Deutsche Bank whole loans. Underlying loans total approximately	59 basis points on balance of underlying loans. Valuation subject to change based on	N/A	N/A	N/A	N/A

	affiliate of AFI or any of the Debtors)	<p>CAD \$23,000,000 as of 09/14/12 with an 83% delinquency. Underlying loans mature 12/31/2012.ⁱⁱⁱ</p> <p>Must receive prior approval by Deutsche Bank to complete sale.</p> <p>Servicing rights to Merrill Lynch whole loan transaction. Underlying loans total approximately CAD \$8,000,000 as of 09/14/12 with a 50% delinquency. Except for one loan which matures Q1 2013, underlying loans mature 12/31/12.ⁱⁱⁱ</p> <p>Must receive prior approval by Merrill Lynch to complete sale.</p>	<p>changes to the composition of the pool (loan paydowns and delinquencies).^v As of 09/14/12, approximately CAD \$138,683.00.</p> <p>13 basis points on balance of underlying loans. Valuation subject to change based on changes to the composition of the pool (loan paydowns and delinquencies).^v As of 09/14/12, approximately CAD \$11,218.00.</p>				
Residential Funding of Canada	Equitable Trust Company (Purchaser is not an affiliate of AFI or any of the Debtors)	First Loss Participation Interest in 80 mortgage loans. Outstanding balance of participation as of 10/12/12 reporting is approximately CAD \$1,066,728. ^{vi}	Purchase price equals 70% of outstanding amount of RFoC's participation. Approximately CAD \$745,000 as of 10/12/12 reporting. ^{vi}	N/A	N/A	N/A	N/A

[See notes on next page]

ⁱ Residential Funding of Canada is not a debtor in these Chapter 11 proceedings, and the sale of assets owned by Residential Funding of Canada will not be free and clear of any of interests under Section 363(f). The Debtors seek approval of these sales because Debtor Residential Funding Corporation retains a direct economic interest in certain of the assets being sold or will otherwise receive the benefit upon the dissolution of Residential Funding of Canada.

ⁱⁱ The number and balance of loans in each category of Sale Asset is based on information as of the dates set forth above and is subject to change based on loan activity after such dates. For example, as of the dates set forth above, the loans contain the qualities identified (e.g., performing, non-performing). To the extent those qualities change, the purchase price percentage and expected dollar proceeds will be adjusted accordingly. In addition, the sale of any group of Sale Assets is not dependent on the sale of the other groups of Sale Assets, nor will the timing necessarily be on the same business day.

ⁱⁱⁱ Unpaid principal balance and loan performance is based on information as of the dates set forth above. The unpaid principal balance of the Sale Assets will decrease and the loan performance may change based on loan level activity after such dates, and the purchase price will decrease accordingly.

^{iv} Pricing at loan level. Subject to change based on loan activity after 10/15/12.

^v Pricing largely dependent on the Purchaser's ability to solicit borrowers on performing loans for refinancing. Accordingly, price is heavily dependent on the number of performing loans and their maturity dates.

^{vi} Loan information and outstanding balance based on ETC report received 10/12/12. Subject to change based on loan activity after 10/12/12.