FORM 10-Q

GMAC LLC - GJM

Filed: August 08, 2008 (period: June 30, 2008)

Quarterly report which provides a continuing view of a company's financial position

Table of Contents

10-Q - QUARTERLY REPORT

PART I

Item 1. Financial Statements (unaudited)

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Item 4. Controls and Procedures

PART II

Item 1. Legal Proceedings

Item 1A. Risk Factors

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 3. Defaults upon Senior Securities

Item 4. Submission of Matters to a Vote of Security Holders

Item 5. Other Information

Item 6. Exhibits

Signature

EX-10.1 (PARTICIPATION AGREEMENT)

EX-10.2 (PARENT COMPANY AGREEMENT)

EX-10.3 (CAPITAL AND LIQUIDITY MAINTENANCE AGREEMENT)

EX-10.4 (LONG-TERM EQUITY CONPENSATION INCENTIVE PLAN)

EX-10.5 (LONG-TERM INCENTIVE PLAN LLC FORM AWARD LETTER)

EX-10.6 (SENIOR LEADERSHIP SEVERANCE PLAN)

EX-10.7 (PURCHASE AGREEMENT)

EX-12 (COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES)

EX-31.1 (CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER)

EX-31.2 (CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER)

EX-32.1 (SECTION 1350 CERTIFICATION)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008, or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________ to__________.

Commission file number: 1-3754

GMAC LLC

(Exact name of registrant as specified in its charter)

Delaware	**38-0572512**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

200 Renaissance Center
P.O. Box 200, Detroit, Michigan
48265-2000
(Address of principal executive offices)
(Zip Code)

(313) 556-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a nonaccelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Nonaccelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

GMAC LLC

INDEX

		Page
Part I — Financial Information		
Item 1.	Financial Statements (unaudited)	3
	Condensed Consolidated Statement of Income for the Three and Six Months Ended June 30, 2008 and 2007	3
	Condensed Consolidated Balance Sheet as of June 30, 2008, and December 31, 2007	4
	Condensed Consolidated Statement of Changes in Equity for the Six Months Ended June 30, 2008 and 2007	5
	Condensed Consolidated Statement of Cash Flows for the Six Months Ended June 30, 2008 and 2007	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	46
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	87
Item 4.	Controls and Procedures	87
Part II — Other Information		
Item 1.	Legal Proceedings	89
Item 1A.	Risk Factors	89
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	93
Item 3.	Defaults Upon Senior Securities	93
Item 4.	Submission of Matters to a Vote of Security Holders	93
Item 5.	Other Information	94
Item 6.	Exhibits	94
Signatures		95
Index of Exhibits		96

Participation Agreement
Parent Company Agreement
Capital and Liquidity Maintenance Agreement
Long-Term Equity Conpensation Incentive Plan
Long-Term Incentive Plan LLC Form Award Letter
Senior Leadership Severance Plan
Purchase Agreement
Computation of Ratio of Earnings to Fixed Charges
Certification of Principal Executive Officer
Certification of Principal Financial Officer
Section 1350 Certification

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

GMAC LLC

CONDENSED CONSOLIDATED STATEMENT OF INCOME (unaudited)

	Three months ended June 30,		Six months ended June 30,	
($ in millions)	**2008**	2007	**2008**	2007
Revenue				
Consumer	**$1,764**	$2,438	**$3,585**	$4,966
Commercial	**611**	754	**1,259**	1,477
Loans held-for-sale	**312**	396	**672**	874
Operating leases	**2,135**	1,728	**4,238**	3,296
Total financing revenue	**4,822**	5,316	**9,754**	10,613
Interest expense	**2,869**	3,735	**6,048**	7,407
Depreciation expense on operating lease assets	**1,401**	1,173	**2,797**	2,255
Impairment of investment in operating leases	**716**	—	**716**	—
Net financing (loss) revenue	**(164)**	408	**193**	951
Other revenue				
Servicing fees	**465**	556	**936**	1,116
Servicing asset valuation and hedge activities, net	**(185)**	(152)	**225**	(454)
Insurance premiums and service revenue earned	**1,123**	1,051	**2,232**	2,092
(Loss) gain on mortgage and automotive loans, net	**(1,099)**	399	**(1,698)**	363
Investment income (loss)	**185**	227	**(45)**	535
Other income	**990**	786	**1,881**	1,651
Total other revenue	**1,479**	2,867	**3,531**	5,303
Total net revenue	**1,315**	3,275	**3,724**	6,254
Provision for credit losses	**771**	430	**1,244**	1,111
Noninterest expense				
Compensation and benefits expense	**591**	647	**1,204**	1,281
Insurance losses and loss adjustment expenses	**714**	563	**1,344**	1,136
Other operating expenses	**1,548**	1,183	**2,811**	2,429
Total noninterest expense	**2,853**	2,393	**5,359**	4,846
(Loss) income before income tax expense	**(2,309)**	452	**(2,879)**	297
Income tax expense	**173**	159	**192**	309
Net (loss) income	**($2,482)**	$293	**($3,071)**	($12)

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)

($ in millions)	**June 30, 2008**	December 31, 2007
Assets		
Cash and cash equivalents	**$14,325**	$17,677
Investment securities	**11,955**	16,740
Loans held-for-sale	**12,942**	20,559
Finance receivables and loans, net of unearned income		
Consumer ($2,658 at fair value at June 30, 2008)	**76,707**	87,769
Commercial	**43,183**	39,745
Allowance for credit losses	**(2,547)**	(2,755)
Total finance receivables and loans, net	**117,343**	124,759
Investment in operating leases, net	**32,810**	32,348
Notes receivable from General Motors	**2,158**	1,868
Mortgage servicing rights	**5,417**	4,703
Premiums and other insurance receivables	**2,232**	2,030
Other assets	**28,510**	28,255
Total assets	**$227,692**	$248,939
Liabilities		
Debt		
Unsecured	**$83,868**	$102,339
Secured ($3,002 at fair value at June 30, 2008)	**89,621**	90,809
Total debt	**173,489**	193,148
Interest payable	**2,243**	2,253
Unearned insurance premiums and service revenue	**4,936**	4,921
Reserves for insurance losses and loss adjustment expenses	**3,105**	3,089
Deposit liabilities	**19,268**	15,281
Accrued expenses and other liabilities	**10,993**	13,432
Deferred income taxes	**1,342**	1,250
Total liabilities	**215,376**	233,374
Equity		
Members' interest	**8,919**	8,912
Preferred interests	**1,052**	1,052
Retained earnings	**1,402**	4,649
Accumulated other comprehensive income	**943**	952
Total equity	**12,316**	15,565
Total liabilities and equity	**$227,692**	$248,939

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
Six Months Ended June 30, 2008 and 2007

($ in millions)	Members' interest	Preferred interests	Retained earnings	Accumulated other comprehensive income	Total equity	Comprehensive income (loss)
Balance at January 1, 2007	$6,711		$7,173	$485	$14,369	
Net loss			(12)		(12)	($12)
Preferred interests dividends			(104)		(104)	
Capital contributions	1,033				1,033	
Other comprehensive income				301	301	301
Balance at June 30, 2007	$7,744		$7,057	$786	$15,587	$289
Balance at January 1, 2008, before cumulative effect of adjustments	**$8,912**	**$1,052**	**$4,649**	**$952**	**$15,565**	
Cumulative effect of a change in accounting principle, net of tax:						
Adoption of Statement of Financial Accounting Standards No. 157 (a)			**23**		**23**	
Adoption of Statement of Financial Accounting Standards No. 159 (a)			**(178)**		**(178)**	
Balance at January 1, 2008, after cumulative effect of adjustments	**8,912**	**1,052**	**4,494**	**952**	**15,410**	
Capital contributions	**7**				**7**	
Net loss			**(3,071)**		**(3,071)**	**($3,071)**
Dividends paid to members			**(27)**		**(27)**	
Other			**6**		**6**	
Other comprehensive loss				**(9)**	**(9)**	**(9)**
Balance at June 30, 2008	**$8,919**	**$1,052**	**$1,402**	**$943**	**$12,316**	**($3,080)**

(a) Refer to Note 13 to the Condensed Consolidated Financial Statements for further detail.

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Source: GMAC LLC, 10-Q, August 08, 2008

Table of Contents

GMAC LLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)
Six Months Ended June 30, 2008 and 2007

($ in millions)	**2008**	2007
Operating activities		
Net cash provided by operating activities	**$10,309**	$6,422
Investing activities		
Purchases of available-for-sale securities	**(9,665)**	(8,892)
Proceeds from sales of available-for-sale securities	**11,282**	3,563
Proceeds from maturities of available-for-sale securities	**2,470**	3,511
Net increase in finance receivables and loans	**(3,427)**	(47,973)
Proceeds from sales of finance receivables and loans	**655**	55,742
Purchases of operating lease assets	**(7,867)**	(11,579)
Disposals of operating lease assets	**3,483**	5,307
Sales of mortgage servicing rights	**174**	—
Net increase in notes receivable from General Motors	**(277)**	(121)
Acquisitions of subsidiaries, net of cash acquired	**—**	(287)
Other, net	**12**	2,358
Net cash (used in) provided by investing activities	**(3,160)**	1,629
Financing activities		
Net decrease in short-term debt	**(10,222)**	(3,565)
Net increase (decrease) in bank deposits	**3,583**	(237)
Proceeds from issuance of long-term debt	**20,740**	33,531
Repayments of long-term debt	**(24,913)**	(43,029)
Dividends paid	**(62)**	(74)
Other, net (a)	**389**	2,134
Net cash used in financing activities	**(10,485)**	(11,240)
Effect of exchange rate changes on cash and cash equivalents	**(16)**	(47)
Net decrease in cash and cash equivalents	**(3,352)**	(3,236)
Cash and cash equivalents at beginning of year	**17,677**	15,459
Cash and cash equivalents at June 30,	**$14,325**	$12,223

(a) Includes $1 billion capital contribution from General Motors during the six months ended June 30, 2007, pursuant to the sale of 51% of GMAC to FIM Holdings LLC.

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Basis of Presentation

GMAC LLC was founded in 1919 as a wholly owned subsidiary of General Motors Corporation (General Motors or GM). On November 30, 2006, GM sold a 51% interest in us (the Sale Transactions) to FIM Holdings LLC (FIM Holdings). FIM Holdings is an investment consortium led by Cerberus FIM Investors, LLC, the sole managing member. The consortium also includes Citigroup Inc., Aozora Bank Ltd., and a subsidiary of The PNC Financial Services Group, Inc. The terms "GMAC," "the Company," "we," "our," and "us" refer to GMAC LLC and its subsidiaries as a consolidated entity, except where it is clear that the terms mean only GMAC LLC.

The Condensed Consolidated Financial Statements as of June 30, 2008, and for the three and six months ended June 30, 2008 and 2007, are unaudited but, in management's opinion, include all adjustments consisting of normal recurring adjustments necessary for a fair presentation of the results for the interim periods.

The interim-period consolidated financial statements, including the related notes, are condensed and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim reporting. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These interim-period Condensed Consolidated Financial Statements should be read in conjunction with our audited Consolidated Financial Statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2007, filed with the United States Securities and Exchange Commission (SEC) on February 27, 2008.

Residential Capital, LLC (ResCap), our mortgage subsidiary, actively manages its liquidity and capital position and has developed plans to address its liquidity needs, including debt maturing in the next twelve months, and other identified risks and uncertainties. During the three months ended June 30, 2008, and prior to the filing of this Form 10-Q, ResCap completed several transactions, including the establishment of debt facilities and asset sales with GMAC and other affiliates that support ResCap's plans to meet its cash and liquidity requirements.

Although ResCap will continue to explore opportunities for funding and/or capital support from GMAC and other affiliates, there can be no assurances that we will undertake any such actions. Accordingly, ResCap's plans include, but are not limited to, the following: continue to work proactively and maintain an active dialogue with all of ResCap's key credit providers to optimize all available liquidity options; potential pursuit of strategic alternatives that will improve ResCap's liquidity including continued strategic reduction of assets and other dispositions; focused production on prime conforming products that currently provide more liquidity options; and explore potential alliances and joint ventures with third parties involving portions of ResCap's business. As ResCap actively manages its liquidity, asset liquidation initiatives may include, among other things, sale of retained interest in ResCap's mortgage securitizations, marketing of loans secured by time-share receivables, marketing of ResCap's United Kingdom and continental Europe mortgage loan portfolios, and whole loan sales.

While successful execution cannot be assured, management believes the plans are sufficient to meet ResCap's liquidity requirements over the next twelve months. If unanticipated market factors emerge and/or ResCap is unable to successfully execute its plans referenced above, it would have a material adverse effect on our business, results of operations, and financial position.

Recently Adopted Accounting Standards

SFAS No. 157 — On January 1, 2008, we adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 provides a definition of fair value, establishes a framework for measuring fair value under GAAP, and requires expanded disclosures about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value; therefore, it does not expand the use of fair value in any new circumstance. We adopted SFAS 157 on a prospective basis.

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

SFAS 157 required retrospective adoption of the rescission of Emerging Issues Task Force issue No. 02-3, *Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities* (EITF 02-3), and certain other guidance. The impact of adopting SFAS 157 and the rescission of EITF 02-3 on January 1, 2008, was an increase to beginning retained earnings through a cumulative effect of a change in accounting principle of approximately $23 million, related to the recognition of day-one gains on purchased mortgage servicing rights (MSRs) and certain residential loan commitments. Refer to Note 13 to the Condensed Consolidated Financial Statements for further detail.

SFAS No. 158 — In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (SFAS 158), which amends SFAS No. 87, *Employers' Accounting for Pensions;* SFAS No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits;* SFAS No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions;* and SFAS No. 132(R), *Employers' Disclosures about Pensions and Other Postretirement Benefits* (revised 2003). This Statement requires companies to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements. The asset or liability is the offset to accumulated other comprehensive income, consisting of previously unrecognized prior service costs and credits, actuarial gains or losses, and accumulated transition obligations and assets. SFAS 158 also requires the measurement date for plan assets and liabilities to coincide with the sponsor's year-end. The standard provides two transition alternatives for companies to make the measurement-date provisions. During the year ended December 31, 2007, we adopted the recognition and disclosure elements of SFAS 158, which did not have a material effect on our consolidated financial position, results of operations, or cash flows. In addition, we will adopt the measurement elements of SFAS 158 for the year ending December 31, 2008. We do not expect the adoption of the measurement elements to have a material impact on our consolidated financial condition or results of operations.

SFAS No. 159 — On January 1, 2008, we adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 159 permits entities to choose to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value. Subsequent changes in fair value for designated items are required to be reported in earnings in the current period. SFAS 159 also establishes presentation and disclosure requirements for similar types of assets and liabilities measured at fair value. We elected to measure at fair value certain financial assets and liabilities, including certain collateralized debt obligations and certain mortgage loans held-for-investment in financing securitization structures. The cumulative effect to beginning retained earnings was a decrease through a cumulative effect of a change in accounting principle of approximately $178 million on January 1, 2008. Refer to Note 13 to the Condensed Consolidated Financial Statements for further detail.

FASB Staff Position (FSP) FIN 39-1 — On January 1, 2008, we adopted FSP FIN 39-1, *Amendment of FAS Interpretation No. 39*. FSP FIN 39-1 defines "right of setoff" and specifies what conditions must be met for a derivative contract to qualify for this right of setoff. It also addresses the applicability of a right of setoff to derivative instruments and clarifies the circumstances in which it is appropriate to offset amounts recognized for those instruments in the statement of financial position. In addition, this FSP requires an entity to make an election related to the offsetting of fair value amounts recognized for multiple derivative instruments executed with the same counterparty under a master netting arrangement and fair value amounts recognized for the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) arising from the same master netting arrangement as the derivative instruments without regard to the company's intent to settle the transactions on a net basis. We have elected to present these items gross. Therefore, upon adoption of FSP FIN 39-1, we increased December 31, 2007, other assets and other liabilities equally by approximately $1.2 billion.

SEC Staff Accounting Bulletin No. 109 — On January 1, 2008, we adopted Staff Accounting Bulletin No. 109, *Written Loan Commitments Recorded at Fair Value Through Earnings* (SAB 109). SAB 109

Source: GMAC LLC, 10-Q, August 08, 2008

provides the SEC staff's views on the accounting for written loan commitments recorded at fair value under GAAP and revises and rescinds portions of SAB 105, *Application of Accounting Principles to Loan Commitments* (SAB 105). SAB 105 provided the views of the SEC staff regarding derivative loan commitments that are accounted for at fair value through earnings pursuant to SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS 133). SAB 105 states that in measuring the fair value of a derivative loan commitment, the staff believed it would be inappropriate to incorporate the expected net future cash flows related to the associated servicing of the loan. SAB 109 supersedes SAB 105 and expresses the current view of the SEC staff that, consistent with the guidance in SFAS No. 156, *Accounting for Servicing of Financial Assets,* and SFAS 159, the expected net future cash flows related to the associated servicing of the loan should be included in the measurement of all written loan commitments that are accounted for at fair value through earnings. SAB 105 also indicated that the SEC staff believed that internally developed intangible assets (such as customer relationship intangible assets) should not be recorded as part of the fair value of a derivative loan commitment. SAB 109 retains that SEC staff view and broadens its application to all written loan commitments that are accounted for at fair value through earnings. The impact of adopting SAB 109 did not have a material impact on our consolidated financial condition or results of operations.

Recently Issued Accounting Standards

SFAS No. 141(R) — In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations* (SFAS 141(R)), which replaces SFAS No. 141, *Business Combinations*. SFAS 141(R) establishes principles and requirements for how an acquiring company recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141(R), effective for GMAC on January 1, 2009, applies to all transactions or other events in which GMAC obtains control in one or more businesses. Management will assess each transaction on a case-by-case basis as they occur.

SFAS No. 160 — In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51* (SFAS 160), which requires the ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity. It also requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income. SFAS 160 will be effective for GMAC on January 1, 2009. SFAS 160 shall be applied prospectively as of the beginning of the fiscal year in which it is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. Management is currently assessing the retrospective impacts of adoption and will assess new transactions as they occur.

SFAS No. 161 — In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (SFAS 161). SFAS 161 requires specific disclosures regarding the location and amounts of derivative instruments in the financial statements; how derivative instruments and related hedged items are accounted for; and how derivative instruments and related hedged items affect the financial position, financial performance, and cash flows. SFAS 161 will be effective for GMAC on January 1, 2009. Early adoption is permitted. Because SFAS 161 impacts the disclosure and not the accounting treatment for derivative instruments and related hedged items, the adoption of SFAS 161 will not have an impact on our consolidated financial condition or results of operations.

SFAS No. 162 — In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles* (SFAS 162). SFAS 162 identifies a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles for nongovernmental entities (the Hierarchy). The Hierarchy within

Source: GMAC LLC, 10-Q, August 08, 2008

SFAS 162 is consistent with that previously defined in the AICPA Statement on Auditing Standards No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles* (SAS 69). SFAS 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The adoption of SFAS 162 will not have a material effect on our consolidated financial statements because we have utilized the guidance within SAS 69.

FSP FAS No. 140-3 — In February 2008, the FASB issued FSP FAS No. 140-3, *Accounting for Transfers of Financial Assets and Repurchase Financing Transactions,* which provides a consistent framework for the evaluation of a transfer of a financial asset and subsequent repurchase agreement entered into with the same counterparty. FSP FAS No. 140-3 provides guidelines that must be met in order for an initial transfer and subsequent repurchase agreement to not be considered linked for evaluation. If the transactions do not meet the specified criteria, they are required to be accounted for as one transaction. This FSP will be effective for GMAC on January 1, 2009, and will be applied prospectively to initial transfers and repurchase financings for which the initial transfer is executed on or after adoption. Management is currently assessing the impacts of adoption.

FSP FAS No. 142-3 — In April 2008, the FASB directed the FASB Staff to issue FSP No. FAS 142-3, *Determination of the Useful Life of Intangible Assets* (FSP FAS 142-3). FSP FAS 142-3 amends the factors that should be considered in developing a renewal or extension assumptions used for purposes of determining the useful life of a recognized intangible asset under SFAS 142, *Goodwill and Other Intangible Assets* (SFAS 142). FSP FAS 142-3 is intended to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141(R) and other GAAP. FSP FAS 142-3 is effective for fiscal years beginning after December 15, 2008. Earlier application is not permitted. We believe the impact of adopting FSP FAS 142-3 will not have a material effect on our consolidated financial condition or results of operations.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

2. Other Income

Details of other income were as follows:

($ in millions)	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Gain on retirement of debt	**$616**	$—	**$1,104**	$—
Real estate services	**19**	138	**(9)**	269
Interest and service fees on transactions with GM (a)	**61**	85	**123**	159
Interest on cash equivalents	**61**	91	**127**	209
Other interest revenue	**201**	157	**281**	297
Full-service leasing fees	**107**	80	**205**	155
Late charges and other administrative fees	**41**	43	**85**	87
Mortgage processing fees and other mortgage (loss) income	**(258)**	29	**(252)**	62
Interest on restricted cash deposits	**48**	43	**76**	86
Real estate and other investments	**(1)**	20	**(38)**	60
Insurance service fees	**35**	36	**77**	78
Factoring commissions	**12**	14	**24**	27
Specialty lending fees	**9**	10	**22**	21
Fair value adjustment on certain derivatives (b)	**52**	18	**97**	35
Changes in fair value for SFAS 159 elections, net (c)	**(74)**	—	**(128)**	—
Other	**61**	22	**87**	106
Total other income	**$990**	$786	**$1,881**	$1,651

(a) Refer to Note 12 for a description of related party transactions.
(b) Refer to Note 9 for a description of derivative instruments and hedging activities.
(c) Refer to Note 13 for a description of SFAS 159 fair value option elections.

3. Other Operating Expenses

Details of other operating expenses were as follows:

($ in millions)	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Insurance commissions	**$234**	$225	**$471**	$465
Technology and communications expense	**159**	156	**312**	301
Professional services	**221**	106	**330**	199
Advertising and marketing	**56**	83	**109**	153
Mortgage representation and warranty expense	**80**	49	**101**	203
Premises and equipment depreciation	**46**	48	**94**	100
Rent and storage	**52**	60	**103**	114
Full-service leasing vehicle maintenance costs	**96**	68	**185**	137
Lease and loan administration	**34**	53	**79**	106
Automotive remarketing and repossession	**84**	49	**156**	93
Restructuring expenses	**50**	—	**84**	—
Operating lease disposal loss (gain)	**87**	(18)	**124**	(6)
Other	**349**	304	**663**	564
Total other operating expenses	**$1,548**	$1,183	**$2,811**	$2,429

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

4. Impairment of Investment in Operating Leases

We evaluate the carrying value of our operating lease assets and test for impairment in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144), to the extent necessary, due to events or circumstances that occur. Generally, impairment is determined to exist if the undiscounted expected future cash flows are lower than the carrying value of the asset.

In light of the prevailing market conditions, particularly rising domestic fuel prices and weakness in the economy in the United States and Canada and the associated adverse impact to used vehicle values, we concluded a triggering event had occurred during the quarter, requiring an evaluation of certain of our North American Automotive Finance operations' operating lease assets for recoverability as of June 30, 2008. We grouped our operating lease assets at the lowest level that we could reasonably estimate the identifiable cash flows. In assessing for recoverability, we compared our estimates of future cash flows related to our lease assets to their corresponding carrying values. We considered all of the expected cash flows, including customer payments, the expected residual value upon remarketing the vehicle at lease termination, and any payments from GM under residual risk sharing agreements. To the extent these undiscounted cash flows were less than their respective carrying values, we discounted the cash flows to arrive at an estimated fair value. As a result of this evaluation, we concluded that $3.6 billion of our North American Automotive Finance operations' total $30.4 billion net investment in operating leases was impaired by a total of $716 million. We therefore reduced our carrying value to equal the estimated fair value and recorded an impairment charge in the three months ended June 30, 2008, for this amount.

While we believe our estimates of discounted future cash flows used for the impairment analysis were reasonable based on current market conditions, the process required the use of significant estimates and assumptions. In developing these estimates and assumptions, management used all available evidence. However, because of uncertainties associated with estimating the amounts, timing, and likelihood of possible outcomes, actual cash flow could ultimately differ from those estimated as part of the recoverability and impairment analyses.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

5. Finance Receivables and Loans, and Loans Held-for-Sale

The composition of finance receivables and loans outstanding was as follows:

	June 30, 2008			December 31, 2007		
($ in millions)	**Domestic**	**Foreign**	**Total**	Domestic	Foreign	Total
Consumer						
Retail automotive	**$18,475**	**$27,183**	**$45,658**	$20,030	$25,576	$45,606
Residential mortgages (a)	**25,190**	**5,859**	**31,049**	34,839	7,324	42,163
Total consumer	**43,665**	**33,042**	**76,707**	54,869	32,900	87,769
Commercial						
Automotive:						
Wholesale	**17,256**	**10,149**	**27,405**	14,689	8,272	22,961
Leasing and lease financing	**299**	**890**	**1,189**	296	930	1,226
Term loans to dealers and other	**2,586**	**862**	**3,448**	2,478	857	3,335
Commercial and industrial	**6,018**	**2,020**	**8,038**	6,431	2,313	8,744
Real estate construction and other	**2,607**	**496**	**3,103**	2,943	536	3,479
Total commercial	**28,766**	**14,417**	**43,183**	26,837	12,908	39,745
Total finance receivables and loans (b)	**$72,431**	**$47,459**	**$119,890**	$81,706	$45,808	$127,514

(a) Domestic residential mortgages include $2,658 million at fair value as a result of election made under SFAS 159. Refer to Note 13 for additional information.

(b) Net of unearned income of $4.0 billion as of June 30, 2008, and December 31, 2007, respectively.

The composition of loans held-for-sale was as follows:

($ in millions)	**June 30, 2008**	December 31, 2007
Consumer		
Retail automotive	**$5,343**	$8,400
Residential mortgages	**7,036**	12,078
Total consumer	**12,379**	20,478
Commercial		
Automotive		
Wholesale	**142**	81
Commercial and industrial	**421**	—
Total commercial	**563**	81
Total loans held-for-sale	**$12,942**	$20,559

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The following tables present an analysis of the activity in the allowance for credit losses on finance receivables and loans.

	Three months ended June 30,					
	2008			2007		
($ in millions)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total
Allowance at April 1,	**$1,760**	**$532**	**$2,292**	$3,070	$663	$3,733
Provision for credit losses	**629**	**142**	**771**	384	46	430
Charge-offs						
Domestic	**(513)**	**(51)**	**(564)**	(417)	(303)	(720)
Foreign	**(43)**	**1**	**(42)**	(46)	(5)	(51)
Total charge-offs	**(556)**	**(50)**	**(606)**	(463)	(308)	(771)
Recoveries						
Domestic	**54**	**3**	**57**	53	4	57
Foreign	**20**	**2**	**22**	17	1	18
Total recoveries	**74**	**5**	**79**	70	5	75
Net charge-offs	**(482)**	**(45)**	**(527)**	(393)	(303)	(696)
Impacts of foreign currency translation	**10**	**1**	**11**	1	(4)	(3)
Allowance at June 30,	**$1,917**	**$630**	**$2,547**	$3,062	$402	$3,464

	Six months ended June 30,					
	2008			2007		
($ in millions)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total
Allowance at January 1,	**$2,141**	**$614**	**$2,755**	$2,969	$607	$3,576
Provision for credit losses	**1,078**	**166**	**1,244**	884	227	1,111
Charge-offs						
Domestic	**(800)**	**(160)**	**(960)**	(843)	(382)	(1,225)
Foreign	**(179)**	**—**	**(179)**	(87)	(56)	(143)
Total charge-offs	**(979)**	**(160)**	**(1,139)**	(930)	(438)	(1,368)
Recoveries						
Domestic	**107**	**4**	**111**	110	5	115
Foreign	**35**	**3**	**38**	28	1	29
Total recoveries	**142**	**7**	**149**	138	6	144
Net charge-offs	**(837)**	**(153)**	**(990)**	(792)	(432)	(1,224)
Reduction of allowance due to fair value option election (a)	**(489)**	**—**	**(489)**	—	—	—
Impacts of foreign currency translation	**24**	**3**	**27**	1	—	1
Allowance at June 30,	**$1,917**	**$630**	**$2,547**	$3,062	$402	$3,464

(a) Represents the reduction of allowance as a result of fair value option election made under SFAS 159. Refer to Note 13 for additional information.

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

6. Mortgage Servicing Rights

The following table summarizes activity related to mortgage servicing rights (MSRs) carried at fair value.

	Six months ended June 30,	
($ in millions)	**2008**	2007
Estimated fair value at January 1,	**$4,703**	$4,930
Additions obtained from sales of financial assets	**800**	928
Subtractions from sales of servicing assets	**(174)**	—
Changes in fair value:		
Due to changes in valuation inputs or assumptions used in the valuation model	**524**	506
Recognized day-one gains on previously purchased MSRs upon adoption of SFAS 157 (a)	**11**	—
Other changes in fair value	**(466)**	(322)
Other changes that affect the balance	**19**	(1)
Estimated fair value at June 30,	**$5,417**	$6,041

(a) Refer to Note 13 for additional information.

As of June 30, 2008, we pledged MSRs of $3.5 billion as collateral for borrowings, compared to $2.7 billion as of December 31, 2007. For a description of MSRs and the related hedging strategy, refer to Notes 9 and 16 to our 2007 Annual Report on Form 10-K.

