

**ResCap Board of Directors Approves  
Chapter 11 Filing and Restructuring Plan  
Supported by Key Constituencies**

*Company Enters Definitive Agreements for Sale of Origination  
and Servicing Business and Certain Legacy Assets,  
Secures DIP Financing and  
Will Continue to Operate Throughout Chapter 11 Process*

May 14, 2012, New York, NY—(Business Wire)—Residential Capital LLC, known as ResCap, a subsidiary of Ally Financial Inc. and one of the country's largest mortgage originators and servicers, today announced that its Board of Directors voted to file for Chapter 11 protection along with fifty (50) of its subsidiaries. ResCap's mortgage origination, servicing and other business activities, conducted through its subsidiaries, including GMAC Mortgage, will continue to operate as the Chapter 11 proceeds.

ResCap, like others in the mortgage industry, has faced continuing industry challenges, rising litigation costs and claims, and regulatory uncertainty. This Chapter 11 process is designed to:

- Permit ResCap to continue as a going concern during the reorganization process, and to continue to provide uninterrupted, high quality service to its mortgage customers and business partners;
- Permit ResCap to continue to originate new mortgage loans, service its more than 2.4 million consumer mortgage loans, and offer loan modifications that allow homeowners to stay in their homes;
- Permit the ResCap business, post-reorganization and under new ownership, to continue to play an important role in preserving home ownership, providing necessary financing for home ownership, and contributing to bringing increasing stability to the U.S. mortgage markets;
- Provide ResCap with the opportunity to maximize value for its stakeholders;
- Permit ResCap to address legacy litigation and other liabilities in a manner that is fair to creditors; and
- Preserve the existing jobs of ResCap's employees, and contribute to the creation of additional jobs in the United States in the mortgage sector when ResCap's business operations emerge from the reorganization process under new ownership.

The Chapter 11 filings are intended to facilitate ResCap's sale of substantially all of its assets. It has agreed to sell its mortgage origination and servicing businesses to Nationstar Mortgage LLC, and its legacy portfolio, consisting mainly of mortgage loans and other residual financial assets, to Ally Financial. Together, the asset sales are expected to generate approximately \$4 billion in proceeds. ResCap has secured a \$1.45 billion debtor-in-possession (DIP) financing from



Barclays Bank PLC, as Sole Lead Arranger and Administrative Agent on behalf of a syndicate of lenders. ResCap believes that this financing will provide it with sufficient liquidity to consummate the contemplated asset sales.

As part of Ally Financial's support for the Chapter 11 cases and the restructuring plan, Ally Financial and ResCap have reached a global settlement of potential claims each entity and its affiliates had against the other, which settlement will provide ResCap with substantial value. In the unlikely event that ResCap does not obtain confirmation of its proposed reorganization plan, ResCap will still seek to close the sales to Nationstar and Ally Financial.

In addition, ResCap has obtained support for a restructuring plan premised upon the sales described above from holders of ResCap's junior secured notes holding a significant amount of the outstanding notes. Also, ResCap has obtained support from, and entered into a settlement agreement with, institutional investors in residential mortgage-backed securities issued by ResCap's affiliates. At present, institutional investors holding more than 25% of at least one class in each of 290 securitizations have agreed to support the reorganization. These 290 securitizations have an aggregate original principal balance of approximately \$165 billion. As a total of 392 securitizations, with an aggregate original principal balance of approximately \$221 billion, remain outstanding, it is clear that the ResCap reorganization has broad support among institutional investors. The settlements are subject to Bankruptcy Court approval.

Given the support of Ally Financial, the debtholders, and other constituencies, ResCap is hopeful that its restructuring plan will be approved by the fourth quarter of 2012. In conjunction with today's announcement, ResCap will file a number of first day motions that are intended to allow it to operate in the ordinary course of business during the process.

ResCap is a leader in the residential mortgage industry in customer service levels, and has been recognized as one of the best performing mortgage servicers in the United States. ResCap has consistently been an early participant in government-supported and proprietary mortgage modification efforts, and has achieved greater success than many of its competitors in implementing permanent modifications under the Home Affordable Modification Program (HAMP). Since 2008, GMAC Mortgage has executed over 784,000 default workouts for borrowers. In the most recent assessment by the U.S. Department of the Treasury of compliance with its "Making Home Affordable" program, GMAC Mortgage has been and continues to be a best in class mortgage servicer. ResCap and Ally Financial have worked closely with all critical constituencies to move this process forward in an orderly manner and minimize the impact to borrowers and the mortgage market.

#### *Additional information*

Centerview Partners LLC and FTI Consulting are acting as financial advisers to ResCap. Morrison & Foerster LLP is acting as legal adviser to ResCap. Morrison Cohen LLP is advising ResCap's independent directors.

#### *For business partners*

ResCap will continue to operate through the reorganization process. More information about ResCap's reorganization process is available at [www.kccllc.net/rescap](http://www.kccllc.net/rescap). The company has established a toll-free information line for business partners and vendors at (877) 904-4622.

*For homeowners and other customers*

ResCap and its GMAC Mortgage entity and affiliates continue to conduct their regular operations and are accepting loan payments, accepting loan applications and addressing mortgage modifications and refinancing requests. Customers must continue to make scheduled mortgage payments on time and in full. ResCap remains committed to helping borrowers stay in their homes through HARP, HARP 2.0, HAMP and other loan modification programs. All customer service and other facilities will remain available. Customers with questions about existing loans or mortgage modification applications should call (888) 251-2914.

Customers with questions about the reorganization should call (888) 251-2914 or refer to [www.kccllc.net/rescap](http://www.kccllc.net/rescap) for additional information. Customers with questions about their existing loans should call the customer service number listed on their monthly statement.

*About Residential Capital (ResCap)*

Residential Capital, LLC is one of the largest originators, sellers and servicers of residential mortgage loans in the United States. ResCap is a wholly owned subsidiary of Ally Financial Inc. ResCap conducts certain of its mortgage operations through GMAC Mortgage, a wholly owned subsidiary that is not affiliated with General Motors. ResCap is an approved Fannie Mae and Freddie Mac servicer and approved issuer for Ginnie Mae.

ResCap is a leader in facilitating mortgage refinancing and mortgage modifications through HAMP and other government programs. At March 31, 2012, ResCap was servicing over 2.4 million mortgage loans, with an aggregate unpaid principal balance of approximately \$374 billion. Of these, approximately 68% of the loans (by unpaid principal balance) are owned, insured or guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae. Since 2008, GMAC Mortgage has executed over 784,000 default workouts for borrowers. GMAC Mortgage is a leading HAMP participant and has effected more than 51,000 permanent HAMP modifications to date. GMAC Mortgage was the first major originator of loans to roll out the Treasury's HAMP 2.0 program. ResCap's executive offices are located in New York City, and it has major operations in Fort Washington, Pennsylvania, Minneapolis, Minnesota, Waterloo, Iowa, Dallas, Texas, and Burbank, California.

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