

## **Frequently Asked Questions for Counterparties to Assumed Contracts**

### **1. I was unaware that ResCap filed for bankruptcy. What does this development mean for me?**

On May 14, 2012 (the "Petition Date"), Residential Capital, LLC and certain of its subsidiaries such as GMAC Mortgage, LLC (collectively, "ResCap") filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code. ResCap has and will continue to operate its core business in the ordinary course throughout the bankruptcy process.

ResCap filed for Chapter 11 in order to facilitate a sale of the majority of its assets as a going concern. ResCap is currently seeking to effectuate a sale of ResCap's mortgage origination and servicing platform (effectively comprising the entirety of ResCap's operating business) and a legacy loan portfolio as part of its Chapter 11 case. Combined, these sales are projected to yield over \$4 billion to ResCap's bankruptcy estates.

In addition, ResCap has secured over \$1.6 billion in new debtor-in-possession financing, which will be used, in part, to fund its post-petition obligations, including payments to counterparties in the ordinary course.

ResCap expects to meet all of its post-petition obligations, meaning those goods and services sold or provided to ResCap on or after the Petition Date.

### **2. Will I be paid for goods and services delivered to ResCap prior to the Chapter 11 filings?**

These payments are categorized as pre-petition claims. Federal law generally prohibits payment of suppliers' pre-petition claims without specific Bankruptcy Court approval.

Most pre-petition claims will be dealt with as part of the bankruptcy process. ResCap is committed to completing this process as efficiently as possible.

### **3. What is the difference between a pre-petition and post-petition claim?**

Pre-petition claims are claims for goods and services delivered to the company prior to the Petition Date. Most of these claims will be settled as part of ResCap's Chapter 11 plan.

Post-petition claims are claims for goods and services delivered to the company on or after the Petition Date. ResCap will continue paying these claims in the normal course of business.



**4. I received a Notice of Debtors' Intent to Assume and Assign Certain Executory Contracts, and Unexpired Leases (the "Cure Notice"). What does this mean?**

Receipt of the Cure Notice means the Debtors have identified certain executory contracts or unexpired leases to which you are a party – noted on the attached schedule you received – that *may* be assumed by ResCap and assigned to Nationstar Mortgage LLC (or any other successful bidder), the stalking horse purchaser for ResCap's mortgage servicing platform.

The schedule you received also outlines a "Cure Amount." Cure Amounts are required to be paid by ResCap prior to assumption and assignment of your executory contract or unexpired lease. Although the required cure amounts paid by ResCap cover both outstanding pre-petition and post-petition obligations, the Cure Amounts noted on the schedule **do not** include:

- Existing post-petition obligations that the Debtors anticipate paying in the ordinary course prior to the closing date, which is anticipated to occur no earlier than November 19, 2012;
- Post-petition obligations that may be incurred but were unknown as of July 25th, which may remain outstanding against ResCap as of the Closing Date;
- Unknown pre-petition date obligations; or
- Known pre-petition obligations relating to critical vendor payments for which ResCap has already received court approval to pay prior to the closing date.

If a Cure Amount is listed as zero on the schedule you received, that means ResCap concluded no Cure Amount (according to the above parameters) remained outstanding as of July 13, 2012.

Any mutually agreed pre-petition and post-petition obligations that may remain outstanding against ResCap prior to the Closing Date will be reconciled and honored by ResCap as a condition to assuming and assigning your executory contract or unexpired lease. Note that any such mutually agreed amounts will not be paid until your executory contract or unexpired lease is assumed and assigned, which is scheduled to occur no earlier than November 19, 2012.

**5. What if I disagree with the proposed Cure Amount or assumption and assignment of my executory contract or unexpired lease?**

You are required to serve an objection on the parties noted in paragraph 8 of the Cure Notice by September 28, 2012 at 5 p.m. (Eastern Time). Thereafter, the parties will

seek to resolve your objection consensually. If your objection is resolved, ResCap may enter into a written stipulation with you, which will not be filed with the court.

If your objection is not resolved, the bankruptcy court will hear your objection either at the Sale Hearing (currently scheduled for November 19, 2012) or at an earlier date.

Note: any objections to the proposed Cure Amount must assert that there exist outstanding defaults, and must specifically explain the nature of the asserted default. You are required to provide appropriate documentation to support your objection.

**6. If I agree with the Cure Amount calculation, and I do not object to the assumption and assignment of my assumed contract, am I required to take any further action?**

No.

**7. When is my contract scheduled to be assigned to Nationstar or any other successful bidder?**

On the closing date, which is anticipated to occur no earlier than November 19, 2012. Note, however, that the purchaser generally maintains the ability, up to two business days prior to the closing date, to exclude your contract from the Assumed Contract list. ResCap will notify you if this occurs.

**8. Has ResCap hired a claims agent?**

Yes. Kurtzman Carson Consultants LLC (KCC) is serving as ResCap's claims agent.

**9. Will my point of contact at ResCap change?**

No. Your day-to-day contact at ResCap will remain the same.

**10. Who should I contact if I still have questions?**

If you have any additional questions, please call 877-904-4622 or email [apvendorcallcenter@gmacrescap.com](mailto:apvendorcallcenter@gmacrescap.com). Additionally, all notifications and public filings are available online at [www.kccllc.net/rescap](http://www.kccllc.net/rescap).