Changes in fair value, due to changes in valuation inputs or assumptions used in the valuation models, include all changes due to reevaluation by a model or by a benchmarking analysis. This line item also includes changes in fair value resulting from a change in valuation assumptions or model calculations or both. Other changes in fair value primarily include the accretion of the present value of the discount related to forecasted cash flows and the economic runoff of the portfolio, foreign currency translation adjustments, and the extinguishment of MSRs related to clean-up calls of securitization transactions.

Key assumptions we use in valuing our MSRs are as follows:

	June 30,	
	2008	2007
Range of prepayment speeds	**0.7–47.6%**	0.0–39.7%
Range of discount rates	**5.3–31.8%**	8.0–13.0%

The primary risk of our servicing rights is interest rate risk and the resulting impact on prepayments. A significant decline in interest rates could lead to higher-than-expected prepayments, which could reduce the value of the MSRs. Historically, we have economically hedged the income statement impact of these risks with both derivative and nonderivative financial instruments. These instruments include interest rate swaps, caps and floors, options to purchase these items, futures, and forward contracts or purchasing or selling U.S. Treasury and principal-only securities. At June 30, 2008, the fair value of derivative financial instruments used to mitigate these risks amounted to $594 million. There were no nonderivative instruments used to mitigate these risks at June 30, 2008. The change in fair value of the derivative financial instruments amounted to a gain of $167 million and a loss of $638 million for the six months ended June 30, 2008 and 2007, respectively, and is included in servicing asset valuation and hedge activities, net in the Condensed Consolidated Statement of Income.

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The components of servicing fees on MSRs were as follows:

($ in millions)	Six months ended June 30, 2008	2007
Contractual servicing fees, net of guarantee fees and including subservicing	**$652**	$764
Late fees	**67**	74
Ancillary fees	**65**	61
Total	**$784**	$899

7. Other Assets

Other assets consisted of:

($ in millions)	June 30, 2008	December 31, 2007
Property and equipment at cost	**$1,746**	$1,759
Accumulated depreciation	**(1,248)**	(1,200)
Net property and equipment	**498**	559
Cash reserve deposits held-for-securitization trusts (a)	**3,723**	3,350
Fair value of derivative contracts in receivable position	**5,024**	5,677
Real estate and other investments (b)	**1,554**	2,237
Restricted cash collections for securitization trusts (c)	**3,245**	2,397
Goodwill	**1,496**	1,496
Deferred policy acquisition cost	**1,701**	1,702
Accrued interest and rent receivable	**666**	881
Repossessed and foreclosed assets, net, at lower of cost or fair value	**1,310**	1,347
Debt issuance costs	**823**	601
Servicer advances	**2,089**	1,847
Securities lending (d)	**—**	856
Investment in used vehicles held-for-sale, at lower of cost or fair value	**935**	792
Subordinated note receivable	**250**	250
Intangible assets, net of accumulated amortization	**88**	93
Other assets	**5,108**	4,170
Total other assets	**$28,510**	$28,255

(a) Represents credit enhancement in the form of cash reserves for various securitization transactions we have executed.

(b) Includes residential real estate investments of $556 million and $1.1 billion and related accumulated depreciation of $8 million and $16 million at June 30, 2008, and December 31, 2007, respectively.

(c) Represents cash collections from customer payments on securitized receivables. These funds are distributed to investors as payments on the related secured debt.

(d) During the three months ended June 30, 2008, our Insurance operations ceased securities-lending activities within its investment portfolio.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

8. Debt

	June 30, 2008			December 31, 2007		
($ in millions)	**Unsecured**	**Secured**	**Total**	Unsecured	Secured	Total
Short-term debt						
Commercial paper	**$1,064**	**$—**	**$1,064**	$1,439	$—	$1,439
Demand notes	**5,652**	**—**	**5,652**	6,584	—	6,584
Bank loans and overdrafts	**6,583**	**—**	**6,583**	7,182	—	7,182
Repurchase agreements and other (a)	**2,132**	**9,890**	**12,022**	678	17,923	18,601
Total short-term debt	**15,431**	**9,890**	**25,321**	15,883	17,923	33,806
Long-term debt						
Due within one year	**15,735**	**22,755**	**38,490**	17,661	19,868	37,529
Due after one year	**52,359**	**56,976**	**109,335**	68,224	53,018	121,242
Total long-term debt (b)	**68,094**	**79,731**	**147,825**	85,885	72,886	158,771
Fair value adjustment (c)	**343**	**—**	**343**	571	—	571
Total debt	**$83,868**	**$89,621**	**$173,489**	$102,339	$90,809	$193,148

(a) Repurchase agreements consist of secured financing arrangements with third parties at ResCap. Other primarily includes nonbank secured borrowings and notes payable to GM. Refer to Note 12 for additional information.
(b) Secured long-term debt includes $3,002 million at fair value as a result of election made under SFAS 159. Refer to Note 13 for additional information.
(c) To adjust designated fixed-rate debt to fair value in accordance with SFAS 133.

The following table presents the scheduled maturity of long-term debt at June 30, 2008, assuming that no early redemptions occur. The actual payment of secured debt may vary based on the payment activity of the related pledged assets.

Year ended December 31, *($ in millions)*	**Unsecured**	**Secured**	**Total**
2008	$ 9,183	$ 16,561	$ 25,744
2009	13,023	18,549	31,572
2010	7,721	22,112	29,833
2011	12,495	6,552	19,047
2012	6,119	3,938	10,057
2013 and thereafter	19,553	4,119	23,672
Long-term debt	68,094	71,831	139,925
Collateralized borrowings in securitization trusts (a)	—	7,900	7,900
Total long-term debt	$ 68,094	$ 79,731	$ 147,825

(a) Collateralized borrowings in securitization trusts represents mortgage lending related debt that is repaid upon the principal payments of the underlying assets.

Under a new 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. As of June 30, 2008, our leverage ratio calculated under the terms of this facility was 10.1. Refer to the Funding and Liquidity section of the accompanying MD&A for further discussion.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The following summarizes assets restricted as collateral for the payment of the related debt obligations.

	June 30, 2008		December 31, 2007	
($ in millions)	**Assets (a)**	**Related secured debt (b)**	Assets	Related secured debt (a)
Loans held-for-sale	**$6,590**	**$3,826**	$10,437	$6,765
Mortgage assets held-for-investment and lending receivables	**45,360**	**26,560**	45,534	33,911
Retail automotive finance receivables	**24,735**	**20,453**	23,079	19,094
Commercial automotive finance receivables	**14,519**	**11,732**	10,092	7,709
Investment securities	**1,315**	**823**	880	788
Investment in operating leases, net	**26,450**	**20,896**	20,107	17,926
Real estate investments and other assets	**20,351**	**5,331**	14,429	4,616
Total	**$139,320**	**$89,621**	$124,558	$90,809

(a) GMAC has a senior position on certain assets pledged by ResCap with subordinate positions held by GM, affiliates of Cerberus, and ultimately some third-parties.

(b) Included as part of secured debt are repurchase agreements of $1.1 billion and $3.6 billion through which we have pledged assets as collateral at June 30, 2008, and December 31, 2007, respectively.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Liquidity Facilities

Liquidity facilities represent additional funding sources. The financial institutions providing the uncommitted facilities are not legally obligated to advance funds under these facilities. The following table summarizes the liquidity facilities that we maintain.

	Total capacity		Unused capacity		Outstanding	
($ in billions)	**June 30, 2008**	Dec 31, 2007	**June 30, 2008**	Dec 31, 2007	**June 30, 2008**	Dec 31, 2007
Committed unsecured:						
Global Automotive Finance operations	**$2.8**	$8.9	**$0.4**	$7.0	**$2.4**	$1.9
ResCap	—	3.6	—	1.8	—	1.8
Other	—	0.1	—	0.1	—	—
Committed secured:						
Global Automotive Finance operations	**85.0**	88.7	**50.3**	57.8	**34.7**	30.9
ResCap	**13.0**	29.7	**6.2**	15.0	**6.8**	14.7
Other	**22.6**	22.9	**8.9**	11.6	**13.7**	11.3
Total committed facilities	**123.4**	153.9	**65.8**	93.3	**57.6**	60.6
Uncommitted unsecured:						
Global Automotive Finance operations	**7.5**	9.7	**1.0**	1.4	**6.5**	8.3
ResCap	**0.5**	0.6	**0.2**	0.2	**0.3**	0.4
Other	**0.1**	0.2	—	—	**0.1**	0.2
Uncommitted secured:						
Global Automotive Finance operations	**0.2**	—	—	—	**0.2**	—
ResCap	**15.1**	21.6	**4.3**	9.5	**10.8**	12.1
Total uncommitted facilities	**23.4**	32.1	**5.5**	11.1	**17.9**	21.0
Total	**$146.8**	$186.0	**$71.3**	$104.4	**$75.5**	$81.6

9. Derivative Instruments and Hedging Activities

We enter into interest rate and foreign-currency futures, forwards, options, and swaps in connection with our market risk management activities. In accordance with SFAS 133, as amended, we record derivative financial instruments on the balance sheet as assets or liabilities at fair value. Accounting for changes in fair value depends on the use of the derivative financial instrument and whether it is part of a qualifying hedge accounting relationship.

Effective May 1, 2007, we designated certain interest rate swaps as fair value hedges of callable fixed-rate debt instruments funding our North American Automotive Finance operations. Prior to May 1, 2007, these swaps were deemed to be economic hedges of this callable fixed-rate debt. Effectiveness of these hedges is assessed using regression of thirty quarterly data points for each relationship, the results of which must meet thresholds for R-squared, slope, F-statistic, and T-statistic. Any ineffectiveness measured in these relationships is recorded in earnings.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The following table summarizes the pretax earnings effect for each type of hedge classification, segregated by the asset or liability being hedged.

	Three months ended June 30,		Six months ended June 30,		
($ in millions)	**2008**	2007	**2008**	2007	Income statement classification
Fair value hedge ineffectiveness (loss) gain:					
Debt obligations	**($22)**	($78)	**$12**	($78)	Interest expense
Loans held-for-sale	**—**	—	**—**	(1)	(Loss) gain on mortgage and automotive loans, net
Economic hedge change in fair value:					
Off-balance sheet securitization activities:					
Global Automotive Finance operations	**(101)**	19	**15**	30	Other income
Foreign-currency debt (a)	**(1)**	(6)	**(4)**	—	Interest expense
Loans held-for-sale or investment	**(160)**	214	**14**	179	Loss on mortgage and automotive loans, net
Mortgage servicing rights	**(873)**	(596)	**167**	(638)	Servicing asset valuation and hedge activities, net
Mortgage-related securities	**8**	(54)	**4**	(68)	Investment income (loss)
Callable debt obligations	**(31)**	(12)	**(7)**	35	Interest expense
Other	**212**	(11)	**126**	(13)	Other income, Interest expense, Other operating expenses
Net (losses) gains	**($968)**	($524)	**$327**	($554)	

(a) Amount represents the difference between the changes in the fair values of the currency swap, net of the revaluation of the related foreign-denominated debt.

10. Income Taxes

Effective November 28, 2006, GMAC along with certain U.S. subsidiaries, became pass-through entities for U.S. federal income tax purposes (pass-through entities). Subsequent to November 28, 2006, U.S. federal, state, and local income tax expense has generally not been incurred by these entities as they ceased to be taxable entities in all but a few local tax jurisdictions that continue to tax LLCs or partnerships. Our banking, insurance, and foreign subsidiaries are generally taxable corporations and continue to be subject to U.S. federal, state, local, and foreign income taxes (taxable entities). The income tax expense or benefit related to the taxable entities along with other miscellaneous state, local, and franchise taxes are included in our income tax expense in the Condensed Consolidated Statement of Income.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

A reconciliation of the statutory U.S. federal income tax rate to our effective income tax rate is shown in the following table.

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	**2008**	2007
Statutory U.S. federal tax rate	**35.0%**	35.0%	**35.0%**	35.0%
Change in tax rate resulting from:				
Effect of valuation allowance change	**(19.9)**	—	**(23.6)**	—
LLC (loss) income not subject to federal or state income taxes	**(18.6)**	3.7	**(12.9)**	82.6
Foreign income tax rate differential	**(2.9)**	(3.5)	**(5.1)**	(7.5)
Other	**(1.3)**	(3.9)	**(0.4)**	(5.0)
State and local income taxes, net of federal income tax benefit	**0.1**	1.1	**0.1**	0.7
Tax-exempt income	**0.1**	2.7	**0.2**	(1.9)
Effective tax rate	**(7.5)%**	35.1%	**(6.7)%**	103.9%

Our results segregated by tax status are provided below.

	Three months ended June 30,					
	2008			2007		
($ in millions)	**Pass-through entities**	**Taxable entities**	**Consolidated**	Pass-through entities	Taxable entities	Consolidated
Pretax (loss) income	**($1,226)**	**($1,083)**	**($2,309)**	($3)	$455	$452
Tax (benefit) expense	**(4)**	**177**	**173**	—	159	159
Net (loss) income	**($1,222)**	**($1,260)**	**($2,482)**	($3)	$296	$293
Effective tax rate	**0.3%**	**(16.3)%**	**(7.5)%**	10.6%	34.9%	35.1%

	Six months ended June 30,					
	2008			2007		
($ in millions)	**Pass-through entities**	**Taxable entities**	**Consolidated**	Pass-through entities	Taxable entities	Consolidated
Pretax (loss) income	**($1,103)**	**($1,776)**	**($2,879)**	($606)	$903	$297
Tax (benefit) expense	**(7)**	**199**	**192**	(2)	311	309
Net (loss) income	**($1,096)**	**($1,975)**	**($3,071)**	($604)	$592	($12)
Effective tax rate	**0.6%**	**(11.2)%**	**(6.7)%**	0.3%	34.5%	103.9%

The effective rate of our taxable entities was significantly higher for the three months and six months ended June 30, 2008, compared to the same periods in 2007. Our consolidated tax expense increased 9% and decreased 38% for the three months and six months ended June 30, 2008, compared to the same periods in 2007. This was primarily due to higher current period losses in ResCap's international operations for which no tax benefit was recorded and new valuation allowances that were established during the quarter for prior year losses totaling $465 million and $665 million for the three and six months ended June 30, 2008, respectively.

Gross unrecognized tax benefits totaled $188 million and $155 million as of June 30, 2008, and December 31, 2007, respectively.

11. Share-based Compensation Plans

In 2007, the Compensation Committee approved the Long-Term Phantom Interest Plan (LTIP) and the Management Profits Interest Plan (MPI), which are share-based compensation plans accounted for under Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment* (SFAS 123(R)). These compensation plans provide our executives with an opportunity to share in the future growth in value of GMAC, which is necessary to attract and retain key executives. Initial grants of both plans were made in the first quarter of 2007. The Compensation Committee authorized additional LTIP and MPI awards during the first quarter of 2008.

The LTIP is an incentive plan for executives based on the appreciation of GMAC's value in excess of 10% during a three-year performance period. The awards vest at the end of the performance period and are paid in cash following a valuation of GMAC performed by FIM Holdings. The awards do not entitle the participants to equity-ownership interests in GMAC. At June 30, 2008, 300 units were issued and outstanding for the 2007–2009 performance period, and 504 units were issued and outstanding for the 2008–2010 performance period. Under SFAS 123(R), the awards require liability treatment and are remeasured quarterly at fair value until they are settled. The compensation cost related to these awards will be ratably charged to expense over the requisite service periods, which are the vesting periods ending December 31, 2009 and 2010, for the respective awards. We utilize a Black-Scholes model to estimate the fair value of the LTIP awards, which considers expected volatility, expected term of the awards, and changes in our performance, market, and industry. Changes in fair value relating to the portion of the awards that have vested will be recognized in earnings in the period in which the changes occur. The outstanding awards have an estimated fair value of $1 million at June 30, 2008. We recognized a reduction of compensation expense of $12 million for the six months ended June 30, 2008, compared to compensation expense of $6 million for the six months ended June 30, 2007. We recognized a reduction of compensation expense for the six months ended June 30, 2008, due to a decline in the estimated fair value of the liability mainly as a result of changes in assumptions due to updated market information obtained during the period, as well as award forfeitures.

The MPI is an incentive plan whereby Class C Membership interests in GMAC held by a management company are granted to senior executives. Series C-1 (C-1) awards were granted beginning in the first quarter of 2007; Series C-2 (C-2) and Series C-2A (C-2A) awards were granted beginning in the first quarter of 2008. The number of Class C Membership Interests available to be issued was also increased from 5,820 to 8,330. The total Class C Membership interests outstanding at June 30, 2008, were approximately 6,296, comprised of 3,053 C-1, 2,413 C-2, and 830 C-2A awards. Half of the awards vest based on a service requirement, and half vest based on meeting operating performance objectives. The service portion vests ratably over five years beginning November 30, 2007, for C-1 and C-2A awards and November 30, 2008, for C-2 awards, and on each of the next four anniversaries thereafter. The performance portion of the awards vests based on five separate annual targets beginning in 2007 for C-1 and C-2A awards and in 2008 for C-2 awards. If the performance objectives are met, that year's pro rata share of the awards vest. If the current year objectives are not met but the annual performance objectives of a subsequent year are met, all unvested shares from previous years will vest. Any awards that do not vest during the five one-year performance periods will be forfeited. Under SFAS 123(R), the awards require equity treatment and the fair value is calculated as of the grant date. We utilize a Black-Scholes model to determine the grant date fair value of the MPI awards, which considers expected volatility, expected term of the awards, and changes in our performance, market, and industry. Compensation expense for the MPI awards is ratably charged to expense over the five-year requisite service period for service-based awards and over each one-year requisite service period for the performance-based awards, both to the extent the awards actually vest. During the third quarter of 2007, the performance vesting for 2007 was not deemed probable. Accordingly, a portion of the expense for the 2007 performance vesting portion of the awards will be recognized throughout 2008. Based on their grant date estimated fair value, the

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

value of the awards outstanding at June 30, 2008, was approximately $31 million. Compensation expense of $2 million was recognized during both the six months ended June 30, 2008 and 2007.

In July 2008, the Compensation Committee approved the Long-Term Equity Compensation Incentive Plan, which provides for future grants of Restricted Share Units (RSUs) and Share Appreciation Rights (SARs) to certain of our executives. No awards were granted during the three months ended June 30, 2008. Both types of awards meet the definition of share-based compensation as governed by SFAS 123(R) and will require liability treatment once granted. The RSU and SAR awards will be settled in cash and will have individual vesting requirements as defined in the award agreements.

12. Related Party Transactions

Balance Sheet

A summary of the balance sheet effect of transactions with GM, FIM Holdings, and affiliated companies follows:

($ in millions)	**June 30, 2008**	December 31, 2007
Assets		
Available-for-sale investment in asset-backed security (a)	**$35**	$35
Finance receivables and loans, net of unearned income:		
Wholesale auto financing (b)	**631**	717
Term loans to dealers (b)	**97**	166
Lending receivables (c)	**186**	145
Investment in operating leases, net (d)	**354**	330
Notes receivable from GM (e)	**2,158**	1,868
Other assets:		
Subvention receivables (rate and residual support)	**343**	365
Lease pull-ahead receivable	**50**	22
Other	**47**	60
Liabilities		
Unsecured debt:		
Notes payable to GM	**953**	585
Secured debt:		
Subordinated participation in ResCap Facility — GM	**368**	—
Subordinated participation in ResCap Facility — Cerberus Fund	**382**	—
Cerberus model home term loan	**222**	—
Accrued expenses and other liabilities:		
Wholesale payable	**773**	466
Other payables	**59**	55

(a) In November 2006, GMAC retained an investment in a note secured by operating lease assets transferred to GM. As part of the transfer, GMAC provided a note to a trust, a wholly owned subsidiary of GM. The note is classified in investment securities on our Condensed Consolidated Balance Sheet.

(b) Represents wholesale financing and term loans to certain dealerships wholly owned by GM or in which GM has an interest.

(c) Primarily represents loans with various affiliates of FIM Holdings.

(d) Includes vehicles, buildings, and other equipment classified as operating lease assets that are leased to GM-affiliated and FIM Holdings-affiliated entities.

(e) Represents wholesale financing we provide to GM for vehicles, parts, and accessories in which GM retains title while consigned to us or dealers in the UK, Italy, and Germany. The financing to GM remains outstanding until the title is transferred to the dealers. The amount of financing provided to GM under this arrangement varies based on inventory levels.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Income Statement

A summary of the income statement effect of transactions with GM, FIM Holdings, and affiliated companies follows:

	Three months ended June 30,		Six months ended June 30,	
($ in millions)	**2008**	2007	**2008**	2007
Net financing revenue:				
GM and affiliates lease residual value support (a)	**$460**	$233	**$823**	$450
GM and affiliates rate support	**245**	359	**524**	727
Wholesale subvention and service fees from GM	**82**	66	**159**	131
Interest paid on loans with GM	**(10)**	(5)	**(20)**	(4)
Interest on loans with FIM Holdings affiliates	**5**	4	**8**	11
Consumer lease payments from GM (b)	**4**	5	**24**	12
Other revenue:				
Insurance premiums earned from GM	**60**	63	**110**	129
Interest on notes receivable from GM and affiliates	**32**	33	**62**	65
Interest on wholesale settlements (c)	**25**	49	**54**	87
Revenues from GM leased properties, net	**4**	3	**8**	6
Derivatives (d)	**—**	5	**10**	8
Other	**2**	—	**4**	12
Service fee income:				
U.S. Automotive operating leases (e)	**2**	9	**8**	13
Expense:				
Off-lease vehicle selling expense reimbursement (f)	**(12)**	(9)	**(20)**	(17)
Payments to GM for services, rent, and marketing expenses (g)	**39**	35	**84**	76

(a) Represents total amount of residual support and risk sharing earned under the residual support and risk-sharing programs and earned revenue (previously deferred) related to the settlement of residual support and risk-sharing obligations in 2006 for a portion of the lease portfolio.

(b) GM sponsors lease pull-ahead programs whereby consumers are encouraged to terminate lease contracts early in conjunction with the acquisition of a new GM vehicle, with the customer's remaining payment obligation waived. For certain programs, GM compensates us for the waived payments, adjusted based on the remarketing results associated with the underlying vehicle.

(c) The settlement terms related to the wholesale financing of certain GM products are at shipment date. To the extent that wholesale settlements with GM are made before the expiration of transit, we receive interest from GM.

(d) Represents income related to derivative transactions that we enter into with GM as counterparty.

(e) Represents servicing income related to automotive leases distributed to GM on November 22, 2006.

(f) An agreement with GM provides for the reimbursement of certain selling expenses incurred by us on off-lease vehicles sold by GM at auction.

(g) We reimburse GM for certain services provided to us. This amount includes rental payments for our primary executive and administrative offices located in the Renaissance Center in Detroit, Michigan, as well as exclusivity and royalty fees.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Statement of Changes in Equity

A summary of the changes to the statement of changes in equity related to transactions with GM, FIM Holdings, and affiliated companies follows:

($ in millions)	Six months ended June 30, 2008	Year ended December 31, 2007
Equity		
Dividends paid to members (a)	**$27**	$—
Preferred interests (b)	**—**	1,052
Conversion of preferred membership interests (b)	**—**	1,121
Capital contributions received (c)	**8**	1,080
Preferred interest dividends	**—**	192

(a) Primarily represents remittances to GM for tax settlements and refunds received related to tax periods prior to the Sale Transactions as required per the terms of the Purchase and Sale Agreement between GM and FIM Holdings.
(b) During the fourth quarter of 2007, GM and FIM Holdings converted $1.1 billion of preferred membership interest into common equity interests. Refer to Note 1 to our 2007 Annual Report on Form 10-K for further discussion.
(c) During the first quarter of 2007, under the terms of the Sale Transactions, GM made a capital contribution of $1 billion to GMAC.

Retail and Lease Programs

GM may elect to sponsor incentive programs (on both retail contracts and operating leases) by supporting financing rates below the standard market rates at which we purchase retail contracts and leases. These marketing incentives are also referred to as rate support or subvention. When GM utilizes these marketing incentives, they pay us the present value of the difference between the customer rate and our standard rate at contract inception, which we defer and recognize as a yield adjustment over the life of the contract.

GM may also sponsor residual support programs as a way to lower customer monthly payments. Under residual support programs, the customer’s contractual residual value is adjusted above our standard residual values. Prior to the Sale Transactions, GM reimbursed us at the time of the vehicle’s disposal if remarketing sales proceeds were less than the customer’s contractual residual value limited to our standard residual value. In addition, under risk-sharing programs, GM shares equally in residual losses to the extent that remarketing proceeds are below our standard residual values (limited to a floor).

In connection with the Sale Transactions, GM settled its estimated liabilities with respect to residual support and risk sharing on a portion of our operating lease portfolio and on the entire U.S. balloon retail receivables portfolio in a series of lump-sum payments. A negotiated amount totaling approximately $1.4 billion was agreed to by GM under these leases and balloon contracts and was paid to us in 2006. The payments were recorded as a deferred amount in accrued expenses and other liabilities on our Condensed Consolidated Balance Sheet. As these contracts terminate and the vehicles are sold at auction, any remaining payments are treated as a component of sales proceeds in recognizing the gain or loss on sale of the underlying assets. As of June 30, 2008, the remaining deferred amount is $309 million.

In addition, with regard to U.S. lease originations and all U.S. balloon retail contract originations occurring after April 30, 2006, that remained with us after the consummation of the Sale Transactions, GM agreed to begin payment of the present value of the expected residual support owed to us at the time of contract origination as opposed to after contract termination at the time of sale of the related vehicle. The residual support amount GM actually owes us is finalized as the leases actually terminate. Under the terms of the residual support program, in cases where the estimate was incorrect, GM may be obligated to pay us, or we may be obligated to reimburse GM. For the affected contracts originated during the three months and six

Source: GMAC LLC, 10-Q, August 08, 2008

months ended June 30, 2008, GM paid or agreed to pay us a total of $191 million and $436 million, respectively.

Based on the June 30, 2008, outstanding U.S. operating lease portfolio, the additional maximum amount that could be paid by GM under the residual support programs is approximately $1.4 billion and would only be paid in the unlikely event that the proceeds from the entire portfolio of lease assets were lower than both the contractual residual value and our standard residual rates. In determining the impairment recognized during the three months ended June 30, 2008, we estimated future cash flows of approximately $818 million (undiscounted) will be remitted to us in connection with residual support programs in the U.S. and Canada upon remarketing of off-lease vehicles in our lease portfolio as of June 30, 2008.

Based on the June 30, 2008, outstanding U.S. operating lease portfolio, the maximum amount that could be paid under the risk-sharing arrangements is approximately $1.4 billion and would only be paid in the unlikely event that the proceeds from all outstanding lease vehicles were lower than our standard residual rates. In determining the impairment recognized during the three months ended June 30, 2008, we estimated future cash flows of approximately $754 million (undiscounted) will be remitted to us in connection with risk sharing arrangements in the U.S. and Canada upon remarketing of off-lease vehicles in our lease portfolio as of June 30, 2008.

Retail and lease contracts acquired by us that included rate and residual subvention from GM, payable directly or indirectly to GM dealers as a percent of total new retail and lease contracts acquired, were as follows:

	Six months ended June 30,	
	2008	2007
GM and affiliates subvented contracts acquired:		
North American operations	**79%**	86%
International operations	**41%**	42%

Other

We have entered into various services agreements with GM that are designed to document and maintain our current and historical relationship. We are required to pay GM fees in connection with certain of these agreements related to our financing of GM consumers and dealers in certain parts of the world.

GM also provides payment guarantees on certain commercial assets we have outstanding with certain third-party customers. As of June 30, 2008, and December 31, 2007, commercial obligations guaranteed by GM were $95 million and $107 million, respectively. In addition, we have a consignment arrangement with GM for commercial inventories in Europe. As of June 30, 2008, and December 31, 2007, commercial inventories related to this arrangement were $154 million and $90 million, respectively, and are reflected in other assets on our Condensed Consolidated Balance Sheet.

On June 4, 2008, GMAC entered into a Loan Agreement (ResCap Facility) with Residential Funding Company, LLC (RFC) and GMAC Mortgage, LLC (GMAC Mortgage) (guaranteed by ResCap and certain of its subsidiaries), pursuant to which GMAC provides a senior secured credit facility with a capacity of up to $3.5 billion. In connection with this, GMAC entered into a Participation Agreement (Participation Agreement) with GM and Cerberus ResCap Financing LLC (Cerberus Fund), pursuant to which GMAC sold GM and Cerberus Fund $750 million in subordinated participations (Participations) in the loans made pursuant to the ResCap Facility. GM and Cerberus Fund acquired 49% and 51% of the Participations, respectively.

In June 2008, Cerberus Capital Management, L.P., or its designee(s) (Cerberus) purchased certain assets of ResCap with a carrying value of approximately $479 million for consideration consisting of $230 million in

cash and Series B junior preferred membership interests in a newly formed entity, CMH Holdings, LLC (CMH), which is not a subsidiary of ResCap and the managing member of which is an affiliate of Cerberus. CMH purchased model home and lot option assets from ResCap. CMH is consolidated into ResCap, and thus GMAC, under FIN 46(R), Consolidation of Variable Interest Entities, as ResCap remains the primary beneficiary. In conjunction with this agreement, Cerberus has entered into both term and revolving loans with CMH. The term loan principal amount is equal to $230 million and the revolving loan maximum amount is $10 million. The loans will mature on June 30, 2013, and are secured by a pledge of all of the assets of CMH. At June 30, 2008, the outstanding balance of the term loan was $222 million and interest expense for the three months ended June 30, 2008, was $2 million.

Cerberus has committed to purchase certain assets of ResCap at ResCap's option consisting of performing and nonperforming mortgage loans, mortgage-backed securities, and other assets for net cash proceeds of $300 million. ResCap has commenced identifying the assets proposed to be sold to Cerberus. In addition, ResCap intends, but is not obligated, to undertake an orderly sale of certain assets consisting of performing and nonperforming mortgage loans, mortgage-backed securities, and other assets in arms-length transactions through the retention of nationally recognized brokers in an auction process. Cerberus has committed to make firm bids to purchase the auctioned assets for net cash proceeds of $650 million.

13. Fair Value

Fair Value Measurements (SFAS 157)

We adopted SFAS 157 on January 1, 2008, which provides a definition of fair value, establishes a framework for measuring fair value, and requires expanded disclosures about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value; therefore, it does not expand the use of fair value in any new circumstance.

SFAS 157 nullified guidance in EITF 02-3. EITF 02-3 required the deferral of day-one gains on derivative contracts, unless the fair value of the derivative contracts were supported by quoted market prices or similar current market transactions. In accordance with EITF 02-3, we previously deferred day-one gains on purchased MSRs and certain residential loan commitments. When SFAS 157 was adopted on January 1, 2008, the day-one gains previously deferred under EITF 02-3 were recognized as a cumulative effect adjustment that increased beginning retained earnings by $23 million.

SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 clarifies that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices available in active markets (i.e., observable inputs) and the lowest priority to data lacking transparency (i.e., unobservable inputs). Additionally, SFAS 157 requires an entity to consider all aspects of nonperformance risk, including the entity's own credit standing, when measuring fair value of a liability. We consider our credit risk and the credit risk of our counterparties on the valuation of derivative instruments through a credit valuation adjustment (CVA). The CVA calculation utilizes our credit default swap spreads and the spreads of the counterparty. In situations where our net position with a counterparty is a liability, our credit default spread is used to calculate the required adjustment. In net asset positions, the counterparty's credit default spread is used.

SFAS 157 establishes a three-level hierarchy to be used when measuring and disclosing fair value. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Following is a description of the three hierarchy levels:

Level 1 Inputs are quoted prices in active markets for identical asset or liabilities as of the measurement date. Additionally, the entity must have the ability to access the active market and the quoted prices cannot be adjusted by the entity.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities; quoted prices in inactive markets for identical or similar assets or liabilities; or inputs that are observable or can be corroborated by observable market data by correlation or other means for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs are supported by little or no market activity. The unobservable inputs represent management's best assumptions of how market participants would price the assets or liabilities. Generally, Level 3 assets and liabilities are valued using pricing models, discounted cash flow methodologies, or similar techniques that require significant judgment or estimation.

Following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and details of the valuation models, key inputs to those models, and significant assumptions utilized.

Available-for-sale securities — Available-for-sale securities are carried at fair value, which is primarily based on observable market prices. If observable market prices are not available, our valuations are based on internally developed discounted cash flow models that use a market-based discount rate and consider recent market transactions, experience with similar securities, current business conditions, and analysis of the underlying collateral, as available. In order to estimate cash flows, we are required to utilize various significant assumptions including market observable inputs (e.g., forward interest rates) and internally developed inputs (including prepayment speeds, delinquency levels, and credit losses). We classified 10% of the available-for-sale securities reported at fair value as Level 3. Available-for-sale securities account for 23% of all assets reported at fair value at June 30, 2008.

Trading securities — Trading securities are recorded at fair value and include retained interests in assets sold through off-balance sheet securitizations and purchased securities. The securities may be asset-backed or asset-related, asset-backed securities (including senior and subordinated interests), interest-only, principal-only, or residual interests and may be investment grade, noninvestment grade, or unrated securities. We base our valuation of trading securities on observable market prices when available; however, observable market prices are not available for a significant portion of these assets due to illiquidity in the markets. When observable market prices are not available, valuations are primarily based on internally developed discounted cash flow models that use a market-based discount rate. The valuation considers recent market transactions, experience with similar securities, current business conditions, and analysis of the underlying collateral, as available. In order to estimate cash flows, we utilize various significant assumptions including market observable inputs (e.g., forward interest rates) and internally developed inputs (e.g., prepayment speeds, delinquency levels, and credit losses). We classified 89% of the trading securities reported at fair value as Level 3. Trading securities account for 6% of all assets reported at fair value at June 30, 2008.

Loans held-for-sale — The entire loans held-for-sale portfolio is accounted for at the lower of cost or fair value, as required under GAAP. Only loans that are currently being carried at fair value are included within the accompanying nonrecurring fair value measurement tables. We classified 64% of the loans held-for-sale reported at fair value as Level 3. Loans held-for-sale account for 24% of all assets reported at fair value at June 30, 2008.

Approximately 54% of the total loans held-for-sale and carried at fair value are automotive loans. We based our valuation of automotive loans held-for-sale on internally developed discounted cash flow models and have classified all such loans as Level 3. These valuation models estimate the exit price we expect to receive in the loan's principal market, which depending upon characteristics of the loans may be the whole-loan or securitization market. Although we utilize and give priority to market observable inputs, such as interest rates and market spreads within these models, we are typically required to utilize internal inputs, such as prepayment speeds, credit losses, and discount rates. While numerous controls

exist to calibrate, corroborate, and validate these internal inputs, these internal inputs require the use of judgment and can have a significant impact on the determination of the loan's value. Accordingly, we classified all automotive loans held-for-sale as Level 3.

Approximately 42% of the total loans carried at fair value are mortgage loans. We originate or purchase mortgage loans in the United States that we intend to sell to Fannie Mae, Freddie Mac, and Ginnie Mae (collectively, the Agencies). Additionally, we originate or purchase mortgage loans both domestically and internationally that we intend to sell into the secondary markets via whole-loan sales or securitizations.

Mortgage loans held-for-sale are typically pooled together and sold into certain exit markets, depending upon underlying attributes of the loan, such as agency eligibility (domestic only), product type, interest rate, and credit quality. Two valuation methodologies are used to determine the fair value of loans held-for-sale. The methodology used depends on the exit market as described below.

Loans valued using observable market prices for identical or similar assets — This includes all domestic loans that can be sold to the Agencies, which are valued predominantly by published forward agency prices. This will also include all nonagency domestic loans or international loans where recently negotiated market prices for the loan pool exist with a counterparty (which approximates fair value) or quoted market prices for similar loans are available. As these valuations are derived from quoted market prices, we classify these valuations as Level 2 in the fair value disclosures. As of June 30, 2008, 86% of the mortgage loans held-for-sale that are currently being carried at fair value are classified as Level 2.

Loans valued using internal models — To the extent observable market prices are not available, we will determine the fair value of loans held-for-sale using internally developed valuation models. These valuation models estimate the exit price we expect to receive in the loan's principal market, which depending upon characteristics of the loan, may be the whole-loan or securitization market. Although we utilize and give priority to market observable inputs such as interest rates and market spreads within these models, we are typically required to utilize internal inputs, such as prepayment speeds, credit losses, and discount rates. While numerous controls to calibrate, corroborate, and validate these internal inputs, these internal inputs require the use of judgment and can have a significant impact on the determination of the loan's value. Accordingly, we classify these valuations as Level 3 in the fair value disclosures. As of June 30, 2008, 14% of the mortgage loans held-for-sale that are currently being carried at fair value are classified as Level 3.

Due to limited sales activity and periodically unobservable prices in certain markets, certain loans held-for-sale may transfer between Level 2 and Level 3 in future periods.

Consumer finance receivables and loans, net of unearned income — Under SFAS 159, we elected the fair value option for certain mortgage loans held-for-investment. The elected loans collateralized on-balance sheet securitization debt in which we estimated credit reserves pertaining to securitized assets that could have, or already had, exceeded our economic exposure. The elected loans represent a portion of the consumer finance receivable and loans on the Condensed Consolidated Balance Sheet. The balance that was not elected under SFAS 159 was reported on the balance sheet at the principal amount outstanding, net of charge-offs, allowance for loan losses, and net deferred loan fees.

The mortgage loans held-for-investment that collateralized securitization debt were legally isolated from us and are beyond the reach of our creditors. The loans are measured at fair value using a portfolio approach or an in-use premise. The objective in fair valuing the loans and related securitization debt is to properly account for our retained economic interest in the securitizations. As a result of reduced liquidity in capital markets, values of both these loans and the securitized bonds are expected to be volatile.

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Since this approach involves the use of significant unobservable inputs, we classified all the mortgage loans held-for-investment elected under SFAS 159 as Level 3. As of June 30, 2008, 64% of all consumer finance receivables and loans reported at fair value are classified as Level 3. Consumer finance receivables and loans account for 11% of all assets reported at fair value at June 30, 2008. Refer to the section within this note titled *Fair Value Option of Financial Assets and Financial Liabilities (SFAS 159)* for additional information.

Investment in operating leases, net — In light of the prevailing market conditions, particularly rising domestic fuel prices and weakness in the economy in the United States and Canada, and the associated adverse impact to used vehicle values, we concluded a triggering event occurred during the three months ended June 30, 2008, requiring an evaluation of certain operating leases held by our North American operations in accordance with SFAS 144. Only impaired operating leases were included within the nonrecurring fair value measurement tables. We determined a lease was impaired when the undiscounted expected cash flows was lower than the carrying value of the asset. The fair value of these impaired leases was then measured based upon discounted cash flows. We considered all the discounted expected cash flows when determining the fair value, including customer payments, the expected residual value upon remarketing the vehicle at lease termination, and future payments from GM under residual risk-sharing agreements. Based upon the use of internally developed discounted cash flow models, we classified all the impaired leases as Level 3. Our investment in operating leases accounts for 7% of all assets reported at fair value at June 30, 2008. For further details with respect to impaired operating leases, refer to Note 4 — Impairment of Investment in Operating Leases.

Mortgage servicing rights — We typically retain MSRs when we sell assets into the secondary market. MSRs do not trade in an active market with observable prices. Therefore, we use internally developed discounted cash flow models to estimate the fair value of MSRs and have classified all MSRs as Level 3. These internal valuation models estimate net cash flows based on internal operating assumptions that we believe would be used by market participants, combined with market-based assumptions for loan prepayment rates, interest rates, and discount rates that we believe approximate yields required by investors in this asset. Cash flows primarily include servicing fees, float income, and late fees, in each case less operating costs to service the loans. The estimated cash flows are discounted using an option-adjusted spread derived discount rate. All MSRs are classified as Level 3 at June 30, 2008. MSRs account for 13% of all assets reported at fair value at June 30, 2008.

Derivative instruments — We enter into a variety of derivative financial instruments as part of our hedging strategies. Certain of these derivatives are exchange traded, such as Eurodollar futures, or traded within highly active dealer markets, such as agency to-be-announced securities. In order to fair value these instruments, we utilize the exchange price or dealer market price for the particular derivative contract; therefore, these contracts are classified as Level 1. We classified 2% of the derivative assets and 3% of the derivative liabilities reported at fair value as Level 1 at June 30, 2008.

We also execute over-the-counter derivative contracts, such as interest rate swaps, floors, caps, corridors, and swaptions. We utilize third-party-developed valuation models that are widely accepted in the market to value these over-the-counter derivative contracts. The specific terms of the contract are entered into the model, as well as market observable inputs such as interest rate forward curves and interpolated volatility assumptions. As all significant inputs into these models are market observable, these over-the-counter derivative contracts are classified as Level 2 at June 30, 2008. We classified 85% of the derivative assets and 58% of the derivative liabilities reported at fair value as Level 2 at June 30, 2008.

We also hold certain derivative contracts that are structured specifically to meet a particular hedging objective. These derivative contracts often are utilized to hedge risks inherent within certain on-balance sheet securitizations. In order to hedge risks on particular bond classes or securitization collateral, the derivative's notional amount is often indexed to the hedged item. As a result, we typically are required to use internally developed prepayment assumptions as an input into the model, in order to forecast future

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

notional amounts on these structured derivative contracts. Accordingly, these derivative contracts were classified as Level 3. We classified 13% of the derivative assets and 39% of the derivative liabilities reported at fair value as Level 3 at June 30, 2008.

Derivative assets account for 12% of all assets reported at fair value at June 30, 2008. Derivative liabilities account for 36% of all liabilities reported at fair value at June 30, 2008.

Repossessed and foreclosed assets — Foreclosed upon or repossessed assets resulting from loan defaults are carried at the lower of either cost or fair value less costs to sell and are included in other assets on the Condensed Consolidated Balance Sheet. Only assets that are being carried at fair value less costs to sell are included in the fair value disclosures.

The majority of assets acquired due to default are foreclosed assets. We revalue foreclosed assets on a periodic basis. Properties that are valued based upon independent third-party appraisals less costs to sell are classified as Level 2. When third-party appraisals are not obtained, valuations are typically obtained from third-party broker price opinion; however, depending on the circumstances, the property list price or other sales price information may be used in lieu of a broker price opinion. Based on historical experience, these values are adjusted downward to take into account damage and other factors that typically cause the actual liquidation value of foreclosed properties to be less than broker price opinion or other price sources. This valuation adjustment is necessary to ensure the valuation ascribed to these assets considers unique factors and circumstances surrounding the foreclosed asset. As a result of applying internally developed adjustments to the third-party-provided valuation of the foreclosed property, these assets are classified as Level 3 in the fair value disclosures. As of June 30, 2008, 36% and 64% of foreclosed and repossessed properties carried at fair value less costs to sell are classified as Level 2 and Level 3, respectively. Repossessed and foreclosed assets account for 2% of all assets reported at fair value at June 30, 2008.

Investment in used vehicles held-for-sale — Our investment in used vehicles is carried at the lower of either cost or fair value less costs to sell and are included in other assets on the Condensed Consolidated Balance Sheet. Only assets that are being carried at fair value less costs to sell are included in the nonrecurring fair value tables. The prevailing market conditions, primarily rising domestic fuel prices and weakness in the economy of the United States and Canada, have created a decline in used vehicle prices, which lowered the fair value of certain vehicles below cost, primarily sport-utility vehicles and to a lesser extent trucks. The fair value was determined based on our recent remarketing experience related to our investment in used vehicles held-for-sale. We classified all these assets as Level 3. Our investment in used vehicles held-for-sale accounts for 2% of all assets reported at fair value at June 30, 2008.

On-balance sheet securitization debt — Under SFAS 159, we elected the fair value option for certain mortgage loans held-for-investment and on-balance sheet securitization debt. In particular, we elected the fair value option on securitized debt issued by domestic on-balance sheet securitization vehicles as of January 1, 2008, in which we estimated credit reserves pertaining to securitized assets could have, or already had, exceeded our economic exposure. The objective in measuring the loans and related securitization debt at fair value was to approximate our retained economic interest and economic exposure to the collateral securing the securitization debt. The remaining on-balance sheet securitization debt that was not elected under SFAS 159 is reported on the balance sheet at cost, net of premiums or discounts and issuance costs.

We value securitization debt that was elected pursuant to the fair value option and any economically retained positions using market observables prices whenever possible. The securitization debt is principally in the form of asset- and mortgage-backed securities collateralized by the underlying mortgage loans held-for-investment. Due to the attributes of the underlying collateral and current market conditions, observable prices for these instruments are typically not available in active markets. In these situations, we consider observed transactions as Level 2 inputs in our discounted cash flow models. Additionally, the discounted cash flow models utilize other market observable inputs such as prepayment speeds, credit losses, and discount rates. Fair value option elected financing securitization debt is classified as Level 3

Source: GMAC LLC, 10-Q, August 08, 2008

as a result of the reliance on significant assumptions and estimates for model inputs. On-balance sheet securitization debt accounts for 59% of all liabilities reported at fair value at June 30, 2008. As a result of reduced liquidity in capital markets, values of both the elected loans and the securitized debt are expected to be volatile. Refer to the section within this note *Fair Value Option for Financial Assets and Financial Liabilities (SFAS 159)* for a complete description of these securitizations.

Collateralized Debt Obligations — We elected the fair value option for all collateralized debt obligations (CDOs). CDOs are collateralized by trading securities, which are carried at fair value. Due to the availability of market information on the CDO collateral, we derive the fair value of CDO debt using the CDO collateral fair value and adjust accordingly for any retained economic positions. While a portion of the CDO collateral may utilize market observable prices for valuation purposes, the majority of the CDO collateral is valued using valuation models that utilize significant internal inputs. Further, the retained economic positions also use valuation models that utilize significant internal inputs. As a result, CDO debt is classified as Level 3. CDOs account for 5% of all liabilities reported at fair value at June 30, 2008. Refer to the section within this note titled *Fair Value Option for Financial Assets and Financial Liabilities (SFAS 159)* for a complete description of the CDOs.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Recurring Fair Value

The following table displays the assets and liabilities measured at fair value on a recurring basis, including financial instruments elected for the fair value option under SFAS 159. We often economically hedge the fair value change of our assets or liabilities with derivatives and other financial instruments. The table below displays the hedges separately from the hedged items and, therefore, does not directly display the impact of our risk management activities.

	Recurring fair value measures			
June 30, 2008 *($ in millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment securities:				
Available-for-sale securities	**$1,880**	**$6,534**	**$936**	**$9,350**
Trading securities	**1**	**287**	**2,314**	**2,602**
Consumer finance receivables and loans, net of unearned income (a)	**—**	**—**	**2,658**	**2,658**
Mortgage servicing rights	**—**	**—**	**5,417**	**5,417**
Other assets:				
Cash reserve deposits held-for-securitization trusts	**—**	**—**	**51**	**51**
Derivative assets (liabilities), net (b)	**56**	**3,156**	**(19)**	**3,193**
Restricted cash collections for securitization trusts	**—**	**—**	**92**	**92**
Total assets	**$1,937**	**$9,977**	**$11,449**	**$23,363**
Liabilities				
Secured debt:				
On-balance sheet securitization debt (a)	**$—**	**$—**	**($2,754)**	**($2,754)**
Collateralized debt obligations (a)	**—**	**—**	**(248)**	**(248)**
Other liabilities	**(6)**	**—**	**—**	**(6)**
Total liabilities	**($6)**	**$—**	**($3,002)**	**($3,008)**

(a) Carried at fair value due to fair value option election under SFAS 159.
(b) At June 30, 2008, derivative assets within Level 1, Level 2, and Level 3 were $103 million, $4,134 million, and $650 million, respectively. Additionally, derivative liabilities within Level 1, Level 2, and Level 3 were $47 million, $978 million, and $669 million, respectively.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The following tables present a reconciliation for all Level 3 assets and liabilities measured at fair value on a recurring basis. We often economically hedge the fair value change of our assets or liabilities with derivatives and other financial instruments. The Level 3 items presented below may be hedged by derivatives and other financial instruments that are classified as Level 1 or Level 2. Thus, the following tables do not fully reflect the impact of our risk management activities.

	Level 3 recurring fair value measurements					
		Net realized/ unrealized gains (losses)				
($ in millions)	Fair value as of March 31, 2008	Included in earnings	Included in other comprehensive income	Purchases, issuances, and settlements	Fair value as of June 30, 2008	Net unrealized gains (losses) included in earnings still held as of June 30, 2008
Assets						
Investment securities						
Available-for-sale securities	$1,195	($5) (b)	$—	($254)	$936	($12) (b)
Trading securities	2,148	(78) (c)	1	243	2,314	46 (c)
Consumer finance receivables and loans, net of unearned income (a)	3,915	(585) (d)	—	(672)	2,658	(992) (d)
Mortgage servicing rights	4,278	687 (e)	—	452	5,417	688 (e)
Other assets						
Cash reserve deposits held-for-securitization trusts	41	— (c)	—	10	51	(90) (c)
Fair value of derivative contracts in receivable (liability) position, net	172	(62) (f)	6	(135)	(19)	(1) (f)
Restricted cash collections for securitization trusts	100	(9) (g)	1	—	92	(9) (g)
Total assets	$11,849	($52)	$8	($356)	$11,449	($370)
Liabilities						
Secured debt						
On-balance sheet securitization debt (a)	($3,996)	$598 (h)	$—	$644	($2,754)	$717 (h)
Collateralized debt obligations (a)	(303)	14 (c)	—	41	(248)	102 (c)
Total liabilities	($4,299)	$612	$—	$685	($3,002)	$819

(a) Carried at fair value due to fair value option election under SFAS 159.
(b) Reported as investment income (loss) in the Condensed Consolidated Statement of Income, except securitization trust interests, which are reported as other income in the Condensed Consolidated Statement of Income.
(c) Reported as investment income (loss) in the Condensed Consolidated Statement of Income.
(d) The fair value adjustment is reported as other income, and the related interest is reported as consumer financing revenue in the Condensed Consolidated Statement of Income.
(e) Reported as servicing asset valuation and hedge activities, net in the Condensed Consolidated Statement of Income.
(f) Derivative instruments relating to risks associated with debt are reported as interest expense in the Condensed Consolidated Statement of Income, while derivatives relating to risks associated with mortgage loans held-for-sale are reported as investment income (loss). The remaining derivative earnings are reported as other income in the Condensed Consolidated Statement of Income.
(g) Reported as other operating expenses in the Condensed Consolidated Statement of Income.
(h) The fair value adjustment is reported as other income, and the related interest is reported as interest expense in the Condensed Consolidated Statement of Income.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

	Level 3 recurring fair value measurements					
		Net realized/ unrealized gains (losses)				
($ in millions)	Fair value as of January 1, 2008	Included in earnings	Included in other comprehensive income	Purchases, issuances, and settlements	Fair value as of June 30, 2008	Net unrealized gains (losses) included in earnings still held as of June 30, 2008
Assets						
Investment securities						
Available-for-sale securities	$1,249	**($38) (b)**	**$7**	**($282)**	**$936**	**($37) (b)**
Trading securities	2,726	**(502) (c)**	**(1)**	**91**	**2,314**	**(475) (c)**
Consumer finance receivables and loans, net of unearned income (a)	6,684	**(2,588) (d)**	**—**	**(1,438)**	**2,658**	**(3,266) (d)**
Mortgage servicing rights	4,713	**41 (e)**	**—**	**663**	**5,417**	**58 (e)**
Other assets						
Cash reserve deposits held-for-securitization trusts	30	**8 (c)**	**—**	**13**	**51**	**(82) (c)**
Fair value of derivative contracts in receivable (liability)position, net	(46)	**117 (f)**	**17**	**(107)**	**(19)**	**196 (f)**
Restricted cash collections for securitization trusts	111	**(12) (g)**	**(2)**	**(5)**	**92**	**(12) (g)**
Total assets	$15,467	**($2,974)**	**$21**	**($1,065)**	**$11,449**	**($3,618)**
Liabilities						
Secured Debt						
On-balance sheet securitization debt (a)	($6,734)	**$2,631 (h)**	**$—**	**$1,349**	**($2,754)**	**$2,866 (h)**
Collateralized debt obligations (a)	(351)	**35 (c)**	**—**	**68**	**(248)**	**43 (c)**
Total liabilities	($7,085)	**$2,666**	**$—**	**$1,417**	**($3,002)**	**$2,909**

(a) Carried at fair value due to fair value option election under SFAS 159.
(b) Reported as investment income in the Condensed Consolidated Statement of Income, except securitization trust interests, which are reported as other income in the Condensed Consolidated Statement of Income.
(c) Reported as investment income in the Condensed Consolidated Statement of Income.
(d) The fair value adjustment is reported as other income, and the related interest is reported as consumer financing revenue in the Condensed Consolidated Statement of Income.
(e) Reported as servicing asset valuation and hedge activities, net in the Condensed Consolidated Statement of Income.
(f) Derivative instruments relating to risks associated with debt are reported as interest expense in the Condensed Consolidated Statement of Income, while derivatives relating to risks associated with mortgage loans held-for-sale are reported as investment income. The remaining derivative earnings are reported as other income in the Condensed Consolidated Statement of Income.
(g) Reported as other operating expenses in the Condensed Consolidated Statement of Income.
(h) The fair value adjustment is reported as other income, and the related interest is reported as interest expense in the Condensed Consolidated Statement of Income.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Nonrecurring Fair Value

We may be required to measure certain assets and liabilities at fair value from time to time. These periodic fair value measures typically result from the application of lower of cost or fair value accounting or certain impairment measures under GAAP. These items would constitute nonrecurring fair value measures under SFAS 157.

The following table displays the assets and liabilities measured at fair value on a nonrecurring basis.

June 30, 2008	Nonrecurring fair value measures				Lower of cost or fair value or credit	Total gains (losses) included in earnings for the three	Total gains (losses) included in earnings for the six
($ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**allowance**	**months ended**	**months ended**
Assets							
Loans held-for-sale (a)	**$—**	**$3,520**	**$6,358**	**$9,878**	**($1,166)**	**n/m (g)**	**n/m (g)**
Consumer finance receivables and loans, net of unearned income (b)	**1,210**	**369**	**155**	**1,734**	**(607)**	**n/m (g)**	**n/m (g)**
Commercial finance receivables and loans, net of unearned income (c)	**—**	**—**	**16**	**16**	**(14)**	**n/m (g)**	**n/m (g)**
Investment in operating leases, net (d)	**—**	**—**	**2,884**	**2,884**	**n/m (f)**	**($716)**	**($716)**
Other assets:							
Real estate and other investments (d)	**—**	**218**	**—**	**218**	**n/m (f)**	**(18)**	**(21)**
Repossessed and foreclosed assets, net (e)	**—**	**322**	**565**	**887**	**(255)**	**n/m (g)**	**n/m (g)**
Investment in used vehicles held-for-sale (a)	**—**	**—**	**818**	**818**	**(47)**	**n/m (g)**	**n/m (g)**
Total assets	**$1,210**	**$4,429**	**$10,796**	**$16,435**	**($2,089)**	**($734)**	**($737)**

n/m = not meaningful

(a) Represents assets held-for-sale that are required to be measured at lower of cost or fair value in accordance with SFAS No. 65, *Accounting for Certain Mortgage Banking Activities* or (SOP 01-6, *Accounting by Certain Entities (Including Entities With Trade Receivables) That Lend to or Finance the Activities of Others*. Only assets with fair values below cost are included in the table above. The related valuation allowance represents the cumulative adjustment to fair value of those specific loans.

(b) Includes only receivables with a specific reserve established using the fair value of the underlying collateral. The related credit allowance represents the cumulative adjustment to fair value of those specific receivables.

(c) Represents the portion of the commercial portfolio impaired as of June 30, 2008, under SFAS No. 114, *Accounting by Creditors for Impairment of a Loan*. The related credit allowance represents the cumulative adjustment to fair value of those specific receivables.

(d) Represents assets impaired under SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Asset*. The total loss included in earnings for the three months ended June 30, 2008, represents the fair market value adjustments on the portfolio.

(e) The allowance provided for repossessed and foreclosed assets represents any cumulative valuation adjustment recognized to adjust the assets to fair value less costs to sell.

(f) The total loss included in earnings is the most relevant indicator of the impact on earnings.

(g) We consider the applicable valuation or credit loss allowance to be the most relevant indicator of the impact on earnings caused by the fair value measurement. The carrying values are inclusive of the respective valuation or credit loss allowance.

Fair Value Option for Financial Assets and Financial Liabilities (SFAS 159)

Effective January 1, 2008, we adopted SFAS 159, which permits entities to choose to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value. Subsequent changes in fair value for designated items are required to be reported in earnings in the current period. SFAS 159 also establishes presentation and disclosure requirements for similar types of assets and liabilities measured at fair value.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

We elected to measure at fair value certain financial assets and liabilities held by our ResCap operations including certain collateralized debt obligations and certain mortgage loans held-for-investment and related debt held in financing securitization structures that existed as of adoption. Our intent in electing fair value for these items was to mitigate a divergence between accounting losses and economic exposure for certain assets and liabilities as described in the paragraphs following the table below. The cumulative effect to retained earnings for these fair value elections was a decrease of $178 million on January 1, 2008.

The following table represents the carrying value of the affected instruments before and after the changes in accounting related to the adoption of SFAS 159.

($ in millions)	December 31, 2007 carrying value before adoption	**Cumulative effect adjustment to January 1, 2008 retained earnings gain (loss)**	**January 1, 2008 carrying value after adoption**
Assets			
Consumer finance receivables and loans, net of unearned income (a)	$10,531	**($3,847)**	**$6,684**
Liabilities			
Secured debt:			
On-balance sheet securitization debt	($10,367)	**$3,633**	**($6,734)**
Collateralized debt obligations	(386)	**35**	**(351)**
Pretax cumulative effect of adopting SFAS 159		**($179)**	
After-tax cumulative effect of adopting SFAS 159		**($178)**	

(a) Includes the removal from the balance sheet of the $489 million of allowance for loan losses.

On-balance Sheet Securitizations

In prior years, ResCap executed certain domestic securitizations that did not meet sale criteria under SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities* (SFAS 140). As part of these domestic on-balance sheet securitizations, we typically retained the economic residual interest in the securitization. The economic residual entitles us to excess cash flows that remain at each distribution date after absorbing any credit losses in the securitization. Because sale treatment was not achieved under SFAS 140, the mortgage loan collateral remained on the balance sheet and was classified as consumer finance receivable and loans, the securitization's debt was classified as secured debt, and the economic residuals were not carried on the balance sheet. After execution of the securitizations, we were required under GAAP to continue recording an allowance for credit losses on these held-for-investment loans.

As a result of market conditions and deteriorating credit performance during 2007, economic exposure on certain of these domestic on-balance sheet securitizations were reduced to zero or approximating zero, thus indicating we expected minimal to no future cash flows to be received on the economic residual. While we no longer were economically exposed to credit losses in the securitizations, we were required to continue recording additional allowance for credit losses on the securitization collateral as credit performance deteriorated. Further, in accordance with GAAP, we did not record any offsetting reduction in the securitization's debt balances, even though any nonperformance of the assets will ultimately pass through as a reduction of the amount owed to the debt holders, once they are

contractually extinguished. As a result, we were required to record accounting losses beyond our economic exposure.

In order to mitigate the divergence between accounting losses and economic exposure, we elected the fair value option for a portion of the domestic on-balance sheet securitizations on January 1, 2008. In particular, we elected the fair value option for domestic on-balance sheet securitization vehicles in which we estimated that the credit reserves pertaining to securitized assets could, or already had, exceeded our economic exposure. The fair value option election was made at a securitization level; thus the election was made for both the mortgage loans held-for-investment and the related portion of on-balance sheet securitized debt for these particular securitizations.

As part of the cumulative effect of adopting SFAS 159, we removed various items that were previously included in the carrying value of the respective consumer loans and on-balance sheet securitization debt. We removed $489 million of allowance for credit losses and other net deferred and upfront costs included in the carrying value of the fair value-elected loans and debt. The removal of these items, as well as the adjustment required in order to have the item's carrying value equal fair value at January 1, 2008, resulted in a $3.8 billion decrease recorded to beginning retained earnings for the fair value-elected loans held-for-investment, offset by a $3.6 billion gain related to the elected on-balance sheet securitization debt. These fair value option elections did not have a material impact on our deferred tax balances.

Subsequent to the fair value election for loans held-for-investment, we continued to carry the fair value-elected loans within consumer finance receivable and loans, net of unearned income, on the Condensed Consolidated Balance Sheet. We no longer record allowance for credit losses on these fair value-elected loans, and amortization of net deferred costs/fees no longer occurs because the deferred amounts were removed as part of the cumulative effect of adopting SFAS 159. Our policy is to separately record interest income on the fair value-elected loans unless the loans are placed on nonaccrual status when they are 60 days past due; these amounts continue be classified within consumer financing revenue in the Condensed Consolidated Statement of Income. The fair value adjustment recorded for the loans is classified as other income in the Condensed Consolidated Statement of Income.

Subsequent to the fair value election for the respective on-balance sheet securitization debt, we no longer amortize upfront transaction costs on the fair value-elected securitization debt since these deferred amounts were removed as part of the cumulative effect of adopting SFAS 159. The fair value-elected debt balances continue to be recorded as secured debt on the Condensed Consolidated Balance Sheet. Our policy is to separately record interest expense on the fair value-elected securitization debt, which continues to be classified within interest expense in the Condensed Consolidated Statement of Income. The fair value adjustment recorded for this fair value-elected debt is classified within other income in the Condensed Consolidated Statement of Income.

Collateralized Debt Obligations

Our ResCap operations executed two collateralized debt obligation securitizations in 2004 and 2005 named CDO I and CDO II. Similar to the on-balance sheet securitizations discussed above, we retained certain economic interests in the CDOs that entitled us to the excess cash flows at each distribution date, after absorbing any credit losses in the CDOs. These CDOs were required to be consolidated under FIN 46(R), thus the CDO collateral remained on the Condensed Consolidated Balance Sheet as investment securities. Under SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities,* the collateral is recorded at fair value on the Condensed Consolidated Balance Sheet, with revaluation adjustments recorded through current period earnings. The CDO debt issued to third parties, which was required to be carried at amortized cost, was classified as secured debt on the Condensed Consolidated Balance Sheet. Our retained economic interests are not carried on the Condensed Consolidated Balance Sheet.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Similar to the on-balance sheet securitizations discussed above, we experienced significant devaluation in our retained economic interests in the on-balance sheet CDO transactions during 2007. The devaluation of our retained economic interests was primarily the result of cash flows being contractually diverted away from our retained interest to build cash reserves as a direct result of certain failed securitization triggers and significant illiquidity in the CDO market. While our economic exposure was reduced to approximately zero, as evidenced by our retained economic interest values, we continued writing down the CDO collateral with no offsetting reduction in the associated CDO debt balances. Thus, prior to fair value option election, we were recording accounting losses beyond our economic exposure. In order to eliminate the accounting mismatch, we elected the fair value option for the debt balances recorded for CDO I and CDO II on January 1, 2008.

As part of the cumulative effect of adopting SFAS 159, we removed deferred upfront securitization costs related to CDO I and CDO II. The removal of the deferred deal costs, as well as the adjustment required to have the item’s carrying value equal fair value at January 1, 2008, resulted in a net cumulative-effect adjustment recorded to beginning retained earnings of $35 million. These fair value option elections did not have a material impact on our deferred tax balances.

Subsequent to the fair value option election for the CDO debt, we no longer amortize upfront securitization costs for these transactions, as these amounts were removed as part of the cumulative effect of adopting SFAS 159. The fair value-elected CDO debt balances continue to be carried within secured debt on the Condensed Consolidated Balance Sheet. Our policy is to separately record interest expense on the CDO debt, which continues to be classified within interest expense in the Condensed Consolidated Income Statement. The fair value adjustment recorded for the CDO debt is classified within investment income in the Condensed Consolidated Income Statement.

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The following summarizes the fair value option elections and information regarding the amounts recorded within earnings for each fair value option elected item.

	Changes included in the Condensed Consolidated Income Statement for the three months ended June 30, 2008					
($ in millions)	**Consumer financing revenue**	**Interest expense**	**Investment income**	**Other income**	**Total included in earnings**	**Change in fair value due to credit risk**
Assets						
Consumer finance receivables and loans, net of unearned income	**$182**	**$—**	**$—**	**($767)**	**($585)**	**($70)(a)**
Liabilities						
Secured debt:						
On-balance sheet securitization debt	**$—**	**($95)**	**$—**	**$693**	**$598**	**$48 (b)**
Collateralized debt obligations	**—**	**(3)**	**22**	**—**	**19**	**— (c)**
Total					**$32**	

(a) The credit impact for consumer finance receivables and loans were quantified by applying internal credit loss assumptions to cash flow models.

(b) The credit impact for on-balance sheet securitization debt is assumed to be zero until our economic interests in a particular securitization is reduced to zero, at which point the losses on the underlying collateral will be expected to be passed through to third-party bondholders. Losses allocated to third-party bondholders, including changes in the amount of losses allocated, will result in fair value changes due to credit. We also monitor credit ratings and will make credit adjustments to the extent any bond classes are downgraded by rating agencies.

(c) The credit impact for collateralized debt obligations is assumed to be zero until our economic interests in the securitization is reduced to zero, at which point the losses projected on the underlying collateral will be expected to be passed through to the securitization's bonds. We also monitor credit ratings and will make credit adjustments to the extent any bond classes are downgraded by rating agencies.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

	Changes included in the Condensed Consolidated Income Statement for the six months ended June 30, 2008					
($ in millions)	**Consumer financing revenue**	**Interest expense**	**Investment income**	**Other income**	**Total included in earnings**	**Change in fair value due to credit risk**
Assets						
Consumer finance receivables and loans, net of unearned income	**$380**	**$—**	**$—**	**($2,968)**	**($2,588)**	**($88) (a)**
Liabilities						
Secured debt:						
On-balance sheet securitization debt	**$—**	**($209)**	**$—**	**$2,840**	**$2,631**	**$70 (b)**
Collateralized debt obligations	**—**	**(8)**	**43**	**—**	**35**	**— (c)**
Total					**$78**	

(a) The credit impact for consumer finance receivables and loans were quantified by applying internal credit loss assumptions to cash flow models.
(b) The credit impact for on-balance sheet securitization debt is assumed to be zero until our economic interests in a particular securitization is reduced to zero, at which point the losses on the underlying collateral will be expected to be passed through to third-party bondholders. Losses allocated to third-party bondholders, including changes in the amount of losses allocated, will result in fair value changes due to credit. We also monitor credit ratings and will make credit adjustments to the extent any bond classes are downgraded by rating agencies.
(c) The credit impact for collateralized debt obligations is assumed to be zero until our economic interests in the securitization is reduced to zero, at which point the losses projected on the underlying collateral will be expected to be passed through to the securitization's bonds. We also monitor credit ratings and will make credit adjustments to the extent any bond classes are downgraded by rating agencies.

Interest income on mortgage loans held-for-investment is measured by multiplying the unpaid principal balance on the loans by the coupon rate and the days interest due. Interest expense on the on-balance sheet securitizations is measured by multiplying bond principal by the coupon rate and days interest due to the investor.

The following table provides the aggregate fair value and the aggregate unpaid principal balance for the fair value option-elected loans and long-term debt instruments.

June 30, 2008 *($ in millions)*	**Fair value**	**Unpaid principal balance**	**Difference between fair value and unpaid principal balance**
Assets			
Consumer finance receivables and loans, net of unearned income:			
Total loans	**$2,658**	**$9,737**	**($7,079)**
Loans 90+ days past due (a)	**(b)**	**1,361**	**(b)**
Nonaccrual loans	**(b)**	**1,786**	**(b)**
Liabilities			
Secured debt:			
On-balance sheet securitization debt	**(2,754)**	**(9,243)**	**6,489**
Collateralized debt obligations	**(248)**	**(327)**	**79**

(a) Loans 90+ days past due are also presented within the nonaccrual loan balance.
(b) The fair value of loans held-for-sale is calculated on a pooled basis, which does not allow us to reliably estimate the fair value of loans 90+ days past due or nonaccrual loans. As a result, the fair value of these loans is not included in the table above. For further discussion regarding the pooled basis, refer to the previous section of this note titled, Consumer finance receivables, net of unearned income.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

14. Segment Information

Financial results for our reportable segments are summarized below.

	Global Automotive Finance operations (a)					
Three months ended June 30, *($ in millions)*	North American operations (a)	International operations (b)	ResCap	Insurance operations	Other (c)	Consolidated
2008						
Net financing (loss) revenue	**($648)**	**$233**	**$1**	**$—**	**$250**	**($164)**
Other revenue	**569**	**390**	**(557)**	**1,245**	**(168)**	**1,479**
Total net (loss) revenue	**(79)**	**623**	**(556)**	**1,245**	**82**	**1,315**
Provision for credit losses	**249**	**48**	**463**	**—**	**11**	**771**
Total noninterest expense	**542**	**414**	**712**	**1,052**	**133**	**2,853**
(Loss) income before income tax (benefit) expense	**(870)**	**161**	**(1,731)**	**193**	**(62)**	**(2,309)**
Income tax (benefit) expense	**(16)**	**24**	**129**	**58**	**(22)**	**173**
Net (loss) income	**($854)**	**$137**	**($1,860)**	**$135**	**($40)**	**($2,482)**
Total assets	**$129,312**	**$39,213**	**$64,771**	**$12,924**	**($18,528)**	**$227,692**
2007						
Net financing revenue	$33	$210	$57	$—	$108	$408
Other revenue (loss)	735	208	788	1,166	(30)	2,867
Total net revenue	768	418	845	1,166	78	3,275
Provision for credit losses	66	37	327	—	—	430
Total noninterest expense	364	270	722	978	59	2,393
Income (loss) before income tax expense (benefit)	338	111	(204)	188	19	452
Income tax expense (benefit)	23	31	50	57	(2)	159
Net income (loss)	$315	$80	($254)	$131	$21	$293
Total assets	$117,261	$31,800	$120,545	$13,956	($630)	$282,932

(a) North American operations consists of automotive financing in the United States, Canada, and Puerto Rico. International operations consists of automotive financing and full-service leasing in all other countries.
(b) Amounts include intrasegment eliminations between the North American operations and International operations.
(c) Represents our Commercial Finance business, equity interest in Capmark, certain corporate activities, and reclassifications and eliminations between the reportable operating segments.

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Six months ended June 30, ($ in millions)	Global Automotive Finance operations (a) North American operations (a)	International operations (b)	ResCap	Insurance operations	Other (c)	Consolidated
2008						
Net financing (loss) revenue	**($601)**	**$452**	**($102)**	**$—**	**$444**	**$193**
Other revenue (loss)	**1,279**	**648**	**(475)**	**2,492**	**(413)**	**3,531**
Total net revenue (loss)	**678**	**1,100**	**(577)**	**2,492**	**31**	**3,724**
Provision for credit losses	**366**	**103**	**762**	**—**	**13**	**1,244**
Total noninterest expense	**1,022**	**700**	**1,297**	**2,132**	**208**	**5,359**
(Loss) income before income tax (benefit) expense	**(710)**	**297**	**(2,636)**	**360**	**(190)**	**(2,879)**
Income tax (benefit) expense	**(10)**	**56**	**83**	**93**	**(30)**	**192**
Net (loss) income	**($700)**	**$241**	**($2,719)**	**$267**	**($160)**	**($3,071)**
Total assets	**$129,312**	**$39,213**	**$64,771**	**$12,924**	**($18,528)**	**$227,692**
2007						
Net financing revenue	$64	$422	$230	$—	$235	$951
Other revenue (loss)	1,485	409	1,116	2,338	(45)	5,303
Total net revenue	1,549	831	1,346	2,338	190	6,254
Provision for credit losses	165	73	869	—	4	1,111
Total noninterest expense	728	522	1,532	1,959	105	4,846
Income (loss) before income tax expense (benefit)	656	236	(1,055)	379	81	297
Income tax expense (benefit)	36	63	110	105	(5)	309
Net income (loss)	$620	$173	($1,165)	$274	$86	($12)
Total assets	$117,261	$31,800	$120,545	$13,956	($630)	$282,932

(a) North American operations consists of automotive financing in the United States, Canada, and Puerto Rico. International operations consists of automotive financing and full-service leasing in all other countries.
(b) Amounts include intrasegment eliminations between the North American operations and International operations.
(c) Represents our Commercial Finance business, equity interest in Capmark, certain corporate activities, and reclassifications and eliminations between the reportable operating segments.

15. Restructuring Charges

On October 17, 2007, ResCap announced a restructuring plan that would reduce its workforce, streamline its operations, and revise its cost structure to enhance its flexibility. The announced restructuring plan included reducing the ResCap worldwide workforce by approximately 25%, or approximately 3,000 associates, with the majority of these reductions occurring in the fourth quarter of 2007. This reduction in workforce was in addition to measures undertaken in the first half of 2007 when 2,000 positions were eliminated. During the three months and six months ended June 30, 2008, ResCap incurred additional restructuring costs of $18 million and $38 million, respectively, related to severance and related costs associated with the continuation of the workforce reduction plans in the United Kingdom and continental Europe.

On February 20, 2008, we announced a restructuring of our North American Automotive Finance operations to reduce costs, streamline operations, and position the business for scalable growth. The restructuring includes merging a number of separate business offices into five regional business centers located in the areas of Atlanta, Chicago, Dallas, Pittsburgh, and Toronto. The plan includes reducing the North American Automotive Finance operations workforce by approximately 930 employees, which represents about 15% of the 6,275 employees of these operations. These actions are planned to occur largely by the end of

2008. During the three months and six months ended June 30, 2008, our North American Automotive Finance operations incurred restructuring costs related to severance and related costs of $21 million and $32 million, respectively.

In addition to the announced restructuring plans described above, our International Automotive Finance operations and Insurance operations incurred additional restructuring charges of $11 million and $14 million during the three months and six months ended June 30, 2008, respectively.

The restructuring charges primarily include severance pay, the buyout of employee agreements, and lease terminations. The following table summarizes by category, restructuring charge activity for the six months ended June 30, 2008:

($ in millions)	Liability balance at December 31, 2007	**Restructuring charges through June 30, 2008**	**Cash paid or otherwise settled through June 30, 2008**	**Liability balance at June 30, 2008**
Restructuring charges:				
Employee severance	$32	**$76**	**$45**	**$63**
Lease termination	45	**8**	**16**	**37**
Total restructuring charges	$77	**$84**	**$61**	**$100**

16. Subsequent Events

GMAC Bank Matters

On February 1, 2008, Cerberus FIM, LLC; Cerberus FIM Investors, LLC; and FIM Holdings LLC (collectively, the FIM Entities), submitted a letter to the Federal Deposit Insurance Corporation (FDIC) requesting that the FDIC waive certain of the requirements contained in a two-year disposition agreement among each of the FIM Entities and the FDIC that was entered into in connection with the Sale Transactions. The Sale Transactions resulted in a change of control of GMAC Bank, an industrial bank, which required the approval of the FDIC. Prior to the Sale Transactions, the FDIC had imposed a moratorium on the approval of any applications for change in bank control notices submitted to the FDIC with respect to any industrial bank. As a condition to granting the application in connection with the change of control of GMAC Bank during the moratorium, the FDIC required each of the FIM Entities to enter into a two-year disposition agreement. That agreement required, among other things, that by no later than November 30, 2008, the FIM Entities complete one of the following actions: (1) become registered with the appropriate federal banking agency as a depository institution holding company pursuant to the Bank Holding Act or the Home Owners' Loan Act; (2) divest control of GMAC Bank to one or more persons or entities other than prohibited transferees; (3) terminate GMAC Bank's status as an FDIC-insured depository institution; or (4) obtain from the FDIC a waiver of the requirements set forth in this sentence on the ground that applicable law and FDIC policy permit similarly situated companies to acquire control of FDIC-insured industrial banks.

On July 15, 2008, the FDIC determined to address the FIM Entities' waiver request through execution of a ten-year extension of the existing two-year disposition requirement. Pursuant to the extension, the FIM Entities have until November 30, 2018, to complete one of the four actions enumerated above. Certain agreements as described below were entered into in connection with this extension.

- On July 21, 2008, each of GMAC, the FIM Entities, IB Finance Holding Company, LLC (Holdings), GMAC Bank and the FDIC (collectively, the Contracting Parties) entered into a Parent Company Agreement (the PA). The PA requires GMAC to maintain its capital at a level such that the ratio of its total equity to total assets is at least 5%. The PA defines "total equity" and "total assets" as total equity

and total assets, respectively, as reported on GMAC's consolidated balance sheet in its quarterly and annual reports filed with the SEC. The PA further requires GMAC, beginning December 31, 2008, to maintain its capital at a level such that the ratio of its tangible equity to tangible assets is at least 5%. For this purpose, "tangible equity" means "total equity" minus goodwill and other intangible assets, net of accumulated amortization (other than mortgage servicing assets), and "tangible assets" means "total assets" less all goodwill and other intangible assets (other than mortgage servicing assets). Further, the PA requires GMAC Bank to obtain FDIC approval prior to engaging in certain affiliate transactions, and for any major deviation or material change from its business plan for a seven-year period. The PA also requires GMAC and Holdings to submit certain periodic reports to the FDIC and to consent to examinations by the FDIC to monitor compliance with the PA, any other agreements executed in conjunction with the ten-year extension of the existing two-year disposition requirement, and applicable law.

- On July 21, 2008, the Contracting Parties entered into a Capital and Liquidity Maintenance Agreement (the CLMA). The CLMA requires capital at GMAC Bank to be maintained at a level such that GMAC Bank's leverage ratio is at least 11% for a three-year period. The CLMA defines "leverage ratio" as the ratio of Tier 1 capital to total assets, as those amounts are determined pursuant to FDIC regulations related to capital requirements in 12 C.F.R., Section 325.2. Following the initial three-year period, GMAC Bank must continue to be "well capitalized" as defined in 12 C.F.R. Part 325. The CLMA further requires GMAC (and such additional Contracting Parties acceptable to the FDIC) to extend a $3 billion unsecured revolving line of credit to GMAC Bank.

Dividend of Voting Interest of GMACI

On April 8, 2008, we announced that we were implementing a plan related to GMACI Holdings LLC (GMACI), the holding company for our Insurance operations, in the interest of maintaining the current financial strength rating for the GMAC Insurance Group of companies, including Motors Insurance Corporation. The plan was developed in response to action by A.M. Best Co. on February 27, 2008, placing GMACI's A- (Excellent) rating under review with negative implications. Accordingly, on July 22, 2008, we effectuated the plan by providing a dividend of 100% of the voting interest of GMACI to the current holders of our common membership equity, which include FIM Holdings and subsidiaries of GM. The dividend was made pro rata in accordance with the current common equity ownership percentages held by these entities. We continue to hold 100% of the economic interests in GMACI. On July 25, 2008, A.M. Best Co. removed GMACI from under review with negative implications, affirmed the A- rating, and assigned a negative outlook. There can be no assurance that the current A.M. Best Co. ratings will remain unchanged.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

GMAC is a leading, independent, globally diversified, financial services firm with approximately $228 billion of assets at June 30, 2008, and operations in approximately 40 countries. Founded in 1919 as a wholly owned subsidiary of General Motors Corporation (General Motors or GM), GMAC was established to provide GM dealers with the automotive financing necessary to acquire and maintain vehicle inventories and to provide retail customers the means by which to finance vehicle purchases through GM dealers. On November 30, 2006, GM sold a 51% interest in us for approximately $7.4 billion (the Sale Transactions) to FIM Holdings LLC (FIM Holdings), an investment consortium led by Cerberus FIM Investors, LLC, the sole managing member. The consortium also includes Citigroup Inc., Aozora Bank Ltd., and a subsidiary of The PNC Financial Services Group, Inc.

Our products and services have expanded beyond automotive financing as we currently operate in the following lines of business — Global Automotive Finance, Mortgage (Residential Capital, LLC or ResCap), and Insurance. The following table summarizes the operating results of each line of business for the three months and six months ended June 30, 2008 and 2007. Operating results for each of the lines of business are more fully described in the Management's Discussion and Analysis (MD&A) sections that follow.

	Three months ended June 30,			Six months ended June 30,		
($ in millions)	**2008**	2007	**Favorable/ (unfavorable) % change**	**2008**	2007	**Favorable/ (unfavorable) % change**
Total net revenue (loss)						
Global Automotive Finance	**$544**	$1,186	**(54)**	**$1,778**	$2,380	**(25)**
ResCap	**(556)**	845	**(166)**	**(577)**	1,346	**(143)**
Insurance	**1,245**	1,166	**7**	**2,492**	2,338	**7**
Other	**82**	78	**5**	**31**	190	**(84)**
Net (loss) income						
Global Automotive Finance	**($717)**	$395	**n/m**	**($459)**	$793	**(158)**
ResCap	**(1,860)**	(254)	**n/m**	**(2,719)**	(1,165)	**(133)**
Insurance	**135**	131	**3**	**267**	274	**(3)**
Other	**(40)**	21	**n/m**	**(160)**	86	**n/m**

n/m = not meaningful

- Our Global Automotive Finance operations offer a wide range of financial services and products (directly and indirectly) to retail automotive consumers, automotive dealerships, and other commercial businesses. Our Global Automotive Finance operations consist of two separate reportable segments — North American Automotive Finance operations and International Automotive Finance operations. The products and services offered by our Global Automotive Finance operations include the purchase of retail installment sales contracts and leases, offering of term loans, dealer floor plan financing and other lines of credit to dealers, fleet leasing, and vehicle remarketing services. Whereas most of our operations focus on prime automotive financing to and through GM or GM-affiliated dealers, our Nuvell operations, which is part of our North American Automotive Finance operations, focuses on nonprime automotive financing to GM-affiliated dealers. Our Nuvell operations also provides private-label automotive financing. Our National operations, which is also part of our North American Automotive Finance operations, focuses on prime and nonprime financing to non-GM dealers. In addition, our Global Automotive Finance operations utilize asset securitization and whole-loan sales as a critical component of our diversified funding strategy.
- Our ResCap operations engage in the origination, purchase, servicing, sale, and securitization of consumer (i.e., residential) mortgage loans and mortgage-related products (e.g., real estate services). Typically, mortgage loans are originated and sold to investors in the secondary market including securitization transactions in which the assets are legally sold but are accounted for as secured financings. In response to market conditions, ResCap has significantly reduced its production of loans that do not conform to the

Source: GMAC LLC, 10-Q, August 08, 2008

underwriting guidelines of Fannie Mae and Freddie Mac. ResCap has further curtailed activities related to both its business capital group, which provides financing and equity capital to residential land developers and homebuilders and financing to resort developers, and its international business group, which includes substantially all of its operations outside of the United States. Certain agreements are in place between ResCap and us that restrict ResCap's ability to declare dividends or prepay subordinated indebtedness owed to us and inhibit our ability to return funds for dividend and debt payments.

- Our Insurance operations offer vehicle service contracts and underwrite personal automobile insurance coverages (ranging from preferred to nonstandard risks), homeowners' insurance coverage, and selected commercial insurance and reinsurance coverages. We are a leading provider of vehicle service contracts with mechanical breakdown and maintenance coverages. Our vehicle service contracts offer vehicle owners and lessees mechanical repair protection and roadside assistance for new and used vehicles beyond the manufacturer's new vehicle warranty. We underwrite and market nonstandard, standard, and preferred-risk physical damage and liability insurance coverages for passenger automobiles, motorcycles, recreational vehicles, and commercial automobiles through independent agency, direct response, and internet channels. Additionally, we market private-label insurance through a long-term agency relationship with Homesite Insurance, a national provider of home insurance products. We provide commercial insurance, primarily covering dealers' wholesale vehicle inventory, and reinsurance products. Internationally, ABA Seguros provides certain commercial business insurance exclusively in Mexico.
- Other operations consist of our Commercial Finance Group, an equity investment in Capmark (our former commercial mortgage operations), corporate activities, and reclassifications and eliminations between the reportable segments.

Consolidated Results of Operations

The following table summarizes our consolidated operating results for the periods shown.

	Three months ended June 30,			Six months ended June 30,		
($ in millions)	**2008**	2007	**Favorable/ (unfavorable) % change**	**2008**	2007	**Favorable/ (unfavorable) % change**
Revenue						
Total financing revenue	**$4,822**	$5,316	**(9)**	**$9,754**	$10,613	**(8)**
Interest expense	**2,869**	3,735	**23**	**6,048**	7,407	**18**
Depreciation expense on operating lease assets	**1,401**	1,173	**(19)**	**2,797**	2,255	**(24)**
Impairment of investment in operating leases	**716**	—	**n/m**	**716**	—	**n/m**
Net financing (loss) revenue	**(164)**	408	**(140)**	**193**	951	**(80)**
Other revenue						
Net loan servicing income	**280**	404	**(31)**	**1,161**	662	**75**
Insurance premiums and service revenue earned	**1,123**	1,051	**7**	**2,232**	2,092	**7**
(Loss) gain on mortgage and automotive loans, net	**(1,099)**	399	**n/m**	**(1,698)**	363	**n/m**
Investment income (loss)	**185**	227	**(19)**	**(45)**	535	**(108)**
Other income	**990**	786	**26**	**1,881**	1,651	**14**
Total other revenue	**1,479**	2,867	**(48)**	**3,531**	5,303	**(33)**
Total net revenue	**1,315**	3,275	**(60)**	**3,724**	6,254	**(40)**
Provision for credit losses	**771**	430	**(79)**	**1,244**	1,111	**(12)**
Noninterest expense						
Insurance losses and loss adjustment expenses	**714**	563	**(27)**	**1,344**	1,136	**(18)**
Other operating expenses	**2,139**	1,830	**(17)**	**4,015**	3,710	**(8)**
Total noninterest expense	**2,853**	2,393	**(19)**	**5,359**	4,846	**(11)**
(Loss) income before income tax expense	**(2,309)**	452	**n/m**	**(2,879)**	297	**n/m**
Income tax expense	**173**	159	**(9)**	**192**	309	**38**
Net (loss) income	**($2,482)**	$293	**n/m**	**($3,071)**	$(12)	**n/m**

n/m = not meaningful

We reported a net loss of $2.5 billion for the three months ended June 30, 2008, compared to net income of $293 million for the three months ended June 30, 2007, and a net loss of $3.1 billion for the six months ended June 30, 2008, compared to a net loss of $12 million for the same period in 2007. The 2008 results reflect a $716 million impairment of vehicle operating lease assets in our North American operations as a result of declining vehicle sales and lower used vehicle prices for certain segments. Results also reflect significant losses recognized by ResCap, related to asset sales, unfavorable valuation adjustments, and higher loan loss provisions, due to continued deterioration in the mortgage market. The losses were partially offset by a gain on the extinguishment of debt of $616 million and $1.1 billion during the three months and six months ended June 30, 2008, respectively.

Total financing revenue decreased by 9% and 8% in the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007, primarily due to decreases experienced by ResCap as a result of a decrease in the size of the loan portfolio, due to lower levels of loan production as the

Source: GMAC LLC, 10-Q, August 08, 2008

operations focused on prime conforming originations, continued portfolio runoff, and reductions caused by the deconsolidation of $27.4 billion in securitization trusts during the second half of 2007. In addition, our North American Automotive Finance operations experienced decreases in consumer finance revenue due to lower interest rates and a lower asset base, as a result of increased securitization and whole-loan sale activity throughout 2007 as the business moved to an originate-to-distribute model during the second half of 2007. Partially offsetting this decrease was an increase in operating lease income of 24% and 29% in the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. The operating lease portfolio was lower as of June 30, 2007, due to approximately $12.6 billion of net operating assets being transferred to GM during November 2006 as part of the Sale Transactions. Subsequent to the transfer, the operating lease portfolio and the associated revenue gradually increased through June 30, 2008, because of new originations following this transfer. Similarly, depreciation expense on operating lease assets increased 19% in the three months ended June 30, 2008, and 24% in the first six months of 2008, compared to the same periods in 2007, as a result of the larger portfolio.

Interest expense decreased 23% and 18% in the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. The decrease during both periods was primarily due to lower average borrowings at ResCap due to a $52.9 billion reduction in the asset base during the same period, which was partially offset by higher funding rates due to unfavorable market conditions resulting in lower advance rates, increases in cost of funds on unsecured debt due to the step-up in coupon resulting from ratings downgrades, and higher coupon rates on our new secured debt.

The $716 million impairment of vehicle operating lease assets recognized by our North American operations was the result of declining vehicle sales and lower used vehicle prices for certain vehicle segments. No such impairment was recognized during 2007.

Net loan servicing income decreased 31% during the three months June 30, 2008, compared to the same period in 2007, but increased 75% during the six months ended June 30, 2008, compared to the same periods in 2007. The decrease during the three month period was primarily attributable to fewer servicing assets at ResCap, due to certain servicing assets being sold in the last half of 2007 and the first half of 2008, and unfavorable mortgage servicing valuations. During both the three and six months ended June 30, 2008, our Global Automotive Finance operations experienced a decrease driven by a decrease in servicing fees collected from GM, as certain operating leases transferred during the Sale Transactions reached the end of their lease term. The increase during the six month period was primarily driven by favorable hedge valuations experienced by ResCap during the three months ended March 31, 2008.

Insurance premiums and service revenue earned increased 7% in both the three months and six months ended June 30, 2008, compared to the same periods in 2007. The increase was primarily due to growth internationally, both organically and through the second quarter 2007 acquisition of Provident Insurance. The increases were partially offset by challenging domestic pricing conditions.

The net loss on mortgage and automotive loans was $1.1 billion for the three months ended June 30, 2008, compared to net income of $399 million for the same period in 2007, and was a net loss of $1.7 billion for the six months ended June 30, 2008, compared to net income of $363 million for the same period in 2007. The losses during both 2008 periods were primarily the result of the sale of certain mortgage loans to enhance liquidity, at significantly lower prices due to the absence of traditional investor demand. Additionally, unfavorable pricing on automotive loans and unfavorable valuations on the loans held-for-sale portfolio impacted our North American Automotive Finance operations.

Our investment income decreased 19% and 108% during the three months and six months ended June 30, 2008, compared to same periods in 2007. The decreases primarily related to declines in the fair value of retained interests held by ResCap as a result of increased credit losses, rating agency downgrades, declines in the value of underlying collateral, market illiquidity, and changes in discount rate assumptions in certain foreign markets. Additionally, certain investment securities were sold at a loss by our North American Automotive Finance operations due to current market conditions.

Source: GMAC LLC, 10-Q, August 08, 2008

Other income increased 26% and 14% during the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. Results for the three months ended June 30, 2008, included a $647 million gain recognized by ResCap related to debt extinguishments, offset by a $31 million loss recognized by our Other operations related to the repurchase and retirement of ResCap debt. Debt extinguishment gains were also recognized during the first quarter of 2008; therefore, results for the six months ended June 30, 2008, include debt extinguishment gains of $1.1 billion. The gains on extinguishment of debt were partially offset by decreases in real estate related revenue, due to the continued stress in the mortgage and capital markets and its affect on homebuilders.

The provision for credit losses unfavorably increased 79% and 12% in the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. Although average delinquency levels and frequency of loss are trending down overall, severity increases experienced by our North American Automotive Finance operations and ResCap was the primary driver for the increase during both periods. Additionally, our North American Automotive Finance operations recognized a provision of $109 million for retail balloon contract residuals, as the demand for used vehicles has decreased during these deteriorating economic conditions, resulting in higher defaults when the balloon payment comes due. The balloon loan portfolio, net of the allowance for credit losses, was $4.6 billion at June 30, 2008, compared to $6.6 billion at June 30, 2007. The provision increased less dramatically during the six month period because various financing deals were deconsolidated during the second half of 2007, which resulted in a lower provision expense during the three months ended March 31, 2008, due to a smaller held-for-investment portfolio.

Insurance losses and loss adjustment expenses increased 27% and 18% in the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. Losses and loss adjustment expenses increased primarily due to growth in our international operations, both organically and through the Provident acquisition, and less favorable spring and summer weather events in 2008, which adversely affected our dealer inventory insurance and reinsurance operations. The increase was partially offset by lower loss experience in our U.S. vehicle service contract business and our consumer products business, both driven by lower volumes.

Other operating expense increased 17% and 8% in the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. Expenses increased in both periods primarily due to greater losses on operating lease disposals, as a result of less favorable remarketing results. Additionally, remarketing, collection, and repossession costs increased due to an increase in vehicle volume.

Our consolidated tax expense increased 9% during the three months ended June 30, 2008, compared to the same periods in 2007, but decreased 38% during the six months ended June 30, 2008, compared to the same period in 2007. The decrease during the six-month period was primarily due to higher current period losses in ResCap's international operations for which no tax benefit was recorded and new valuation allowances that were established for prior year losses.

Effective November 28, 2006, GMAC and certain U.S. subsidiaries became pass-through entities for U.S. federal income tax purposes. Subsequent to November 28, 2006, U.S. federal, state, and local income tax expense is generally not incurred by these entities as they ceased to be taxable entities in all but a few local tax jurisdictions that continue to tax LLCs or partnerships. Our banking, insurance, and foreign subsidiaries are generally taxable corporations and continue to be subject to U.S. federal, state, local, and foreign income taxes.

Source: GMAC LLC, 10-Q, August 08, 2008

Global Automotive Finance Operations

Results of Operations

The following table summarizes the operating results of our Global Automotive Finance operations for the periods shown. The amounts presented are before the elimination of balances and transactions with our other reportable segments and include eliminations of balances and transactions among our North American and International reportable segments.

($ in millions)	Three months ended June 30, 2008	2007	Favorable/ (unfavorable) % change	Six months ended June 30, 2008	2007	Favorable/ (unfavorable) % change
Revenue						
Consumer	**$1,128**	$1,399	**(19)**	**$2,267**	$2,785	**(19)**
Commercial	**430**	443	**(3)**	**871**	825	**6**
Loans held-for-sale	**127**	—	**n/m**	**283**	—	**n/m**
Operating leases	**2,135**	1,729	**23**	**4,238**	3,297	**29**
Total financing revenue	**3,820**	3,571	**7**	**7,659**	6,907	**11**
Interest expense	**2,119**	2,155	**2**	**4,296**	4,167	**(3)**
Depreciation expense on operating leases	**1,400**	1,173	**(19)**	**2,796**	2,254	**(24)**
Impairment of investment in operating leases	**716**	—	**n/m**	**716**	—	**n/m**
Net financing (loss) revenue	**(415)**	243	**n/m**	**(149)**	486	**(131)**
Other revenue						
Servicing fees	**73**	104	**(30)**	**152**	217	**(30)**
(Loss) gain on automotive loans, net	**(37)**	226	**(116)**	**111**	424	**(74)**
Investment income	**120**	89	**35**	**175**	170	**3**
Other income	**803**	524	**53**	**1,489**	1,083	**37**
Total other revenue	**959**	943	**2**	**1,927**	1,894	**2**
Total net revenue	**544**	1,186	**(54)**	**1,778**	2,380	**(25)**
Provision for credit losses	**297**	103	**(188)**	**469**	238	**(97)**
Noninterest expense	**956**	634	**(51)**	**1,722**	1,250	**(38)**
(Loss) income before income tax (benefit) expense	**(709)**	449	**n/m**	**(413)**	892	**(146)**
Income tax expense	**8**	54	**85**	**46**	99	**54**
Net (loss) income	**($717)**	$395	**n/m**	**($459)**	$793	**(158)**
Total assets	**$168,525**	$149,061	**13**			

n/m = not meaningful

Global Automotive Finance operations experienced a net loss of $717 million and $459 million for the three months and six months ended June 30, 2008, respectively, compared to net income of $395 million and $793 million for the three months and six months ended June 30, 2007, respectively. Weaker performance was primarily driven by a $716 million impairment on operating lease assets in our North American operations, which more than offset profits in our International operations. Additional factors affecting results were an increase in the provision for credit losses, due to increased severity, and lower gains on sales.

Source: GMAC LLC, 10-Q, August 08, 2008

Total financing revenue increased 7% and 11% for the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. Operating lease revenue increased during both periods due to an increase in the size of the operating lease portfolio. The operating lease portfolio was lower as of June 30, 2007, due to approximately $12.6 billion of net operating lease assets that were transferred to GM during November 2006 as part of the Sale Transactions. Subsequent to the transfer, the operating lease portfolio and the associated revenue and depreciation expense have gradually increased through June 30, 2008. Total financing revenue for the six months ended June 30, 2008, was also impacted by an increase in commercial revenue caused by favorable foreign currency translation adjustments and growth in our International operations. Partially offsetting these increases was a decline in consumer revenue. Consumer revenue, combined with interest income on consumer loans held-for-sale, decreased approximately 10% and 8% for the three and six months ended June 30, 2008, respectively, primarily due to a reduction in consumer asset levels and lower interest rates. Consumer finance receivables, including loans held-for-sale, declined by $8.7 billion, or approximately 15%, since June 30, 2007. Lower consumer asset levels were the result of increased securitization and whole-loan sale activities as the business refocused on an originate-to-distribute model. The $127 million and $283 million of income on consumer loans held-for-sale for the three and six months ended June 30, 2008, respectively, related to interest on loans that are expected to be sold in whole-loan transactions over the next twelve months.

Interest expense decreased 2% during the three months ended June 30, 2008, compared to the same period in 2007, but increased 3% during the three months ended June 30, 2008, compared to the same period in 2007. The activity remained relatively flat during both periods, despite higher debt balances, due to lower benchmark interest rates and a higher ratio of secured funding, which brought down the weighted average cost of debt.

The $716 million impairment of vehicle operating lease assets recognized by our North American operations resulted from a sharp decline in demand and used vehicle sale prices for sport-utility vehicles and trucks in the United States and Canada, which affected our remarketing proceeds for these vehicles. In measuring the impairment, we considered expected cash flows from various arrangements with GM, including approximately $750 million related to the risk-sharing arrangement; approximately $800 million related to the residual support program; and approximately $350 million of residual-related settlement payments. No such impairment was recognized in 2007.

Servicing fees decreased 30% during both the three months and six months ended June 30, 2008, compared to the same periods in 2007. The decreases for both periods were primarily the result of decreases in servicing fees collected from GM, as certain operating leases transferred during the Sale Transactions reached the end of their lease term. These decreases were partially offset by increases caused by higher securitization activity.

Net gains on automotive loans decreased 116% and 74% for the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. The decreases for both periods were primarily the result of current market conditions creating unfavorable pricing and an unfavorable valuation adjustment of $108 million related to the loans held-for-sale portfolio of our North American operations. Although whole-loan and off-balance sheet securitization activities increased, the unfavorable pricing generated higher losses in 2008, than in 2007. Refer to the Funding and Liquidity section of this MD&A for further discussion.

Investment income increased 35% and 3% during the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. The increase was primarily related to increased income on retained interests as a result of increased securitization activity. The increase during the six-month period was partially offset by losses recognized during the first quarter of 2008 related to the sale of certain investment securities.

Other income increased 53% and 37% for the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007, due to higher interest income on intercompany loans, caused by higher lending levels. Also contributing to the increases were favorable foreign currency translation adjustments.

Our provision for credit losses increased 188% and 97% during the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. The increases during both periods were primarily driven by increased loss severity despite average delinquency levels and frequency of loss trends improving. Additionally, the credit losses during both periods included $109 million related to retail balloon contract residuals as demand for used vehicles decreased.

Other noninterest expenses increased 51% and 38% for the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. The expenses increased during both periods primarily due to greater losses on operating lease disposals as a result of less favorable remarketing efforts. Additionally, remarketing, collection, and repossession costs increased due to an increase in returned vehicle volume.

Total income tax expense decreased 85% and 54% for the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007, due to the operating leases recognized by our North American operations.

As a result of prevailing market trends, we are taking steps to reduce the volume of new lease originations in the United States. We will also discontinue the SmartBuy balloon contract program, suspend all incentivized lease programs in Canada, and increase pricing and returns on other lending activities.

Automotive Financing Volume

The following table summarizes our new and used vehicle consumer and wholesale financing volume and our share of GM consumer and wholesale volume.

	Three months ended June 30,				Six months ended June 30,			
	GMAC volume		Share of GM retail sales		GMAC volume		Share of GM retail sales	
(units in thousands)	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Consumer financing								
GM new vehicles:								
North America:								
Retail contracts	**180**	214	**26%**	25%	**362**	415	**27%**	26%
Leases	**118**	164	**17%**	20%	**255**	299	**19%**	19%
Total North America	**298**	378	**43%**	45%	**617**	714	**46%**	45%
International (retail contracts and leases)	**149**	139	**25%**	24%	**299**	280	**25%**	24%
Total GM new units financed	**447**	517	**35%**	36%	**916**	994	**36%**	36%
Used units financed	**147**	129			**280**	252		
Non-GM new units financed	**36**	28			**60**	53		
Total consumer automotive financing volume	**630**	674			**1,256**	1,299		
Wholesale financing								
GM new vehicles:								
North America	**637**	868	**77%**	77%	**1,288**	1,625	**76%**	75%
International	**789**	726	**84%**	88%	**1,555**	1,424	**84%**	88%
Total GM units financed	**1,426**	1,594	**81%**	82%	**2,843**	3,049	**81%**	81%
Non-GM units financed	**56**	53			**104**	99		
Total wholesale volume	**1,482**	1,647			**2,947**	3,148		

Our consumer automotive financing volume and penetration levels are significantly influenced by the nature, timing, and extent of GM’s use of rate, residual, and other financing incentives for marketing purposes

on consumer retail automotive contracts and leases. Despite declining vehicle sales, our North American penetration levels during the three months and six months ended June 30, 2008, generally remained stable. The decline in the North American lease penetration level during the three months ended June 30, 2008, was the result of decreased lease volume. The consumer penetration levels of our International operations slightly increased during the three months and six months ended June 30, 2008, compared to the same periods in 2007, primarily due to increased penetration levels in our Asia Pacific and European operations.

Our wholesale automotive financing continued to be the primary funding source for GM-dealer inventories. Penetration levels in North America continued to reflect traditionally strong levels, consistent with recent historical experience. The wholesale penetration levels of our International operations decreased during the three months and six months ended June 30, 2008, compared to the same periods in 2007, primarily due to lower wholesale volume, particularly in our Asia Pacific operations.

Allowance for Credit Losses

The following table summarizes activity related to the allowance for credit losses for our Global Automotive Finance operations.

Three months ended June 30,	**2008**			2007		
($ in millions)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total
Balance at April 1,	**$1,276**	**$64**	**$1,340**	$1,410	$71	$1,481
Provision for credit losses (a)	**286**	**11**	**297**	100	3	103
Charge-offs (b)	**(352)**	**(4)**	**(356)**	(199)	(3)	(202)
Recoveries	**61**	**3**	**64**	55	2	57
Other	**8**	**—**	**8**	—	(7)	(7)
Balance at June 30,	**$1,279**	**$74**	**$1,353**	$1,366	$66	$1,432
Allowance coverage (c)	**2.80%**	**0.23%**	**1.85%**	2.28%	0.23%	1.62%

(a) Provision for credit losses include amounts related to balloon finance contracts of $109 million and $3 million for the three months ended June 30, 2008 and 2007, respectively.
(b) Consumer charge-offs include amounts related to lump-sum payments on balloon finance contracts of $102 million and ($1) million for the three months ended June 30, 2008 and 2007, respectively.
(c) Represents the related allowance for credit losses as a percentage of total on-balance sheet automotive retail contracts excluding loans held-for-sale.

Six months ended June 30,	**2008**			2007		
($ in millions)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total
Balance at January 1,	**$1,309**	**$61**	**$1,370**	$1,460	$69	$1,529
Provision for credit losses (a)	**454**	**15**	**469**	235	3	238
Charge-offs (b)	**(622)**	**(6)**	**(628)**	(437)	(4)	(441)
Recoveries	**121**	**2**	**123**	108	2	110
Other	**17**	**2**	**19**	—	(4)	(4)
Balance at June 30,	**$1,279**	**$74**	**$1,353**	$1,366	$66	$1,432
Allowance coverage (c)	**2.80%**	**0.23%**	**1.85%**	2.28%	0.23%	1.62%

(a) Provision for credit losses include amounts related to balloon finance contracts of $155 million and $8 million for the six months ended June 30, 2008 and 2007, respectively.
(b) Consumer charge-offs include amounts related to lump-sum payments on balloon finance contracts of $144 million and $2 million for the six months ended June 30, 2008 and 2007, respectively.
(c) Represents the related allowance for credit losses as a percentage of total on-balance sheet automotive retail contracts excluding loans held-for-sale.

Decreases in the level of allowance from 2007 levels were reflective of decreases in the on-balance sheet consumer portfolio over the same period. The increases in provision and charge-offs in the three months and six months ended June 30, 2008, compared to the same periods in 2007, was primarily attributable to losses incurred on our balloon finance contracts whereby an increasing number of customers are returning vehicles at the end of the term and the vehicles are then sold at auction. Despite the overall decline in the level of the

allowance, the allowance for credit losses as a percentage of the total on-balance sheet consumer portfolio experienced an increase in comparison with 2007. The increased use of off-balance sheet securitizations and whole-loan sales activity within our North American operations resulted in the sale of contracts of a better credit quality as the process of creating a pool of retail finance receivables for securitization or sale typically excludes accounts that are greater than 30 days delinquent. In addition, the process involves selecting from a pool of receivables that are currently outstanding and thereby represent relatively seasoned accounts. A seasoned portfolio that excludes delinquent accounts historically results in better credit performance than the on-balance sheet portfolio of retail finance receivables on which the allowance for credit losses is based.

Consumer Credit

The following tables summarize pertinent loss experience in the consumer managed and on-balance sheet automotive retail contract portfolios. The managed portfolio includes retail receivables held on-balance sheet for investment and off-balance sheet receivables. The off-balance sheet portion of the managed portfolio includes receivables securitized and sold that we continue to service and in which we retain an interest or risk of loss but excludes securitized and sold finance receivables that we continue to service but in which we retain no interest or risk of loss.

We believe that the disclosure of the credit experience of the managed portfolio presents a more complete presentation of our risk of loss in the underlying assets (typically in the form of a subordinated retained interest). Consistent with the presentation on our Condensed Consolidated Balance Sheet, retail contracts presented in the table represent the principal balance of the finance receivables discounted for any unearned interest income and rate support received from GM.

Three months ended June 30,	Average retail contracts	Charge-offs, net of recoveries (a)		Annualized net charge-off rate	
($ in millions)	**2008**	**2008**	2007	**2008**	2007
Managed					
North America	**$48,876**	**$205**	$128	**1.68%**	1.03%
International	**19,677**	**36**	25	**0.72%**	0.59%
Total managed	**$68,553**	**$241**	$153	**1.40%**	0.92%
On-balance sheet					
North America	**$34,233**	**$162**	$123	**1.89%**	1.15%
International	**19,677**	**36**	25	**0.72%**	0.59%
Total on-balance sheet	**$53,910**	**$198**	$148	**1.47%**	0.99%

(a) Net charge-offs include amounts related to loans held-for-sale and exclude amounts related to the lump-sum payments on balloon finance contracts of $102 million and ($1) million for the three months ended June 30, 2008 and 2007, respectively.

Six months ended June 30,	Average retail contracts	Charge-offs, net of recoveries (a)		Annualized net charge-off rate	
($ in millions)	**2008**	**2008**	2007	**2008**	2007
Managed					
North America	**$49,341**	**$401**	$289	**1.63%**	1.16%
International	**19,308**	**70**	51	**0.73%**	0.61%
Total managed	**$68,649**	**$471**	$340	**1.37%**	1.02%
On-balance sheet					
North America	**$34,863**	**$319**	$279	**1.83%**	1.29%
International	**19,308**	**70**	51	**0.73%**	0.61%
Total on-balance sheet	**$54,171**	**$389**	$330	**1.44%**	1.10%

(a) Net charge-offs include amounts related to loans held-for-sale and exclude amounts related to the lump-sum payments on balloon finance contracts of $144 million and $2 million for the six months ended June 30, 2008 and 2007, respectively.

Source: GMAC LLC, 10-Q, August 08, 2008

Charge-offs in both the North American and International managed portfolios increased during the three months and six months ended June 30, 2008, compared to the same periods in 2007. In North America, both frequency and severity of losses increased compared to prior year levels, mainly due to the underlying credit quality of retail contracts originated during the second half of 2006 and first half of 2007 (refer to delinquency discussion below). Also contributing to the increase was higher severity from a weak used-vehicle market in the United States and Canada. Increased charge-offs in the International portfolio primarily reflect weakness in Spain, Colombia, and Brazil.

The following table summarizes pertinent delinquency experience in the consumer automotive retail contract portfolio.

	Percent of retail contracts 30 days or more past due (a)			
	Managed		**On-balance sheet**	
Six months ended June 30,	**2008**	2007	**2008**	2007
North America	**2.32%**	2.44%	**2.52%**	2.72%
International	**2.44%**	2.59%	**2.44%**	2.59%
Total	**2.36%**	2.49%	**2.49%**	2.67%

(a) Past due contracts are calculated on the basis of the average number of contracts delinquent during a month and exclude accounts in bankruptcy.

Delinquencies in the North American managed portfolio decreased as of June 30, 2008, compared to June 30, 2007. We attribute much of the decrease to a shift in underwriting standards that has occurred since the second half of 2007. During the second half of 2006 through the first half of 2007, we underwrote a number of U.S. retail contracts that resulted in an unusually high rate of early payment defaults. When the early defaults began, we tightened our underwriting policy to reduce this production. As a result, delinquency rates have improved. The decrease in delinquencies also reflected expanded resources dedicated to servicing and collections efforts beginning in the second half of 2007. International consumer credit portfolio performance remained strong as delinquencies have declined compared to the prior year level.

In addition to the preceding loss and delinquency data, the following table summarizes bankruptcy information for the U.S. consumer automotive retail contract portfolio (which represented approximately 47% and 62% of our on-balance sheet consumer automotive retail contract portfolio as of June 30, 2008 and 2007, respectively) and repossession information for the Global Automotive Finance operations consumer automotive retail contract portfolio:

	Managed		**On-balance sheet**	
Three months ended June 30,	**2008**	2007	**2008**	2007
United States:				
Average retail contracts in bankruptcy *(in units)* (a)	**49,642**	61,530	**43,030**	60,105
Bankruptcies as a percentage of average number of contracts outstanding	**1.94%**	2.11%	**2.56%**	2.43%
North America:				
Retail contract repossessions *(in units)*	**17,938**	17,230	**13,322**	16,142
Annualized repossessions as a percentage of average number of contracts outstanding	**2.34%**	2.04%	**2.54%**	2.31%
International:				
Retail contract repossessions *(in units)*	**3,037**	3,288	**3,037**	3,288
Annualized repossessions as a percentage of average number of contracts outstanding	**0.72%**	0.81%	**0.72%**	0.81%

(a) Includes those accounts where the customer has filed for bankruptcy and is not yet discharged, the customer was discharged from bankruptcy but did not reaffirm their loan with GMAC, and other special situations where the customer is protected by applicable law with respect to GMAC's normal collection policies and procedures.

Six months ended June 30,	Managed 2008	Managed 2007	On-balance sheet 2008	On-balance sheet 2007
United States:				
Average retail contracts in bankruptcy *(in units)* (a)	**50,536**	64,419	**44,732**	63,211
Bankruptcies as a percentage of average number of contracts outstanding	**1.94%**	2.19%	**2.57%**	2.50%
North America:				
Retail contract repossessions *(in units)*	**39,218**	36,781	**29,734**	34,791
Annualized repossessions as a percentage of average number of contracts outstanding	**2.54%**	2.17%	**2.79%**	2.46%
International:				
Retail contract repossessions *(in units)*	**5,831**	6,266	**5,831**	6,266
Annualized repossessions as a percentage of average number of contracts outstanding	**0.69%**	0.77%	**0.69%**	0.77%

(a) Includes those accounts where the customer has filed for bankruptcy and is not yet discharged, the customer was discharged from bankruptcy but did not reaffirm their loan with GMAC, and other special situations where the customer is protected by applicable law with respect to GMAC's normal collection policies and procedures.

Bankruptcy filings continued to decrease during the three months and six months ended June 30, 2008, consistent with decreases experienced throughout the year ended December 31, 2007. The decreases throughout both periods were related to the gradual emergence of consumers who filed bankruptcy in 2005 prior to a change in bankruptcy law that made it more difficult for some consumers to qualify for certain bankruptcy protection. The significant increase of bankruptcy filings prior to the change in law resulted in a situation where the number of contracts emerging from bankruptcy exceeds the number of contracts entering bankruptcy.

Consistent with the decrease in delinquency trends, our International operations experienced decreased repossessions for the six months ended June 30, 2008, compared to the same period in 2007. Our North American operations, however, experienced increased repossessions primarily attributable to increased delinquencies due to credit deterioration. The number of repossessions related to on-balance sheet retail contracts decreased because of increased securitization activity; however, annualized repossessions as a percentage of the average number of contracts also increased due to higher delinquency rates.

Commercial Credit

The credit risk of our commercial portfolio is tied to overall economic conditions in the countries in which we operate and the particular circumstances of individual borrowers.

At June 30, 2008, the commercial receivables that had been securitized and accounted for as off-balance sheet transactions primarily represented wholesale lines of credit extended to automotive dealerships, which historically have experienced low charge-offs, and some dealer term loans. As a result, only the on-balance sheet commercial portfolio credit experience is presented in the following table.

Source: GMAC LLC, 10-Q, August 08, 2008

($ in millions)	Total loans June 30, 2008	Impaired loans (a) June 30, 2008	Impaired loans (a) Dec 31, 2007
Wholesale	**$27,405**	**$240**	$44
Impaired loans as a percentage of total loans		**0.88%**	0.19%
Other commercial financing	**4,641**	**19**	8
Impaired loans as a percentage of total loans		**0.41%**	0.18%
Total on-balance sheet	**$32,046**	**$259**	$52
Impaired loans as a percentage of total loans		**0.81%**	0.19%

(a) Includes loans where it is probable that we will be unable to collect all amounts due according to the terms of the loan.

Charge-offs on the commercial portfolio remained at traditionally low levels as these receivables were generally secured by vehicles, real estate, and other forms of collateral, which help mitigate losses on the loans in the event of default. The increase in impaired loans between December 31, 2007, and June 30, 2008, related to a particular dealer classified as impaired during the three months ended June 30, 2008.

ResCap Operations

Results of Operations

The following table summarizes the operating results for ResCap for the periods shown. The amounts presented are before the elimination of balances and transactions with our other reportable segments.

	Three months ended June 30,			Six months ended June 30,		
($ in millions)	**2008**	2007	**Favorable/ (unfavorable) % change**	**2008**	2007	**Favorable/ (unfavorable) % change**
Revenue						
Total financing revenue	**$916**	$1,667	**(45)**	**$1,919**	$3,541	**(46)**
Interest expense	**915**	1,610	**43**	**2,021**	3,311	**39**
Net financing revenue (loss)	**1**	57	**(98)**	**(102)**	230	**(144)**
Servicing fees	**392**	452	**(13)**	**784**	899	**(13)**
Servicing asset valuation and hedge activities, net	**(185)**	(152)	**(22)**	**225**	(454)	**150**
Net loan servicing income	**207**	300	**(31)**	**1,009**	445	**127**
(Loss) gain on mortgage loans, net	**(1,062)**	173	**n/m**	**(1,810)**	(61)	**n/m**
Other income	**298**	315	**(5)**	**326**	732	**(55)**
Total other (expense) revenue	**(764)**	488	**n/m**	**(1,484)**	671	**n/m**
Total net (loss) revenue	**(556)**	845	**(166)**	**(577)**	1,346	**(143)**
Provision for credit losses	**463**	327	**(42)**	**762**	869	**12**
Noninterest expense	**712**	722	**1**	**1,297**	1,532	**15**
Loss before income tax expense	**(1,731)**	(204)	**n/m**	**(2,636)**	(1,055)	**(150)**
Income tax expense	**129**	50	**(158)**	**83**	110	**25**
Net loss	**($1,860)**	($254)	**n/m**	**($2,719)**	($1,165)	**(133)**
Total assets	**$64,771**	$120,545	**(46)**			

n/m = not meaningful

ResCap experienced net losses of $1.9 billion and $2.7 billion for the three months and six months ended June 30, 2008, respectively, compared to net losses of $254 million and $1.2 billion for the three months and six months ended June 30, 2007, respectively. The 2008 results were adversely affected by continued pressure in the domestic housing markets and the foreign mortgage and capital markets. The adverse conditions resulted in lower net interest margins, lower loan production, significant realized losses on sales of mortgage loans, fair value declines related to mortgage loans held-for-sale and trading securities, impairments on real estate investments, and reduced gains associated with the disposition of real estate acquired through foreclosure. As these market conditions persist, particularly in the foreign markets, these unfavorable impacts on our results of operations may continue.

Net financing revenue was $1 million for the three months ended June 30, 2008, compared to $57 million for the same period in 2007. During the six months ended June 30, 2008, ResCap experienced a net financing loss of $102 million, compared to net revenue of $230 million during the six months ended June 30, 2007. The decreases in total financing revenue for both periods were due to the decreases in the size of the loan portfolios as a result of declines in mortgage production, continued portfolio runoffs, and reductions caused by the deconsolidation of $27.4 billion in securitization trusts in the last quarter of 2007. The decreases were further attributable to an increase in nonaccrual loans caused by higher delinquencies, lower servicing float income, and decreases in commercial lending yields. The decreases in interest expense due to lower average borrowings were partially offset by higher funding rates due to unfavorable market conditions resulting in lower advance rates on our funding facilities, increases in cost of funds on unsecured debt due to the step-up in coupon resulting from ratings downgrades, and higher coupon rates on our new secured debt.

Net loan servicing income was $207 million and $1.0 billion for the three months and six months ended June 30, 2008, respectively, compared to $300 million and $445 million for the three months and six months ended June 30, 2007, respectively. The decrease for the three months ended June 30, 2008, compared to the same period in 2007, was primarily due to a decrease in the primary servicing asset as a result of sales of certain servicing assets in the last half of 2007 and the first half of 2008. In addition, mortgage servicing valuations declined as a result of an increase in the cost of servicing nonprime assets. The significant increase during the six months ended June 30, 2008, compared to the same period in 2007, was primarily due to slower prepayment speeds and a steeper overall yield curve during the three months ended March 31, 2008, resulting in a positive impact on hedging activities and a favorable valuation on the mortgage servicing rights.

The net loss on mortgage loans was $1.1 billion and $1.8 billion for three months and six months ended June 30, 2008, respectively, compared to a net gain of $173 million and a net loss of $61 million for the three months and six months ended June 30, 2007, respectively. The losses during both 2008 periods were primarily the result of the sale of certain mortgage loans to enhance liquidity. The sales were executed at significantly lower prices due to the absence of traditional investor demand in both domestic and foreign markets. Additionally, the losses in 2008 were impacted by a decline in the fair value of mortgage loans held-for-sale and commitments in certain foreign markets.

Other income decreased 5% and 55% during the three months and six months ended June 30, 2008, compared to the same periods in 2007. The decreases during both periods were primarily due to decreases in real estate-related revenue due to the continued stress in the mortgage and capital markets and its affect on homebuilders. This resulted in higher write-downs on lot option projects and model homes, declines in model home lease income and lot option fees, decreases in equity earnings on real estate projects, and unfavorable fair value adjustment in the first half of 2008 related to the adoption of SFAS 159. Additionally, an impairment of $253 million was recorded in June 2008 related to the held-for-sale treatment of ResCap's resort finance business. The impairment resulted from an adjustment in fair value on the resort finance business due to its held-for-sale classification. In addition to the previously mentioned adverse impacts on the three month period, the six months ended June 30, 2008, was also significantly affected by higher losses on investment securities, primarily due to the decline in the fair value of our retained interests that continue to be held through off-balance sheet securitization, resulting from increasing credit losses, rating agency downgrades, declines in the value of underlying collateral, market illiquidity, and changes in discount rate assumptions. The adverse impacts were partially offset by gains on the extinguishment of debt of $647 million and $1.1 billion for the three and six months ended June 30, 2008, respectively. The gain for the three-month period resulted from the cash repurchase of debt with a face amount of approximately $1.8 billion related to the private debt tender and exchange offerings. In accordance with SFAS No. 15, *Accounting by Debtors and Creditors for Troubled Debt Restructuring,* we deferred the concession recognized in the exchange offer through an adjustment to the carrying value of the new notes issued by ResCap on June 6, 2008. The deferred concession of $1.2 billion will be amortized over the remaining life of the new bonds through a reduction to interest expense using an effective yield methodology. In addition to the $647 million gain, the six-month period also includes a debt extinguishment gain resulting from our contribution of ResCap notes that had been previously purchased in open market repurchase transactions. No such gains were recognized in 2007.

The provision for credit losses increased 42% during the three months ended June 30, 2008, compared to the same period in 2007, but decreased 12% during the six months ended June 30, 2008, compared to the same period in 2007. The increase during the three-month period was primarily attributable to delinquency and severity increases experienced in the United Kingdom, Spain, and Germany and higher provision for loan losses related to distressed assets and specific reserves on the real estate lending portfolio. The decrease during the six months ended June 30, 2008, compared to the same period in 2007, was primarily driven by the deconsolidation of various financing deals in the second half of 2007 and SFAS 159 fair value elections made on January 1, 2008, which resulted in a lower provision expense during the three months ended June 30, 2008, due to a smaller held-for-investment portfolio subject to provision.

Source: GMAC LLC, 10-Q, August 08, 2008

Noninterest expense decreased 1% and 15% for the three months and six months ended June 30, 2008, respectively, compared to the same periods in 2007. The expense decreased for the six months ended June 30, 2008, due to a decrease in the provision for assets sold with recourse and lower compensation and benefit expenses related to the restructuring plan announced in the fourth quarter of 2007 and decreased commissions due to lower loan production.

Income tax expense was $129 million and $83 million for the three months and six months ended June 30, 2008, respectively, compared to income tax expense of $50 million and $110 million for the three months and six months ended June 30, 2007, respectively. The changes for both periods were due to the recognition of deferred tax valuation allowances by the foreign operations offset by significant pretax losses in the foreign operations throughout 2008. During the three months and six months ended June 30, 2008, deferred tax valuation allowances of $465 million and $665 million, respectively, were established against a portion of current and prior period operating losses. The valuation allowances resulted from further declines in the international markets and the resulting likelihood that these tax benefits will not be realized in future periods.

Mortgage Loan Production, Sales and Servicing

ResCap's mortgage loan production was $18.1 billion and $39.0 billion for the three months and six months ended June 30, 2008, respectively, compared to $34.9 billion and $72.4 billion for the same periods in 2007. ResCap's domestic loan production decreased $10.1 billion, or 37%, for the three months ended June 30, 2008, and $22.5 billion, or 39%, for the six months ended June 30, 2008, compared to the same periods in 2007. ResCap's international loan production decreased $6.7 billion, or 86%, for the three months ended June 30, 2008, and $11.0 billion, or 77%, for the six months ended June 30, 2008, compared to the same periods in 2007. ResCap's domestic loan production decreased due to the changes in the business model eliminating the origination of nonagency, nonconforming products, partially offset by increases in prime conforming and government (agency-eligible) products. International production decreased significantly due to loan originations being temporarily stopped in the United Kingdom during the three months ended June 30, 2008, and completely halted in continental Europe, Latin America, and Australia, and on Canadian noninsured loans during the six months ended June 30, 2008. Currently, ResCap now originates only prime conforming mortgages in the United States and high quality insured mortgages in Canada.

Source: GMAC LLC, 10-Q, August 08, 2008

The following summarizes mortgage loan production for the periods shown.

($ in millions)	Three months ended June 30, 2008	2007	Six months ended June 30, 2008	2007
Consumer:				
Principal amount by product type:				
Prime conforming	**$12,187**	$12,682	**$27,624**	$22,251
Prime nonconforming	**419**	9,849	**909**	22,166
Prime second-lien	**664**	3,107	**1,465**	8,420
Government	**3,759**	828	**5,736**	1,412
Nonprime	**—**	685	**3**	3,944
Total U.S. production	**17,029**	27,151	**35,737**	58,193
International	**1,049**	7,718	**3,240**	14,190
Total	**$18,078**	$34,869	**$38,977**	$72,383
Principal amount by origination channel:				
Retail and direct channels	**$4,702**	$7,007	**$9,800**	$13,038
Correspondent and broker channels	**12,327**	20,144	**25,937**	45,155
Total U.S. production	**$17,029**	$27,151	**$35,737**	$58,193
Number of loans (*in units*):				
Retail and direct channels	**25,669**	54,053	**53,616**	101,691
Correspondent and broker channels	**57,473**	99,511	**119,787**	262,950
Total U.S. production	**83,142**	153,564	**173,403**	364,641

The following table summarizes the primary domestic mortgage loan-servicing portfolio for which we hold the corresponding mortgage servicing rights.

($ in millions)	U.S. mortgage loan servicing portfolio — June 30, 2008 Number of loans	June 30, 2008 Dollar amount of loans	December 31, 2007 Number of loans	December 31, 2007 Dollar amount of loans
Prime conforming	**1,584,213**	**$237,604**	1,655,920	$267,894
Prime nonconforming	**247,716**	**78,287**	184,210	55,013
Prime second-lien	**623,202**	**27,366**	730,930	31,526
Government	**200,447**	**23,460**	180,352	19,445
Nonprime	**276,796**	**31,125**	282,258	36,809
Total primary servicing portfolio (a)	**2,932,374**	**$397,842**	3,033,670	$410,687

(a) Excludes loans for which we acted as a subservicer. Subserviced loans totaled 178,506 with an unpaid principal balance of $36.4 billion at June 30, 2008, and 205,019 with an unpaid balance of $44.3 billion at December 31, 2007.

Our international servicing portfolio consisted of $39.0 billion and $43.1 billion of mortgage loans as of June 30, 2008, and December 31, 2007, respectively.

Source: GMAC LLC, 10-Q, August 08, 2008

Allowance for Credit Losses

The following tables summarize the activity related to the allowance for credit losses.

	Three months ended June 30,					
	2008			2007		
($ in millions)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total
Balance at April 1,	**$485**	**$405**	**$890**	$1,660	$525	$2,185
Provision for credit losses	**342**	**120**	**462**	284	43	327
Charge-offs	**(202)**	**(41)**	**(243)**	(263)	(294)	(557)
Recoveries	**13**	**1**	**14**	15	—	15
Balance at June 30,	**$638**	**$485**	**$1,123**	$1,696	$274	$1,970
Allowance as a percentage of total (a)	**2.26% (b)**	**5.67%**	**3.05%**	2.71%	2.47%	2.67%

(a) Represents the related allowance for credit losses as a percentage of total on-balance sheet residential mortgage loans.

(b) As of June 30, 2008, $9.7 billion of the unpaid principal balance includes loans held at fair value for $2.7 billion under SFAS 159 with no related allowance for credit loss. These loans have been excluded from the calculation.

	Six months ended June 30,					
	2008			2007		
($ in millions)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total
Balance at January 1,	**$832**	**$485**	**$1,317**	$1,508	$397	$1,905
Provision for credit losses	**624**	**138**	**762**	649	220	869
Charge-offs	**(350)**	**(140)**	**(490)**	(491)	(343)	(834)
Reduction of allowance due to fair value option election (a)	**(489)**	**—**	**(489)**	—	—	—
Recoveries	**21**	**2**	**23**	30	—	30
Balance at June 30,	**$638**	**$485**	**$1,123**	$1,696	$274	$1,970
Allowance as a percentage of total (b)	**2.26% (c)**	**5.67%**	**3.05%**	2.71%	2.47%	2.67%

(a) Represents the reduction of allowance as a result of fair value option election made under SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. Refer to Note 13 to the Condensed Consolidated Financial Statements for additional information.

(b) Represents the related allowance for credit losses as a percentage of total on-balance sheet residential mortgage loans.

(c) As of June 30, 2008, $9.7 billion of the unpaid principal balance includes loans held at fair value for $2.7 billion under SFAS 159 with no related allowance for credit loss. These loans have been excluded from the calculation.

Source: GMAC LLC, 10-Q, August 08, 2008

The following table sets forth the types of mortgage loans held-for-investment, excluding those loans held at fair value, that comprise the dollar balance and the percentage component of allowance for loan losses:

	Consumer mortgage loans held-for-investment			
	June 30, 2008		June 30, 2007	
($ in millions)	**Allowance for loan losses**	**Allowance as a % of the total asset class (a)(b)**	Allowance for loan losses	Allowance as a % of the total asset class (a)
Prime conforming mortgage loans	**$13**	**0.05%**	$3	—%
Prime nonconforming mortgage loans	**310**	**1.09**	56	0.09
Prime second-lien mortgage loans	**121**	**0.43**	99	0.16
Government loans	**2**	**0.01**	—	—
Nonprime mortgage loans	**192**	**0.68**	1,538	2.46
Total consumer mortgage loans held-for-investment	**$638**	**2.26%**	$1,696	2.71%

(a) Represents the related allowance for credit losses as a percentage of total on-balance sheet residential mortgage loans.

(b) As of June 30, 2008, $9.7 billion of the unpaid principal balance includes loans held at fair value for $2.7 billion under SFAS 159 with no related allowance for credit loss. These loans have been excluded from the calculation.

Nonperforming Assets

The following table summarizes the nonperforming assets in the on-balance sheet held-for-sale and held-for-investment residential mortgage loan portfolios. Nonperforming assets are nonaccrual loans, foreclosed assets, and restructured loans. Mortgage loans and lending receivables are generally placed on nonaccrual status when they are 60 and 90 days past due, respectively, or when the timely collection of the principal of the loan, in whole or in part, is doubtful.

($ in millions)	**June 30, 2008**	December 31, 2007	June 30, 2007
Nonaccrual loans:			
Mortgage loans:			
Prime conforming	**$114**	$85	$14
Prime nonconforming	**1,583**	908	558
Prime second-lien	**219**	233	161
Government	**57**	80	—
Nonprime (a)	**3,334**	4,040	8,066
Lending receivables:			
Warehouse	**160**	71	189
Construction (b)	**823**	550	130
Commercial real estate	**10**	—	—
Other	**—**	10	—
Total nonaccrual assets	**$6,300**	5,977	9,118
Restructured loans	**80**	32	35
Foreclosed assets	**971**	1,116	1,592
Total nonperforming assets	**$7,351**	$7,125	$10,745
Total nonperforming assets as a percentage of total ResCap assets	**11.3%**	8.6%	8.9%

(a) Includes loans that were purchased distressed and already in nonaccrual status of $126 million as of June 30, 2008; $1.1 billion as of December 31, 2007; and $871 million as of June 30, 2007. In addition, includes nonaccrual restructured loans that are not included in restructured loans of $26 million as of June 30, 2008; $16 million as of December 31, 2007; and $9 million as of June 30, 2007.

(b) Includes nonaccrual restructured loans that are not included in restructured loans of $76 million as of June 30, 2008; $47 million as of December 31, 2007; and $0 million as of June 30, 2007.

Source: GMAC LLC, 10-Q, August 08, 2008

The classification of a loan as nonperforming does not necessarily indicate that the principal amount of the loan is ultimately uncollectible in whole or in part. In certain cases, borrowers make payments to bring their loans contractually current, and, in all cases, our mortgage loans are collateralized by residential real estate. As a result, ResCap's experience has been that any amount of ultimate loss for mortgage loans other than second-lien loans is substantially less than the unpaid principal balance of a nonperforming loan.

The following table summarizes the delinquency information for our mortgage loans held-for-investment portfolio:

	As of June 30, 2008		As of December 31, 2007		As of June 30, 2007	
($ in millions)	**Amount**	**% of total**	Amount	% of total	Amount	% of total
Current	**$31,727**	**83**	$35,558	83	$48,744	78
Past due:						
30 to 59 days	**1,155**	**3**	1,784	4	3,939	6
60 to 89 days	**730**	**2**	946	2	1,705	3
90 days or more	**2,077**	**5**	2,179	5	3,049	5
Foreclosures pending	**2,090**	**5**	1,846	4	3,529	6
Bankruptcies	**707**	**2**	735	2	1,388	2
Total unpaid principal balances	**38,486**	**100**	43,048	100	62,354	100
Net (discounts) premiums	**(499)**		(885)		312	
SFAS 159 fair value adjustment	**(7,025)**		—		—	
Allowance for credit losses	**(638)**		(832)		(1,696)	
Total	**$30,324**		$41,331		$60,970	

The following table summarizes the delinquency information for our nonprime mortgage loans held-for-investment portfolio, including those held in on-balance sheet securitization trusts:

	As of June 30, 2008		As of December 31, 2007		As of June 30, 2007	
($ in millions)	**Amount**	**% of total**	Amount	% of total	Amount	% of total
Current	**$9,360**	**67**	$12,014	68	$31,953	72
Past due:						
30 to 59 days	**807**	**6**	1,263	7	3,663	8
60 to 89 days	**416**	**3**	693	4	1,624	4
90 days or more	**1,023**	**7**	1,445	8	2,622	6
Foreclosures pending	**1,614**	**12**	1,642	9	3,386	7
Bankruptcies	**617**	**5**	690	4	1,323	3
Total unpaid principal balances	**13,837**	**100**	17,747	100	44,571	100
Net (discounts) premiums	**(475)**		(843)		54	
SFAS 159 fair value adjustment	**(5,686)**		—		—	
Allowance for credit losses	**(192)**		(589)		(1,538)	
Total	**$7,484**		$16,315		$43,087	

We originate and purchase mortgage loans that have contractual features that may increase our exposure to credit risk and thereby result in a concentration of credit risk. These loan products include interest-only mortgages, option adjustable rate mortgages, high loan-to-value mortgage loans, and teaser rate mortgages.

Total loan production and combined exposure related to these products recorded in finance receivables and loans and loans held-for-sale are summarized as follows:

	Loan production for the six months ended June 30,	
($ in millions)	**2008**	2007
High loan-to-value (greater than 100%) mortgage loans	**$607**	$3,528
Interest-only mortgage loans	**2,650**	19,513
Payment option adjustable rate mortgage loans	**—**	6,214
Below market initial rate (teaser) mortgages	**233**	75

	Unpaid principal balance	
($ in millions)	**As of June 30, 2008**	As of December 31, 2007
High loan-to-value (greater than 100%) mortgage loans	**$4,209**	$5,896
Interest-only mortgage loans	**13,784**	18,282
Payment option adjustable rate mortgage loans	**1,468**	1,691
Below market initial rate (teaser) mortgages	**370**	450

Source: GMAC LLC, 10-Q, August 08, 2008

Insurance Operations

Results of Operations

The following table summarizes the operating results of our Insurance operations for the periods shown. The amounts presented are before the elimination of balances and transactions with our other operating segments.

	Three months ended June 30,			Six months ended June 30,		
($ in millions)	**2008**	2007	**Favorable/ (unfavorable) % change**	**2008**	2007	**Favorable/ (unfavorable) % change**
Revenue						
Insurance premiums and service revenue earned	**$1,111**	$1,042	**7**	**$2,208**	$2,074	**6**
Investment income	**93**	81	**15**	**190**	176	**8**
Other income	**41**	43	**(5)**	**94**	88	**7**
Total insurance premiums and other income	**1,245**	1,166	**7**	**2,492**	2,338	**7**
Expense						
Insurance losses and loss adjustment expenses	**682**	563	**(21)**	**1,308**	1,136	**(15)**
Acquisition and underwriting expense	**370**	415	**11**	**824**	823	**—**
Total expense	**1,052**	978	**(8)**	**2,132**	1,959	**(9)**
Income before income tax expense	**193**	188	**3**	**360**	379	**(5)**
Income tax expense	**58**	57	**(2)**	**93**	105	**11**
Net income	**$135**	$131	**3**	**$267**	$274	**(3)**
Total assets	**$12,924**	$13,956	**(7)**			
Insurance premiums and service revenue written	**$1,067**	$964	**11**	**$2,200**	$2,034	**8**
Combined ratio (a)	**97.8%**	90.2%		**95.8%**	90.6%	

(a) Management uses the combined ratio as a primary measure of underwriting profitability with its components measured using accounting principles generally accepted in the United States of America. Underwriting profitability is indicated by a combined ratio under 100% and is calculated as the sum of all incurred losses and expenses (excluding interest and income tax expense) divided by the total of premiums and service revenues earned and other income.

Net income from Insurance operations totaled $135 million and $267 million for the three months and six months ended June 30, 2008, respectively, compared to $131 million and $274 million for the same periods in 2007. Net income for the three months ended June 30, 2008, increased compared to the same period in 2007 primarily due to the favorable resolution of a tax audit. The increase was partially offset by an increase in incurred losses partially related to weather-related events. Net income for the six months ended June 30, 2008, decreased compared to the same period in 2007 primarily due to an increase in losses.

Insurance premiums and service revenue earned totaled $1.1 billion and $2.2 billion for the three months and six months ended June 30, 2008, respectively, compared to $1.0 billion and $2.1 billion for the same periods in 2007. Insurance premiums and service revenues earned increased due to favorable growth in our international operations, both organically and through the acquisition of Provident Insurance in June 2007. The increase was partially offset by challenging domestic pricing conditions.

Source: GMAC LLC, 10-Q, August 08, 2008

The combination of investment and other income increased 8% for both the three months and six months ended June 30, 2008, compared to the same periods in 2007. The investment income increased primarily due to our acquisition of Provident Insurance.

Insurance losses and loss adjustment expenses totaled $682 million and $1.3 billion for the three months and six months ended June 30, 2008, respectively, compared to $563 million and $1.1 billion for the three months and six months ended June 30, 2007, respectively. The increases were primarily due to growth in our international operations, both organically and through the Provident acquisition, and less favorable spring and summer weather events in 2008, which adversely affected our dealer inventory insurance and reinsurance operations. The increase was partially offset by lower loss experience in our U.S. vehicle service contract business and our consumer products business, both driven by lower volumes.

Acquisition and underwriting expense totaled $370 million and $824 million for the three months and six months ended June 30, 2008, respectively, compared to $415 million and $823 million for the same periods in 2007. The decrease for the three months ended June 30, 2008, was primarily due to the favorable resolution of a tax audit and lower volumes in our consumer products business. The increase for the six months ended June 30, 2008, was due to growth in our international operations and buildup of our U.S. vehicle service contract business sales force to expand beyond the traditional customer base, offset by the favorable resolution of the tax audit.

On April 8, 2008, we announced that we were implementing a plan related to GMACI, the holding company for our Insurance operations, in the interest of maintaining the current financial strength rating. The plan was developed in response to action by A.M. Best Co. on February 27, 2008, placing GMACI's A- (Excellent) rating under review with negative implications. Accordingly, on July 22, 2008, we effectuated the plan by providing a dividend of 100% of the voting interest of GMACI to the current holders of GMAC's common membership equity, which included FIM Holdings and subsidiaries of GM. The dividend was made pro rata in accordance with the current common equity ownership percentages held by these entities. GMAC continues to hold 100% of the economic interests in GMACI. On July 25, 2008, A.M. Best Co. removed GMACI from under review with negative implications, affirmed the A- rating, and assigned a negative outlook. There can be no assurances that the current rating will remain unchanged.

Other Operations

Other operations experienced a net loss of $40 million and $160 million for the three months and six months ended June 30, 2008, respectively, compared to net income of $22 million and $86 million for the three months and six months ended June 30, 2007. The decreases for both periods were primarily due to increased interest expense for corporate activities due to increased borrowings, losses experienced by our Commercial Finance Group, and a decrease in equity investment income. The three months and six months ended June 30, 2008, also included intercompany eliminations of $31 million and $23 million, respectively, related to the extinguishment of ResCap debt. We experienced equity investment net losses in Capmark of $7 million and $48 million for the three months and six months ended June 30, 2008, respectively, compared to net income of $19 million and $60 million for the same periods in 2007. The losses were primarily attributable to the decline in credit market conditions and unfavorable asset revaluations.

Our Commercial Finance Group experienced a net loss of $10 million the three months ended June 30, 2008, and was break even for the six months ended June 30, 2008, compared to net income of $10 million and $30 million for the three months and six months ended June 30, 2007, respectively. The decrease in net income for both periods was primarily due to increased interest expense, as a result of higher interest spreads, and unfavorable asset valuation adjustments. The decrease for the six months ended June 30, 2008, was also impacted by the absence of a $12 million favorable net income impact recognized during February 2007 related to the sale of certain loans.

Source: GMAC LLC, 10-Q, August 08, 2008

Funding and Liquidity

Funding Strategy

Our liquidity and our ongoing profitability are largely dependent upon our timely access to capital and the costs associated with raising funds in different segments of the capital markets. The goal of liquidity management is to provide adequate funds to meet changes in loan and lease demand, debt maturities, and unexpected deposit withdrawals. Our primary funding objective is to ensure that we have adequate, reliable access to liquidity throughout all market cycles, including periods of financial distress. We actively manage our liquidity and mitigate our funding risk using the following practices:

- *Maintaining diversified sources of funding* — Over the past several years, our strategy has focused on diversification of our funding. We have developed diversified funding sources across a global investor base, both public and private and, as appropriate, extended debt maturities. This diversification has been achieved in a variety of ways and in a variety of markets including whole-loan sales, the public and private debt capital markets, and asset-backed facilities, as well as through deposit-gathering and other financing activities. The diversity of our funding sources enhances funding flexibility, limits dependence on any one source of funds, and results in a more cost-effective strategy over the long term. In developing diverse funding sources, management considers market conditions, prevailing interest rates, liquidity needs, and the desired maturity profile of our liabilities. This strategy has helped us maintain liquidity during periods of weakness in the capital markets, changes in our business, and changes in our credit ratings. More specifically, our development of secured funding alternatives has been critical because we have been unable to access the long-term unsecured markets in a cost-effective manner due to our weakened credit rating and the ongoing difficulties in the credit markets. Despite our diverse funding sources and strategies, our ability to maintain liquidity may be affected by certain risks.

- *Obtaining sufficient short- and long-term financing* — We have significant short- and long-term financing needs. We monitor the duration profile of our assets and then establish an appropriate liability maturity ladder.

  - *Short-term financing* — We require short-term funding to finance our short-duration assets, such as loans held-for-sale, dealer floor plan receivables, and advances against factoring receivables. We regularly forecast our cash position and our potential funding needs taking into account debt maturities and potential peak balance sheet levels over a medium-term time horizon.

  - *Long-term financing* — Our long-term unsecured financings fund long-term assets (such as mortgages held-for-investment, retail automotive contracts and leases, and equity interests in securitizations) and over-collateralization required to support our structured financing facilities. We regularly assess the term structure of our assets and liabilities and interest rate risk. In addition, we manage our long-term debt maturities and credit facility expirations to minimize refinancing risk and maturity concentrations. We consider the available capacity and relative cost given market constraints, as well as the potential impact on our credit ratings. We have met our long-term financing needs from a variety of sources including unsecured debt, credit facilities, secured financings, off-balance sheet securitizations, and whole-loan sales. In the current credit environment, our access to long-term financing has been limited, and we have been unable to access unsecured funding in a cost-effective manner.

- *Optimizing our use of secured funding programs* — Given the ongoing difficulties in the credit market coupled with our current credit ratings profile, unsecured funding options remain very limited. As a result, we are focused on enhancing our existing secured funding programs and developing new secured funding options. As in the unsecured markets, we have experienced significant price increases and higher levels of credit enhancements for our secured funding programs.

- *GMAC Bank* — In July 2008, the Federal Deposit Insurance Corporation (FDIC) granted a 10-year extension of GMAC Bank's current ownership structure by extending the existing disposition

requirement that was established in connection with the Sale Transactions. As a regulated financial institution, GMAC Bank has access to reliable and cost-efficient funding sources through Federal Home Loan Bank (FHLB) advances and deposits. GMAC Bank continues to grow and is becoming a more prominent part of our funding strategy.

- *Emphasis on "originate and sell" model* — One of our key strategic advantages is our origination and servicing platform. Currently, one of our foremost challenges is our funding cost disadvantage compared to other large money center banking institutions. As our credit rating has declined and the overall market has deteriorated, selling assets to counterparties with cheaper funding sources allows us to use our capital most efficiently. Our Global Automotive Finance operations has committed forward flow arrangements in North America and we are looking to develop similar structures around the globe. Asset sales are also important for ResCap as the business continues to reduce leverage and aligns its originations with its funding channels.
- *Balancing access to liquidity and cost of funding* — Maintaining sufficient access to liquidity is vital to our business, particularly given our current credit ratings. We have established a number of secured and unsecured committed liquidity facilities that provide further protection against market volatility or disruptions. We regularly evaluate the cost of the cash portfolio and committed facilities compared to the potential risks and adjust capacity levels according to market conditions and our credit profile.
- *Maintaining an active dialogue with the rating agencies* — The cost and availability of most funding are influenced by credit ratings, which are intended to be an indicator of the creditworthiness of a particular company, security, or obligation. Lower ratings generally result in higher unsecured borrowing costs and reduced access to unsecured capital markets. This is particularly true for certain institutional investors, such as money market investors, whose investment guidelines require investment-grade ratings in the two highest rating categories for short-term debt. Substantially all our debt has been rated by nationally recognized statistical rating organizations. We maintain an active dialogue with each rating agency throughout the year.

Recent Funding Developments

Our current funding strategy has been shaped in part by the ongoing stress in the credit markets that began in the middle of 2007. During this period our top priority has been to ensure that we have adequate, reliable access to liquidity. In the second quarter of 2008 we undertook several initiatives which culminated in a comprehensive debt refinancing. Some of the more significant details of this refinancing, as well as additional actions intended to further support funding and liquidity at GMAC and ResCap, included the following:

- In June 2008, we obtained a new, globally syndicated $11.4 billion senior secured revolving credit facility (Secured Facility) with a three-year maturity. The size of the facility decreases from $11.4 billion to $7.9 billion at the conclusion of the second year. The Secured Facility will provide secured funding commitments to certain bankruptcy-remote special-purpose subsidiaries of GMAC and General Motors Acceptance Corporation Canada, Limited. Neither ResCap nor any of its subsidiaries are borrowers under the Secured Facility. The Secured Facility includes a leverage ratio covenant that restricts the ratio of consolidated borrowed funds to consolidated net worth to be no greater than 11.0:1 on the last day of any fiscal quarter. See page 80 in this Funding and Liquidity section for further details regarding the leverage ratio covenant.
- On June 6, 2008, ResCap closed its previously announced private debt tender and exchange offers for certain of its outstanding debt securities (the Offers).
  - In connection with the Offers, on June 6, 2008, ResCap issued $1.7 billion of 8.500% Senior Secured Guaranteed Notes due 2010 (the Senior Unsecured Notes) and $4.0 billion of 9.625% Junior Secured Guaranteed Notes due 2015 (the Junior Secured Notes), in exchange for approximately $2.6 billion of senior unsecured notes that mature in 2008–2009 and approximately $6.0 billion of its senior unsecured notes that mature in 2010–2015 (the New

Notes). Each series of New Notes are guaranteed by all of ResCap's domestic significant subsidiaries (other than GMAC Bank and certain other subsidiaries that are restricted from guaranteeing the New Notes), as well as all of ResCap's direct subsidiaries. The Senior Secured Notes are secured by a second priority lien on the collateral securing ResCap's new senior secured credit facility with GMAC and the Junior Secured Notes are secured by a third-priority lien on the same collateral.

– Holders participating in the exchange offers had the opportunity to elect to receive cash in lieu of the New Notes that they would have otherwise received, pursuant to a "modified Dutch auction" process. Approximately $1.6 billion of the 2008–2009 Notes and $2.6 billion of the 2010–2015 Notes were tendered. Based on these results, the clearing price in the auction process was $920 per $1,000 principal amount of Senior Secured Notes and $650 per $1,000 of Junior Secured Notes and approximately 81% of the 2008–2009 Notes and approximately 51% of the 2010–2015 Notes tendered in the auction process at or below the applicable clearing price were purchased for cash in lieu of New Notes.

– Also in connection with the Offers, approximately $853 million of Floating Rate Notes due June 9, 2008, were purchased for cash.

– We contributed notes of ResCap that we had previously purchased in open market transactions, during the first and second quarters of 2008. Accordingly, ResCap recorded a capital contribution for our purchase price of $970 million and a gain of $510 million on extinguishment of debt for the difference between the carrying value and GMAC's purchase price. $806 million of the $970 million capital contribution are noncumulative, non-participation perpetual preferred membership interests and are recorded in the equity section of our balance sheet. We also tendered $93 million principal amount of ResCap's 8.125% Notes due in 2008, in exchange for New Notes.

- On June 4, 2008, GMAC, Residential Funding Company, LLC (RFC) and GMAC Mortgage, LLC (GMAC Mortgage) entered into a senior secured credit facility (the GMAC Facility) (guaranteed by ResCap and certain of its subsidiaries) to which we provide a senior secured credit facility with a capacity of up to $3.5 billion. Proceeds of the GMAC Facility were used to repay existing debt of ResCap on or prior to its maturity, to acquire certain assets, and for working capital purposes. Under the GMAC Facility, we agreed to make revolving loans to RFC and GMAC Mortgage, and acquire $1.3 billion of the outstanding $1.75 billion bank term loan due to mature on July 28, 2008. ResCap paid the remainder of the Term Loan on July 28, 2008, with proceeds of a draw under the GMAC Facility. Also on June 4, 2008, we entered into a Participation Agreement (the Participation Agreement) with GM and Cerberus ResCap Financing, LLC (the Cerberus Fund) (GM and Cerberus Fund are collectively, the Participants). Pursuant to the Participation Agreement, we sold GM and Cerberus Fund $750 million in subordinated participations in the loans made pursuant to the GMAC Facility. GM and Cerberus Fund acquired 49% and 51% of the Participations, respectively. The Participants will not be entitled to receive any principal payments with respect to the Participations until the principal portion of the loans retained by us have been paid in full. As of June 30, 2008, the full $3.5 billion in capacity had been utilized, which consisted of $2.2 billion in advances under the GMAC Facility plus the assignment to GMAC of $1.3 billion of ResCap's outstanding bank term loan due July 28, 2008.
- On April 18, 2008, we entered into a loan and security agreement (the MSR Facility) maturing on October 17, 2008 with RFC and GMAC Mortgage to provide $750 million to fund mortgage servicing rights. On June 1, 2008, GMAC and ResCap entered into an amendment to the MSR Facility dated as of April 18, 2008. This amendment increased the maximum facility amount from $750 million to $1.2 billion and increased the advance rate from 50% to 85% with all other terms and provisions of the MSR Facility remaining unchanged. In addition to the $750 million already outstanding, ResCap drew approximately $450 million under the MSR Facility in June 2008, fully utilizing the $1.2 billion of available funding.

- ResCap reached agreement to amend substantially all of its secured bilateral facilities thus extending the maturities of these facilities from various dates in 2008 to the end of May and beginning of June 2009. ResCap entered into a new syndicated $2.5 billion whole loan repurchase agreement to fund domestic conforming collateral. The facility is set to mature June 3, 2009.
- On July 2, 2008, GMAC and ResCap entered into an agreement (the Resort Finance Sale Agreement) pursuant to which GMAC Commercial Finance would acquire 100% of ResCap's resort finance business, including its subsidiary, RFC Resort Funding, LLC (collectively, the resort finance business), for a cash purchase price equal to the fair market value of the business. On June 3, 2008, we paid to ResCap an initial deposit of $250 million, representing estimated net proceeds related to this transaction.

  Under SFAS 144, the resort finance business was designated by ResCap as held-for-sale as of June 30, 2008, and subject to fair market valuation. The fair market value was determined by an independent, third-party valuation to be $96 million, plus the amount (if any) of a calculated deferred purchase price. In accordance with the terms of the purchase agreement, at the closing of the transaction on July 31, 2008, ResCap returned $154 million to GMAC, representing the difference between the deposit ResCap had received and the valuation, without regard to the deferred purchase price.

  Under the terms of the Resort Finance Sale Agreement, the deferred purchase price will be 25% of any excess of:

  – the sum of (i) proceeds of the assets of the resort finance business during the three years following the sale by ResCap, including sales proceeds and principal payments and recoveries, plus (ii) if less than all the assets or business of the resort finance business have been sold during such three-year period, the value of the remaining net assets of the business (whether positive or negative) as determined in the reasonable good faith judgment of the Chief Financial Officer of GMAC, over

  – the "basis" of GMAC Commercial Finance in the resort finance business, equal to the sum of (i) approximately $1.2 billion, plus (ii) the aggregate principal amount of any additional advances to obligors of the resort finance business after the sale by ResCap, plus (iii) any accrued but unpaid interest from such obligors on assets sold by GMAC Commercial Finance during such three-year period.

  Either party can accelerate the date for determining the deferred purchase price to be paid if the assets or business of the resort finance business has been substantially sold, such that the value of its remaining assets is less than $100 million. The obligation to pay the deferred purchase price terminates upon a change of control of ResCap.
- In June 2008, Cerberus Capital Management, L.P. or its designee(s) (Cerberus) purchased certain assets of ResCap with a carrying value of approximately $479 million for consideration consisting of $230 million in cash and a Series B junior preferred membership interest in a newly formed entity, CMH Holdings, LLC (CMH), which is not a subsidiary of ResCap or GMAC and the managing member of which is an affiliate of Cerberus. CMH purchased from ResCap model home and lot option assets. CMH is consolidated into ResCap under FIN 46(R) as ResCap was determined to be the primary beneficiary. In conjunction with this agreement, Cerberus has entered into both term and revolving loans with CMH. The term loan principal amount is equal to $230 million and the revolving loan maximum amount is $10 million. The loans will mature on June 30, 2013 and are secured by a pledge of all of the assets of CMH. At June 30, 2008, $222 million of the term loan was outstanding.
- On June 17, 2008, RFC and GMAC Commercial Finance, LLC (GMACCF), a subsidiary of GMAC, agreed to enter into a Receivables Factoring Facility (the Receivables Facility), whereby GMACCF agreed to purchase certain mortgage servicing advances. The servicing advances are part of the primary collateral securing the GMAC Facility and the New Notes. The proceeds from the

Source: GMAC LLC, 10-Q, August 08, 2008

Receivables Facility were reinvested in additional servicing advances that become primary collateral. The agreement provides for the purchase of receivables that satisfy certain eligibility requirements multiplied by a purchase price of 85%. The maximum outstanding receivables at any point in time less the 15% discount, cannot exceed $600 million. On June 17, 2008, GMACCF purchased $586 million face amount of receivables, resulting in a loss of $88 million for ResCap. The Receivables Facility will mature on June 16, 2009.

- Cerberus has committed to purchase certain assets of ResCap at ResCap's option consisting of performing and nonperforming mortgage loans, mortgage-backed securities, and other assets for net cash proceeds of $300 million. ResCap has commenced identifying the assets proposed to be sold to Cerberus. In addition, ResCap intends, but is not obligated, to undertake an orderly sale of certain assets of ResCap consisting of performing and nonperforming mortgage loans and mortgage-backed securities in arms-length transactions through the retention of nationally recognized brokers. Cerberus has committed to make firm bids to purchase the auctioned assets for net cash proceeds of $650 million. On July 14 and 15, 2008, GMAC Mortgage Corp. agreed to sell securitized excess servicing on two populations of loans to Cerberus. The two populations consist of $13.8 billion in unpaid principal balance of Freddie Mac loans and $24.8 billion in unpaid principal balance of Fannie Mae loans, capturing $982 million and $591 million of notional interest-only securities, respectively. The sales closed on July 30, 2008. The net proceeds of $166 million is the first completed transaction in the commitment made by Cerberus for net cash proceeds of $300 million.

Even with the successful implementation of all of the actions described above, ResCap may be required to execute asset sales or other capital generating actions over and above its normal mortgage finance activities to provide additional working capital. This additional cash required is solely an estimate based upon internal monthly cash forecasts targeting sufficient cash surpluses to prudently operate ResCap's business. As we actively manage ResCap's liquidity, certain asset liquidation initiatives may include, among other things, sale of retained interest in ResCap's mortgage securitizations, marketing of loans secured by time-share receivables, marketing of ResCap's United Kingdom and continental Europe mortgage loan portfolios, whole loan sales and marketing of businesses and platforms that are unrelated to ResCap's core mortgage finance business. Moreover, the amount of liquidity ResCap needs may be greater than currently anticipated as a result of additional factors and events (such as interest rate fluctuations and margin calls) that increase ResCap's cash needs causing it to be unable to independently satisfy its near-term liquidity requirements. ResCap remains highly leveraged relative to its cash flow. There continues to be a risk that ResCap will not meet its debt service obligations and be in a negative liquidity position in 2008.

Cash Flows

Net cash provided by operating activities was $10.3 billion for the six months ended June 30, 2008, compared to $6.4 billion for the same period in 2007. Net cash used by operating activities primarily includes cash used for the origination and purchase of certain mortgage and automotive loans held-for-sale and the cash proceeds from the sales of and principal repayments on such loans. Our ability to originate and sell mortgage loans at previously experienced volumes has been hindered by the continued depressed U.S. housing market and certain foreign mortgage and capital markets. These conditions contributed to an increase in net cash flow from operating activities as cash inflows from collections and sales of mortgage and automotive loans held-for-sale outpaced cash outflows from origination and purchases of new loans.

Net cash used in investing activities was $3.2 billion for the first six months ended June 30, 2008, compared to a source of cash of $1.6 billion for the same period in 2007. Considering the impact of sales activity, net cash flows associated with loans and finance receivables held-for-investment decreased approximately $10.5 billion during the six months ended June 30, 2008, compared to the same period in 2007. This decrease in cash was partially offset by an increase in cash from proceeds from sales and maturities of available-for-sale investment securities, net of purchases, of $5.9 billion in the first six months of 2008 compared to the same period a year ago.

Net cash used in financing activities for the six months ended June 30, 2008, totaled $10.5 billion, compared to $11.2 billion for the same period in 2007. This change was largely related to a decrease in cash

Source: GMAC LLC, 10-Q, August 08, 2008

outflows to repay long-term debt during the six months ended June 30, 2008, compared to the same period in 2007. Additionally, borrowing from certificates of deposit and brokered deposits increased as part of our diversified funding strategy. These increases in cash from financing activities were partially offset by an increase in cash used to pay down short-term debt and lower levels of cash inflows resulting from new long-term debt issuances.

Funding Sources

The following table summarizes debt and other sources of funding by source and the amount outstanding under each category for the periods shown.

	Outstanding	
($ in millions)	**June 30, 2008**	December 31, 2007
Commercial paper	**$1,064**	$1,439
Institutional term debt	**47,484**	61,457
Retail debt programs	**24,036**	26,175
Secured financings (a)	**89,621**	90,809
Bank loans and other	**10,941**	12,697
Total debt (b)	**173,146**	192,577
Bank deposits (c)	**17,132**	13,708
Off-balance sheet securitizations:		
Retail finance receivables	**15,649**	14,328
Wholesale loans	**11,579**	16,813
Mortgage loans	**134,847**	136,108
Total funding	**352,353**	373,534
Less: consolidated cash and cash equivalents	**(14,325)**	(17,677)
Net funding	**$338,028**	$355,857

(a) Includes securitization transactions that are accounted for on-balance sheet as secured financings totaling $61,171 million and $60,898 million at June 30, 2008, and December 31, 2007, respectively.
(b) Excludes fair value adjustment as described in Note 8 to our Condensed Consolidated Financial Statements.
(c) Includes consumer and commercial bank deposits and dealer wholesale deposits.

Short-term Debt

We obtain short-term funding from the sale of floating-rate demand notes under a program referred to as GMAC LLC Demand Notes. These notes can be redeemed at any time at the option of the holder thereof without restriction. Our domestic and international unsecured and secured commercial paper programs also provide short-term funding, as do short-term bank loans. While we attempt to stagger the maturities of our short-term funding sources to reduce refinancing risk, this has become more difficult given the current credit market environment.

As of June 30, 2008, we had $25.3 billion in short-term debt outstanding. Refer to Note 8 to our Condensed Consolidated Financial Statements for additional information about our outstanding short-term debt.

Long-term Unsecured Debt

We meet our long-term financing needs from a variety of sources, including unsecured debt and credit facilities. Historically, the unsecured debt markets were a key source of financing for us. However, given our current ratings profile, we have not been able to access the unsecured debt markets in a cost-effective manner. During the six months ended June 30, 2008, we did not issue unsecured debt in the capital markets.

Source: GMAC LLC, 10-Q, August 08, 2008

The following table presents the scheduled maturity of unsecured long-term debt at June 30, 2008, assuming that no early redemptions occur:

($ in millions)	Global Automotive Finance operations (a)	ResCap	Total
2008	$8,912	$271	$9,183
2009	12,389	634	13,023
2010	5,997	1,724	7,721
2011	12,274	221	12,495
2012	5,686	433	6,119
2013 and thereafter	18,281	1,272	19,553
Total unsecured long-term debt (b)	$63,539	$4,555	$68,094

(a) Consists of debt we or our subsidiaries incur to finance our Global Automotive Finance operations.
(b) Debt issues totaling $13.9 billion are redeemable at or above par, at our option, anytime prior to the scheduled maturity dates, the latest of which is November 2049.

Secured Financings and Off-balance Sheet Securitizations

As part of our ongoing funding and risk management practices, we have established secondary market trading and securitization arrangements that provide long-term financing primarily for our automotive and mortgage loans. We have had consistent and reliable access to these markets through our securitization activities in the past. However, given current market conditions, our access to the asset-backed securities market has been challenged. In the near term, there remains a limited access for certain securitizations, especially those that are supported by nonagency mortgage assets.

For the first six months of 2008, more than 97% of our North American Automotive Finance operations volume was funded through secured funding arrangements or automotive whole-loan sales. In the three months ended June 30, 2008, our North American Automotive Finance operations executed approximately $9.2 billion in automotive whole-loan sales and off-balance sheet securitizations. In addition, our North American Automotive Finance operations executed approximately $7.7 billion in secured funding during the quarter. Our International Automotive Finance operations funds approximately 30% of its operations through securitizations and other forms of secured funding.

As a part of ResCap's historical capital markets activity, predominantly in its international operations, several of its securitizations have certain servicer obligations contingent on actions by bond holders. These servicer obligations exist in its Dutch, German, and Australian securitization structures. Certain of these obligations provide the investors of the trust with the ability to put back these securities to the trust at a specified date in the future at par less losses previously allocated to the bond classes. ResCap, as servicer of the trust, is obligated to advance the funds required to redeem bond holders. ResCap has the option to purchase loans from the trust at their par value, the proceeds of which then can be used to offset the trust's obligation to repay the servicer. The specific dates that these options can be exercised range from seven to twelve years from the securitization date. The earliest exercise date for these options is the third quarter of 2009.

The total estimated amount of Dutch and German bonds subject to these servicer obligations is approximately $8.8 billion beginning in 2009 through 2019. The estimated obligation considers contractual amortization, prepayments, and defaults among other management assumptions. The portion that is exercisable prior to December 31, 2009 and 2010 is 1.1% of the total and 7.9% of the total, respectively. Approximately 72.2% of the total estimated bonds are eligible for this servicer obligation beginning in 2013 and after.

The total estimated amount of Australian bonds subject to these servicer obligations is approximately $117 million, all of which are exercisable in 2011.

We currently hold the residual interest (first loss bond) on all of these securitizations. To the extent that the potential bonds are put back to the trust and the loans are repurchased, we have already captured the estimated future credit losses on the underlying mortgage loans in the fair market value of the retained residuals we currently hold on our balance sheet. To the extent that losses are expected to arise from liquidity

of loans purchased pursuant to ResCap's servicer obligation (i.e. losses beyond the credit losses already reflected in the residual), it is ResCap's accounting policy to estimate this incremental liability as the exercise date approaches and the likelihood of exercise is probable.

As of June 30, 2008, the liabilities related to these servicer obligations, after considering the valuation of our residual interests, are immaterial.

The following table summarizes assets that are restricted as collateral for the payment of related debt obligations. These restrictions primarily arise from securitization transactions accounted for as secured borrowings and repurchase agreements. Excluded from the table is $4.3 billion of assets used to support certain global funding facilities. This support has been provided by transferring these assets to a wholly owned subsidiary of GMAC, which then provides a guarantee in favor of lenders under certain funding facilities.

	June 30, 2008		December 31, 2007	
($ in millions)	**Assets (a)**	**Related secured debt (b)**	Assets	Related secured debt (a)
Loans held-for-sale	**$6,590**	**$3,826**	$10,437	$6,765
Mortgage assets held-for-investment and lending receivables	**45,360**	**26,560**	45,534	33,911
Retail automotive finance receivables	**24,735**	**20,453**	23,079	19,094
Commercial automotive finance receivables	**14,519**	**11,732**	10,092	7,709
Investment securities	**1,315**	**823**	880	788
Investment in operating leases, net	**26,450**	**20,896**	20,107	17,926
Real estate investments and other assets	**20,351**	**5,331**	14,429	4,616
Total	**$139,320**	**$89,621**	$124,558	$90,809

(a) GMAC has a senior position on certain assets pledged by ResCap with subordinate positions held by GM, affiliates of Cerberus, and ultimately some third-parties.

(b) Included as part of secured debt are repurchase agreements of $1.1 billion and $3.6 billion through which we have pledged assets as collateral at June 30, 2008, and December 31, 2007, respectively.

Bank Deposits

We accept commercial and consumer deposits through GMAC Bank in the United States. The main sources of deposits for GMAC Bank are certificates of deposit and brokered deposits. As of June 30, 2008, GMAC Bank had approximately $16.9 billion of deposits, compared to $12.8 billion as of December 31, 2007. We also have banking operations in Argentina, Brazil, Colombia, France, Germany, and Poland that fund automotive assets.

Funding Facilities

The following table highlights committed, uncommitted, and total capacity under our secured and unsecured funding facilities as of June 30, 2008, and December 31, 2007. The financial institutions providing the uncommitted facilities are not legally obligated to advance funds under them.

Total liquidity facilities

	June 30, 2008			December 31, 2007		
($ in billions)	**Committed**	**Uncommitted**	**Total**	Committed	Uncommitted	Total
Unsecured funding facilities	**$2.8**	**$8.1**	**$10.9**	$12.6	$10.5	$23.1
Secured funding facilities	**120.6**	**15.3**	**135.9**	141.3	21.6	162.9
Total funding facilities	**$123.4**	**$23.4**	**$146.8**	$153.9	$32.1	$186.0

Unsecured Funding Facilities

The following table summarizes our unsecured committed capacity as of June 30, 2008, and December 31, 2007.

Unsecured committed facilities

($ in billions)	**June 30, 2008**			December 31, 2007		
	Outstanding	**Unused capacity**	**Total capacity**	Outstanding	Unused capacity	Total capacity
Global Automotive Finance operations:						
Revolving credit facility – 364 day	**$—**	**$—**	**$—**	$—	$3.0	$3.0
Revolving credit facility – multiyear	**0.5**	**—**	**0.5**	—	3.0	3.0
International bank lines	**1.9**	**0.4**	**2.3**	1.9	1.0	2.9
Total Global Automotive Finance operations	**2.4**	**0.4**	**2.8**	1.9	7.0	8.9
ResCap:						
Revolving credit facility – 364 day	**—**	**—**	**—**	—	0.9	0.9
Revolving credit facility – multiyear	**—**	**—**	**—**	—	0.9	0.9
Bank term loan	**—**	**—**	**—**	1.8	—	1.8
Total ResCap	**—**	**—**	**—**	1.8	1.8	3.6
Other:						
Commercial Finance operations	**—**	**—**	**—**	—	0.1	0.1
Total Other	**—**	**—**	**—**	—	0.1	0.1
Total	**$2.4**	**$0.4**	**$2.8**	$3.7	$8.9	$12.6

Revolving credit facilities — As of December 31, 2007, we had four unsecured syndicated bank facilities totaling approximately $7.8 billion. GMAC had a $3.0 billion 364-day facility maturing in June 2008 and a $3.0 billion five-year term facility maturing June 2012. ResCap had an $875 million 364-day facility maturing June 2008 and an $875 million three-year term facility maturing June 2010. In June 2008, lenders in the GMAC and ResCap unsecured revolving credit facilities were given the option of transferring their existing credit commitments to a new GMAC secured revolving credit facility at a multiple of their existing commitment amount. Of the 38 banks given this option, 30 of them, composing over 90% of the existing commitment amounts, exercised this option. All of the ResCap lenders opted to transfer their commitments, while some GMAC lenders chose not to transfer their commitments; therefore, they remained in the existing GMAC five-year term facility with amended terms and conditions. One of the amendments was the removal of a leverage covenant from the GMAC five-year term facility that restricted the ratio of consolidated borrowed funds (excluding certain obligations of bankruptcy-remote special-purpose entities) to consolidated net worth (including existing preferred membership interests) to be no greater than 11.0:1. The remaining commitments total $486 million and are available until June 2012. As of June 2008, the five-year term facility was fully drawn.

International bank lines — As of June 30, 2008, we maintained $943 million in committed unsecured bank facilities in Canada and $1.4 billion primarily in Europe.

Bank term loan — During June 2008, GMAC acquired $1.3 billion of the outstanding $1.8 billion ResCap term loan due to mature on July 28, 2008. This transaction was incorporated into the $3.5 billion senior secured credit facility extended from GMAC to subsidiaries of ResCap and therefore utilizes $1.3 billion of

the total capacity. ResCap paid the remainder of the term loan with proceeds from the $3.5 billion credit facility provided by GMAC.

Other — Our Commercial Finance operations utilizes letters of credit for certain aspects of their business.

The following table summarizes our unsecured uncommitted capacity as of June 30, 2008, and December 31, 2007.

Unsecured uncommitted facilities

	June 30, 2008			December 31, 2007		
($ in billions)	**Outstanding**	**Unused capacity**	**Total capacity**	Outstanding	Unused capacity	Total capacity
Global Automotive Finance operations:						
Lines of credit – Europe	**$3.0**	**$0.1**	**$3.1**	$4.7	$0.4	$5.1
Lines of credit – Latin America	**2.3**	**0.3**	**2.6**	2.2	0.7	2.9
Lines of credit – Asia Pacific	**1.2**	**0.6**	**1.8**	1.4	0.3	1.7
Total Global Automotive Finance operations	**6.5**	**1.0**	**7.5**	8.3	1.4	9.7
ResCap:						
Lines of credit	**0.3**	**—**	**0.3**	0.3	—	0.3
GMAC Bank: Fed Funds	**—**	**0.2**	**0.2**	—	0.2	0.2
Other	**—**	**—**	**—**	0.1	—	0.1
Total ResCap	**0.3**	**0.2**	**0.5**	0.4	0.2	0.6
Other:						
Commercial Finance operations	**0.1**	**—**	**0.1**	0.2	—	0.2
Total	**$6.9**	**$1.2**	**$8.1**	$8.9	$1.6	$10.5

Global Automotive Finance and Commercial Finance lines of credit — Our international operations utilize credit lines from local banks and local branches of multinational financial institutions. The lines generally have a documented credit limit to establish total capacity, but lenders are not obligated to fulfill loan requests if there is unutilized capacity. Also, lenders are not obligated to renew outstanding loans when they mature. The outstanding loans under these credit lines tend to be short-term in nature and therefore are renewed throughout the year. These credit lines are typically supported by a parent guarantee from GMAC LLC.

ResCap lines of credit — ResCap's lines of credit are used for general working capital purposes and have short-term maturities.

Source: GMAC LLC, 10-Q, August 08, 2008

Secured Funding Facilities

The following table shows the amount outstanding, unused, and total capacity under our secured committed facilities as of June 30, 2008, and December 31, 2007.

Secured committed facilities

	June 30, 2008			December 31, 2007		
($ in billions)	**Outstanding**	**Unused capacity**	**Total capacity**	Outstanding	Unused capacity	Total capacity
Global Automotive Finance operations:						
Whole-loan forward flow agreements	**$—**	**$25.3**	**$25.3**	$—	$37.4	$37.4
New Center Asset Trust (NCAT) and Total Asset Collateralized Notes LLC (TACN)	**—**	**10.0**	**10.0**	—	12.0	12.0
Revolving Credit Facility	**2.0**	**9.4**	**11.4**	—	—	—
U.S. facilities	**6.7**	**1.2**	**7.9**	8.4	0.6	9.0
Variable note funding facility	**3.6**	**2.4**	**6.0**	—	6.0	6.0
International facilities	**22.4**	**2.0**	**24.4**	22.5	1.8	24.3
Total Global Automotive Finance operations	**34.7**	**50.3**	**85.0**	30.9	57.8	88.7
ResCap:						
Repurchase agreements	**1.4**	**2.7**	**4.1**	3.6	3.3	6.9
Receivables Lending Agreement (RLA)	**—**	**—**	**—**	0.2	5.3	5.5
Mortgage Asset Lending Agreement (MALA)	**—**	**—**	**—**	0.1	3.1	3.2
Facilities for construction lending receivables	**1.2**	**0.2**	**1.4**	1.8	0.1	1.9
Facilities for mortgage servicing rights	**0.3**	**—**	**0.3**	0.4	0.2	0.6
Other	**3.9**	**3.3**	**7.2**	8.6	3.0	11.6
Total ResCap	**6.8**	**6.2**	**13.0**	14.7	15.0	29.7
Other:						
Bilateral secured	**13.0**	**8.4**	**21.4**	10.5	10.9	21.4
Commercial Finance operations	**0.7**	**0.4**	**1.1**	0.8	0.6	1.4
Insurance operations	**—**	**0.1**	**0.1**	—	0.1	0.1
Total Other	**13.7**	**8.9**	**22.6**	11.3	11.6	22.9
Total	**$55.2**	**$65.4**	**$120.6**	$56.9	$84.4	$141.3

Whole-loan forward flow agreements — These represent commitments to purchase U.S. automotive retail assets. One of our long-term strategic financing agreements includes a commitment from a financial institution to purchase up to $10.0 billion of U.S. retail auto finance contracts every year through June 2010. There is $20.0 billion of capacity under this funding arrangement as of June 30, 2008. Our other long-term strategic financing agreement provides funding of up to $5.3 billion through October 2010.

NCAT and TACN — NCAT is a special-purpose entity administered by us for the purpose of funding assets as part of our securitization funding programs. This entity funds assets primarily through the issuance of asset-backed commercial paper. The total capacity represents credit commitments that serve as backup liquidity to support the outstanding commercial paper. In June 2008, we added a feature to this program that allows us to transfer NCAT credit commitments to another secured facility, TACN, which is bank-funded. The

purpose of this feature is to give us the flexibility to more efficiently utilize our credit commitments and ensure access to liquidity in the event of market disruptions in the asset-backed commercial paper market. At June 30, 2008, NCAT had commercial paper outstanding of $7.4 billion, which is not included in our Condensed Consolidated Balance Sheet. A total of $1.0 billion of NCAT commitments have been transferred to TACN.

Revolving Credit Facility — In June 2008, we entered into a new secured revolving credit facility with capacity of $11.4 billion. This facility is secured by U.S. and Canadian automotive finance assets and the borrowers under the facility are structured as bankruptcy remote special-purpose entities. Capacity under this facility declines to $7.9 billion after two years and ultimately matures in June 2011.

This facility includes a leverage ratio covenant that requires our reporting segments, excluding the ResCap reporting segment, to have a ratio of consolidated borrowed funds to consolidated net worth not to exceed 11.0:1. For purposes of this calculation, the numerator is our total debt on a consolidated basis (excluding obligations of bankruptcy-remote special-purpose entities), less the total debt of the ResCap reporting segment in our consolidated balance sheet (excluding obligations of bankruptcy-remote special-purpose entities). The denominator is our consolidated net worth less ResCap's consolidated net worth and certain extensions of credit from us to ResCap. As of June 30, 2008, the leverage ratio was 10.1. The following table summarizes the calculation of the leverage ratio covenant.

June 30, 2008 *($ in millions)*	**GMAC LLC**	**Less: ResCap**	**Adjusted leverage metrics**
Consolidated borrowed funds:			
Total debt	$173,489	$48,210	$125,279
Less:			
Obligations of bankruptcy-remote SPEs	(61,171)	(7,900)	(53,271)
Intersegment eliminations	—	(8,227)	8,227
Consolidated borrowed funds used for leverage ratio	112,318	32,083	80,235
Consolidated net worth:			
Total equity	12,316	4,067	8,249
Less:			
Intersegment credit extensions (a)	(324)	—	(324)
Consolidated net worth used for leverage ratio	11,992	4,067	7,925
Leverage ratio (b)			**10.1**

(a) Consolidated net worth is reduced by extensions of credit to ResCap, except for certain permitted facilities, including the ResCap Facility, and the MSR Facility.

(b) This leverage ratio is calculated differently from previous periods as the terms have changed under the new secured revolving credit facility. We remain subject to the leverage ratio as previously calculated, but on significantly reduced debt balances relative to prior periods. As of June 30, 2008, the leverage ratio as calculated in previous periods was 9.1:1.

Global Automotive Finance operations secured facilities (United States and International) — These are primarily private securitization facilities that permanently fund a specific pool of assets. Many of the facilities are revolving and, therefore, allow for the funding of additional assets during the commitment period, usually 364 days. Internationally, there are also secured bank lines that provided $1.4 billion of total capacity at June 30, 2008.

Variable note funding facility — This facility is available to fund U.S. dealer floor plan receivables at all times, including in the event of GM filing for Chapter 11 bankruptcy reorganization. The facility has two separate maturity dates with $3.0 billion coming due in March 2009 and another $3.0 billion coming due in March 2010.

ResCap facilities — In June 2008, ResCap reached agreements to amend substantially all of its secured bilateral facilities (repurchase agreements, facilities for mortgage servicing rights, and others) thus extending the maturities of these facilities from various dates in 2008 to May and June 2009. These actions significantly mitigate near-term liquidity risk by renewing key funding sources for existing collateral and future loan originations.

Source: GMAC LLC, 10-Q, August 08, 2008

Repurchase agreements — ResCap has relationships with banks and securities firms to provide funding for mortgage loans and securities through repurchase agreements and other similar arrangements on a domestic and international basis. In June 2008, ResCap closed a new syndicated $2.5 billion whole-loan repurchase agreement to fund domestic conforming collateral. This facility matures in June 2009.

RLA and MALA — RLA and MALA facilities were terminated during the second quarter of 2008. Prior to the termination, the decline in borrowings under these facilities reflect ResCap's decision in 2007 to restrict warehouse lending activities and nontraditional mortgage originations as well as continuing disruptions in the asset-backed commercial paper market (which made borrowings under this facility less available and more expensive).

Other — Other secured facilities include certain facilities to fund mortgage loans prior to their sale or securitization. Internationally, this includes $5.1 billion of liquidity commitments to fund loans in the United Kingdom; $0.6 billion of liquidity commitments to fund loans originated in the Netherlands, Germany, and Spain; a $721 million liquidity commitment to fund loans in Australia; and a $69 million liquidity commitment to fund loans in Mexico. Domestically, other secured facilities to fund mortgage servicing advances had capacity of $0.7 billion as of June 30, 2008.

Bilateral secured facility — Effective September 6, 2007, we entered into an agreement with a financial institution, pursuant to which we could have access to up to $21.4 billion in various asset-backed funding facilities (the Facilities) through at least September 2008. Credit commitments totaling $14.4 billion had been provided with an additional $7.0 billion becoming available to the extent the Facilities were syndicated to other lenders. As of June 30, 2008, $10.0 billion of committed credit capacity was utilized to fund automotive assets. ResCap and Commercial Finance had committed credit capacity under the facilities of $1.5 billion and $2.3 billion, respectively, with outstanding amounts of $1.3 billion and $1.7 billion, respectively. Of the total funded amounts, $1.8 billion of the outstanding amount has been syndicated.

Commercial Finance operations — Maintains conduits to fund trade receivables.

The following table shows the amount outstanding, unused, and total capacity under our secured uncommitted facilities as of June 30, 2008, and December 31, 2007:

Secured uncommitted facilities

	June 30, 2008			December 31, 2007		
($ in billions)	**Outstanding**	**Unused capacity**	**Total capacity**	Outstanding	Unused capacity	Total capacity
Global Automotive Finance operations						
Repurchase agreements	**$0.2**	**$—**	**$0.2**	$ —	$—	$—
ResCap:						
Repurchase agreements	**—**	**3.1**	**3.1**	0.4	7.4	7.8
FHLB advances	**10.7**	**0.5**	**11.2**	11.3	1.3	12.6
Other	**0.1**	**0.7**	**0.8**	0.4	0.8	1.2
Total	**$11.0**	**$4.3**	**$15.3**	$12.1	$9.5	$21.6

FHLB Advances — GMAC Bank has entered into an advances agreement with Federal Home Loan Bank (FHLB). Under the agreement, as of June 30, 2008, and December 31, 2007, GMAC Bank had assets pledged and restricted as collateral totaling $31.9 billion and $28.4 billion, respectively, under the FHLB's existing blanket lien on all GMAC Bank assets. However, the FHLB will allow GMAC Bank to encumber any assets restricted as collateral not needed to collateralize existing FHLB advances. As of June 30, 2008, and December 31, 2007, GMAC Bank had $15.4 billion and $12.8 billion, respectively, of assets pledged under security interest that were available to be encumbered elsewhere.

Source: GMAC LLC, 10-Q, August 08, 2008

Credit Ratings

The cost and availability of unsecured financing are influenced by credit ratings, which are intended to be an indicator of the creditworthiness of a particular company, security, or obligation. Lower ratings generally result in higher borrowing costs and reduced access to capital markets. This is particularly true for certain institutional investors whose investment guidelines require investment-grade ratings on term debt and the two highest rating categories for short-term debt (particularly money market investors).

Substantially all our debt has been rated by nationally recognized statistical rating organizations. The following table summarizes our current ratings and outlook by the respective nationally recognized rating agencies.

Rating Agency	Commercial paper	Senior debt	Outlook	Date of last action
Fitch	B	B+	Negative	May 2, 2008 (a)
Moody's	Not-Prime	B3	Negative	June 16, 2008 (b)
S&P	C	B-	Negative	July 31, 2008 (c)
DBRS	R-5	B	Negative	June 20, 2008 (d)

(a) Fitch downgraded our senior debt to B+ from BB, affirmed the commercial paper rating of B, and maintained the outlook at Negative on May 2, 2008. Separately, on May 2, 2008, Fitch lowered our Corporate Debt Rating to BB- from BB.
(b) Moody's downgraded our senior debt to B3 from B2, affirmed the commercial paper rating of Not-Prime, and changed the outlook to Negative on June 16, 2008.
(c) Standard & Poor's downgraded our senior debt rating to B- from B, affirmed the commercial paper rating of C, and changed the outlook to Negative on July 31, 2008.
(d) DBRS downgraded our senior debt to B from BB (low), lowered the commercial paper rating to R-5 from R-4, and maintained the outlook at Negative on June 20, 2008.

In addition, ResCap, our indirect wholly owned subsidiary, has ratings (separate from GMAC) from the nationally recognized rating agencies. The following table summarizes ResCap's current ratings and outlook by the respective agency.

Rating agency	Commercial paper	Senior debt	Outlook	Date of last action
Fitch	C	D		June 4, 2008 (a)
Moody's	Not-Prime	Ca	Under Review-Negative	June 16, 2008 (b)
S&P	C	CCC-	Negative	July 15, 2008 (c)
DBRS	R-5	CC(high)	Negative	June 20, 2008 (d)

(a) Fitch downgraded ResCap's senior debt to D from C and affirmed the commercial paper rating of C on June 4, 2008.
(b) Moody's affirmed ResCap's senior debt rating of Ca, affirmed the commercial paper rating of Not-Prime, and changed the outlook to Under Review-Negative on June 16, 2008.
(c) Standard & Poor's upgraded ResCap's senior debt to CCC- from SD, affirmed the commercial paper rating of C, and maintained the outlook at Negative on July 15, 2008.
(d) DBRS downgraded ResCap's senior debt to CC(high) from CCC, affirmed the commercial paper rating of R-5, and changed the outlook to Negative on June 20, 2008.

Source: GMAC LLC, 10-Q, August 08, 2008

Off-balance Sheet Arrangements

We use off-balance sheet entities as an integral part of our operating and funding activities. For further discussion of our use of off-balance sheet entities, refer to the Off-balance Sheet Arrangements section in our 2007 Annual Report on Form 10-K.

The following table summarizes assets carried off-balance sheet in these entities.

($ in billions)	**June 30, 2008**	December 31, 2007
Securitization (a)		
Retail finance receivables	**$17.4**	$15.6
Wholesale loans	**12.3**	18.4
Mortgage loans	**135.6**	138.3
Total off-balance sheet activities	**$165.3**	$172.3

(a) Includes only securitizations accounted for as sales under SFAS 140, as further described in Note 8 to the Consolidated Financial Statements in our 2007 Annual Report on Form 10-K.

Critical Accounting Estimates

We have identified critical accounting estimates that, as a result of judgments, uncertainties, uniqueness, and complexities of the underlying accounting standards and operations involved could result in material changes to our financial condition, results of operations, or cash flows under different conditions or using different assumptions.

Our most critical accounting estimates are:

- Valuation of loans held-for-sale
- Determination of the allowance for credit losses
- Valuation of automotive lease residuals
- Valuation of mortgage servicing rights
- Valuation of interests in securitized assets
- Determination of reserves for insurance losses and loss adjustment expenses

Change in Accounting Principle

On January 1, 2008, we adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157) and Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 157 applies to assets and liabilities required to be measured at fair value under accounting principles generally accepted in the United States (GAAP). SFAS 159 permits entities to choose to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value under GAAP. If an entity elects fair value for a particular financial instrument under SFAS 159, the fair value measurement is within scope of the measurement and disclosure requirements of SFAS 157.

SFAS 157 provides a definition of fair value, establishes a framework for measuring fair value, and establishes a three-level hierarchy to be used when measuring and disclosing fair value. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Below is a description of the three hierarchy levels.

Level 1 Inputs are quoted prices in active markets for identical assets or liabilities as of the measurement date. Additionally, the entity must have the ability to access the active market and the quoted prices cannot be adjusted by the entity.

Level 2 Inputs include quoted prices in active markets for similar assets or liabilities; quoted prices in inactive markets for identical or similar assets or liabilities; or inputs that are observable or can be corroborated by observable market data by correlation or other means for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity. The unobservable inputs represent management's best assumptions of how market participants would price the assets and liabilities. Generally, Level 3 assets and liabilities are valued using price models, discounted cash flow methodologies, or similar techniques that require significant judgment or estimation.

We follow the fair value hierarchy set forth above in order to prioritize the data utilized to measure fair value. We strive to obtain quoted market prices in active markets (Level 1 inputs). If Level 1 inputs are not available, we will attempt to obtain Level 2 inputs, observable market prices in inactive markets, or derive the fair value measurement using observable market prices for similar assets or liabilities. When neither Level 1 nor Level 2 inputs are available, we use Level 3 inputs and internal valuation models to estimate fair value measurements. At June 30, 2008, approximately 18% of total assets, or $41.5 billion, consisted of financial instruments recorded at fair value. Approximately 55% of the assets reported at fair value were valued using Level 3 inputs. At June 30, 2008, approximately 2% of total liabilities, or $4.7 billion, consisted of financial instruments recorded at fair value. Approximately 78% of the liabilities reported at fair value were valued using Level 3 inputs. See Note 13 to the Condensed Consolidated Financial Statements for descriptions of valuation methodologies used to measure material assets and liabilities at fair value and details of the valuation models, key inputs to those models, and significant assumptions utilized.

Due to the nature of ResCap's mortgage banking operations, a large percentage of our fair value assets and liabilities are Level 3. These mortgage banking operations can be broadly described as follows:

- ResCap enters into interest rate lock commitments with borrowers or mortgage purchase commitments with correspondent lenders and other sellers. These commitments typically are considered derivative instruments under GAAP and are accounted for at fair value. Due to the underlying attributes of these mortgage loan commitments and that they do not trade in any market, these derivatives typically are Level 3 items.

- ResCap funds or purchases mortgage loans. We have not elected fair value for our mortgage loans held-for-sale portfolio. Rather, these loans are accounted for at lower of cost or market under GAAP. The loans are valued differently depending on the underlying characteristics of the loan. Generally speaking, loans that will be sold to agencies and the majority of international loans where recently negotiated market prices for the pool exist with a counterparty are Level 2, while domestic loans that cannot be sold to agencies and delinquent loans are Level 3 due to lack of observable market prices.

- ResCap ultimately sells its mortgage loans included in the held-for-sale portfolio, either to the agencies, to whole-loan purchasers, or via off-balance sheet securitization structures. When we sell loans into any of the three channels above, we typically will retain servicing rights. We have opted to carry our servicing rights at fair value under SFAS No. 156, *Accounting for Servicing of Financial Assets*. Further, when the loans are sold into off-balance sheet securitizations, we will often retain residual interests and/or certain classes of bonds. These retained bonds may include interest-only strips, principal-only securities, or principal and interest-paying bonds (typically the subordinated bonds), all of which are carried at fair value within investment securities on our Condensed Consolidated Balance Sheet. Due to the lack of observable market prices or data, our servicing rights and retained residual interests typically are Level 3 items.

- ResCap has previously executed securitizations that have not qualified for sale treatment under SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. The collateral in these securitizations are classified as loans held-for-investment, and related debt is recorded on our Condensed Consolidated Balance Sheet. We have elected fair value for both the collateral and debt in certain of these securitizations. Due to the characteristics of the underlying loan

collateral (nonprime and home equities), the collateral and debt are both classified as Level 3. Refer to Note 13 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the fair value election.

We also have certain operations outside our mortgage banking activities that result in our holding Level 3 assets and liabilities. These include on-balance sheet collateralized debt obligation transactions, mortgage-backed and asset-backed securities, and other financial instruments.

Due to the amount of our assets and liabilities recorded at fair value, our balance sheet and income statement can be significantly impacted by fluctuations in market prices. While we execute various hedging strategies to mitigate our exposure to changes in fair value, we cannot fully eliminate our exposure to volatility caused by fluctuations in market prices. Beginning in 2007 and continuing into 2008, the global credit markets have experienced severe dislocation. Market demand for asset-backed securities, particularly those backed by mortgage assets, has significantly contracted and in many markets has virtually disappeared. Further, market demand for whole-loan purchases has also contracted. These unprecedented market conditions have adversely impacted us and our competitors. As the market conditions continue, our assets and liabilities are subject to valuation adjustment and changes in the inputs we utilize to measure fair value.

For the three months and six months ended June 30, 2008, certain recurring changes in the fair value of assets and liabilities have been included in our financial results. As a result of further deterioration in the mortgage market and underlying collateral valuations, we experienced declines in the fair value of our mortgage loans held-for-sale, which are classified as consumer finance receivables and loans on the Condensed Consolidated Statement of Income, resulting in significant valuation losses materially impacting our financial results. At the same time, our mortgage loans held-for-investment and debt held in our on-balance sheet securitizations, in which we elected the fair value option under SFAS 159, experienced offsetting valuation declines. As the mortgage loan held-for-investment asset declines in value, resulting in losses, the securitized debt declines, resulting in offsetting valuation gains. For the six months ended, we have additional increases in the fair value of mortgage servicing rights and associated hedging derivatives primarily due to slower prepayment speeds enhancing the value of our mortgage servicing rights and a steeper overall yield curve in the first quarter of 2008, resulting in a positive impact of our hedging activity, and favorable valuation of our mortgage servicing right and derivative assets. The decrease in the fair value of trading securities for the three and six months ended were substantially attributable to the decline in the fair value of residual interests that continue to be held by us through our off-balance sheet securitizations, resulting from increasing credit losses, rating agency downgrades, declines in value of underlying collateral, market illiquidity, and changes in discount rate assumptions in certain foreign markets.

For the three months and six months ended June 30, 2008 certain nonrecurring changes in the fair value of assets and liabilities have been included in our financial results. A $716 million impairment of vehicle operating lease assets was recognized by our North American operations that resulted from a sharp decline in used vehicle sales prices for sport-utility vehicles and trucks in the United States and Canada, reducing our expected residual value for these vehicles. These same economic factors also created losses related to our investment in used vehicles held-for-sale, as the fair value of certain vehicles held-for-sale.

We have numerous internal controls in place to ensure the appropriateness of fair value measurements. Significant fair value measures are subject to detailed analytics and management review and approval. We have an established model validation policy and program in place that covers all models used to generate fair value measurements. This model validation program ensures a controlled environment is used for the development, implementation, and use of the models and change procedures. Further, this program uses a risk-based approach to select models to be reviewed and validated by an independent internal risk group to ensure the models are consistent with their intended use, the logic within the models is reliable, and the inputs and outputs from these models are appropriate. Additionally, a wide array of operational controls is in place to ensure the fair value measurements are reasonable, including controls over the inputs into, and the outputs from, the fair value measurement models. For example, we backtest the internal assumptions used within models against actual performance. We also monitor the market for recent trades, market surveys, or other market information that may be used to benchmark model inputs or outputs. Certain valuations will also be

benchmarked to market indices when appropriate and available. We have scheduled model and/or input recalibrations that occur on a periodic basis but will recalibrate earlier if significant variances are observed as part of the backtesting or benchmarking noted above.

Considerable judgment is used in forming conclusions from market observable data used to estimate our Level 2 fair value measurements and in estimating inputs to our internal valuation models used to estimate our Level 3 fair value measurements. Level 3 inputs such as interest rate movements, prepayment speeds, credit losses, and discount rates are inherently difficult to estimate. Changes to these inputs can have a significant affect on fair value measurements. Accordingly, our estimates of fair value are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange.

Besides elections made under SFAS 159, there have been no significant changes in the methodologies and processes used in developing these estimates from what was described in our 2007 Annual Report on Form 10-K.

Refer to Note 1 and Note 13 of the Notes to Condensed Consolidated Financial Statements for additional information on changes in accounting principle.

Recently Issued Accounting Standards

Refer to Note 1 of the Notes to Condensed Consolidated Financial Statements.

Forward Looking Statements

The foregoing Management's Discussion and Analysis of Financial Condition and Results of Operations and other portions of this Form 10-Q 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," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "intend," "evaluate," "pursue," "seek," "may," "would," "could," "should," "believe," "potential," "continue," or the negative of any of those words or similar expressions is intended to identify forward-looking statements. All statements herein, 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 Item 1A of our 2007 Annual Report on Form 10-K, as updated by subsequent reports on SEC Forms 10-Q. Such factors include, among others, the following: securing low cost funding for GMAC and ResCap; maintaining the mutually beneficial relationship between GMAC and GM; our ability to maintain an appropriate level of debt; the profitability and financial condition of GM; restrictions on ResCap's ability to pay dividends to us; recent developments in the residential mortgage market, especially in the nonprime sector; continued deterioration in the residual value of off-lease vehicles; the impact on ResCap of the continuing 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 markets in which we fund GMAC's and ResCap's operations, with resulting negative impact on our liquidity; changes in our contractual servicing rights; costs and risks associated with litigation; 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

Source: GMAC LLC, 10-Q, August 08, 2008

the existing or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our automotive financing, mortgage, and insurance activities give rise to market risk, representing the potential loss in the fair value of assets or liabilities caused by movements in market variables, such as interest rates, foreign-exchange rates, and equity prices. We are primarily exposed to interest rate risk arising from changes in interest rates related to financing, investing, and cash management activities. More specifically, we have entered into contracts to provide financing, to retain mortgage servicing rights, and to retain various assets related to securitization activities all of which are exposed in varying degrees to changes in value due to movements in interest rates. Interest rate risk arises from the mismatch between assets and the related liabilities used for funding. We enter into various financial instruments, including derivatives, to maintain the desired level of exposure to the risk of interest rate fluctuations. Refer to Note 9 to our Condensed Consolidated Financial Statements for further information.

We are exposed to foreign-currency risk arising from the possibility that fluctuations in foreign-exchange rates will affect future earnings or asset and liability values related to our global operations. Our most significant foreign-currency exposures relate to the Euro, Canadian dollar, British pound sterling, Brazilian real, Mexican peso, and Australian dollar.

We are also exposed to equity price risk, primarily in our Insurance operations, which invests in equity securities that are subject to price risk influenced by capital market movements. Our equity securities are considered investments, and we do not enter into derivatives to modify the risks associated with our Insurance operations' investment portfolio.

While the diversity of activities from our complementary lines of business may partially mitigate market risk, we also actively manage this risk. We maintain risk management control systems to monitor interest rate, foreign-currency exchange rate, equity price risks, and any of their related hedge positions. Positions are monitored using a variety of analytical techniques including market value, sensitivity analysis, and value at risk models.

Since December 31, 2007, there have been no material changes in these market risks. Refer to our Annual Report on Form 10-K for the year ended December 31, 2007, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, filed with the Securities and Exchange Commission, for further discussion on value at risk and sensitivity analysis.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), designed to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized, and reported within the specified time periods. As of the end of the period covered by this report, our Chief Executive Officer and our Chief Financial Officer evaluated, with the participation of our management, the effectiveness of our disclosure controls and procedures. Based on our evaluation, GMAC's Chief Executive Officer and Chief Financial Officer each concluded that our disclosure controls and procedures were effective as of June 30, 2008.

There were no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the

Source: GMAC LLC, 10-Q, August 08, 2008

inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within GMAC have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Source: GMAC LLC, 10-Q, August 08, 2008

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to potential liability under laws and government regulations and various claims and legal actions that are pending or may be asserted against us. Please refer to the Legal Proceedings section in our 2007 Annual Report on Form 10-K for additional information regarding pending legal proceedings.

Item 1A. Risk Factors

Other than with respect to the risk factors provided below, there have been no material changes to the Risk Factors described in our 2007 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.

Risks Related to Our Business

Our business requires substantial capital, and a disruption in our funding sources, diminished access to the capital markets, or increased borrowing costs could have a material adverse effect on our liquidity and financial condition

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to capital and the costs associated with raising funds in different segments of the capital markets. We depend and will continue to depend on our ability to access diversified funding alternatives to meet future cash flow requirements and to continue to fund our operations. The capital markets have remained highly volatile and liquidity has been significantly reduced. These conditions, in addition to the reduction in our credit ratings, have resulted in increased borrowing costs and our inability to access the unsecured debt markets in a cost-effective manner. This has resulted in an increased reliance on asset-backed and other secured sources of funding. We further have regular renewals of outstanding bank loans and credit facilities, and our inability to renew these loans and facilities as they mature could have a negative impact on our liquidity position. We also have significant maturities of unsecured notes each year. In order to retire these instruments, we either will need to refinance this debt or generate sufficient cash to retire the debt. In addition, continued or further negative events specific to us or our 49% owner, GM, could further adversely impact our funding sources. As an example, an insolvency event for GM would curtail our ability to utilize certain of our automotive wholesale loan securitization structures as a source of funding in the future. Furthermore, we have recently provided a significant amount of funding to ResCap, and as a result any negative events with respect to ResCap could have an adverse effect on our consolidated financial position.

ResCap's liquidity has been significantly impaired, and may be further impaired, due to circumstances beyond our control, such as adverse changes in the economy and general market conditions. Continued deterioration in ResCap's business performance could further limit, and recent reductions in its credit ratings have limited, ResCap's ability to access the capital markets on favorable terms. During recent volatile times in the capital and secondary markets, especially since August 2007, access to aggregation and other forms of financing, as well as access to securitization and secondary markets for the sale of ResCap's loans, has been severely constricted. Furthermore, ResCap's access to capital has been impacted by changes in the market value of its mortgage products and the willingness of market participants to provide liquidity for such products.

ResCap's liquidity has also been adversely affected, and may be further adversely affected in the future, by margin calls under certain of ResCap's secured credit facilities that are dependent in part on the lenders' valuation of the collateral securing the financing. Each of these credit facilities allows the lender, to varying degrees, to revalue the collateral to values that the lender considers to reflect market values. If a lender determines that the value of the collateral has decreased, it may initiate a margin call requiring ResCap to post additional collateral to cover the decrease. When ResCap is subject to such a margin call, it must provide the lender with additional collateral or repay a portion of the outstanding borrowings with minimal notice. Any such margin call could harm ResCap's liquidity, results of operation, financial condition and business prospects. Additionally, in order to obtain cash to satisfy a margin call, ResCap may be required to liquidate assets at a disadvantageous time, which could cause ResCap to incur further losses and adversely affect its

Source: GMAC LLC, 10-Q, August 08, 2008

results of operations and financial condition. Furthermore, continued volatility in the capital markets has made determination of collateral values uncertain compared to our historical experience, and many of ResCap's lenders are taking a much more conservative approach to valuations. As a result, the frequency and magnitude of margin calls has increased, and we expect both to remain high compared to historical experience for the foreseeable future.

Recent developments in the market for many types of mortgage products (including mortgage-backed securities) have resulted in reduced liquidity for these assets. Although this reduction in liquidity has been most acute with regard to nonprime assets, there has been an overall reduction in liquidity across the credit spectrum of mortgage products. As a result, ResCap's liquidity has been and will continue to be negatively impacted by margin calls and changes to advance rates on ResCap's secured facilities. One consequence of this funding reduction is that ResCap may decide to retain interests in securitized mortgage pools that in other circumstances it would sell to investors, and ResCap will have to secure additional financing for these retained interests. If ResCap is unable to secure sufficient financing for them, or if there is further general deterioration of liquidity for mortgage products, it will adversely impact ResCap's business.

ResCap has significant near-term liquidity issues. There is a significant risk that ResCap will not be able to meet its debt service obligations and other funding obligations in the near term.

ResCap expects continued liquidity pressures for the remainder of 2008 and the early part of 2009. ResCap is highly leveraged relative to its cash flow. As of June 30, 2008, ResCap's liquidity portfolio (cash readily available to cover operating demands from across our business operations and maturing obligations) totaled $1.5 billion. ResCap has approximately $0.3 billion aggregate principal amount of notes due in November 2008. Though in June ResCap extended the maturities of most of its secured, short-term debt until April and May 2009, ResCap had approximately $3.3 billion of secured, short-term debt and approximately $0.3 billion of unsecured notes outstanding as of June 30, 2008 maturing in 2008, excluding debt of GMAC Bank.

ResCap expects that additional and continuing liquidity pressure, which is difficult to forecast with precision, will result from the obligation of its subsidiaries to advance delinquent principal, interest, property taxes, casualty insurance premiums and certain other amounts with respect to mortgage loans that ResCap services that become delinquent. Recent increases in delinquencies with respect to ResCap's servicing portfolio have increased the overall level of such advances, as well as extending the time over which ResCap expects to recover such amounts under the terms of its servicing contracts. ResCap also must find alternate funding sources for assets that must periodically be withdrawn from some of its financing facilities as maximum funding periods for those assets expire. In addition, in connection with the recent restructuring of ResCap's credit facilities, ResCap became subject to a requirement to maintain minimum cash balances outside GMAC Bank in order to continue its access to those facilities. ResCap will attempt to meet these and other liquidity demands through a combination of operating cash and additional asset sales. The sufficiency of these sources of additional liquidity cannot be assured, and any asset sales, even if they raise sufficient cash to meet ResCap's liquidity needs, may result in losses that negatively affect ResCap's overall profitability and financial condition.

Moreover, even if ResCap is successful in implementing all of the actions described above, ResCap's ability to satisfy its liquidity needs and comply with any covenants included in its debt agreements requiring maintenance of minimum cash balances may be affected by additional factors and events (such as interest rate fluctuations and margin calls) that increase ResCap's cash needs making it unable to independently satisfy near-term liquidity requirements.

Current conditions in the residential mortgage market and housing markets may continue to adversely affect our earnings and financial condition.

Recently, the residential mortgage market in the United States, Europe, and other international markets in which we conduct business has experienced a variety of difficulties and changed economic conditions that adversely affected our earnings and financial condition in full-year 2007 and in 2008 to date. Delinquencies and losses with respect to ResCap's nonprime mortgage loans increased significantly and may continue to

increase. Housing prices in many parts of the United States, the United Kingdom, and other international markets have also declined or stopped appreciating, after extended periods of significant appreciation. In addition, the liquidity provided to the mortgage sector has recently been significantly reduced. This liquidity reduction combined with ResCap's decision to reduce its exposure to the nonprime mortgage market caused ResCap's nonprime mortgage production to decline, and such declines are expected to continue. Similar trends have emerged beyond the nonprime sector, especially at the lower end of the prime credit quality scale, and have had a similar effect on ResCap's related liquidity needs and businesses in the United States, Europe, and other international markets. These trends have resulted in significant write-downs to ResCap's mortgage loans held-for-sale and trading securities portfolios and additions to its allowance for its loan losses for its mortgage loans held-for-investment and warehouse lending receivables portfolios. A continuation of these conditions, which we anticipate in the near term, may continue to adversely affect our financial condition and results of operations.

Moreover, the continued deterioration of the U.S. housing market and decline in home prices in 2007 and 2008 to date in many U.S. and international markets, which we anticipate will continue for the near term, are likely to result in increased delinquencies or defaults on the mortgage assets that ResCap owns and services. Further, loans that were made based on limited credit or income documentation also increase the likelihood of future increases in delinquencies or defaults on mortgage loans. An increase in delinquencies or defaults will result in a higher level of credit losses and credit related expenses, as well as increased liquidity requirements to fund servicing advances, all of which in turn will reduce our revenues and profits. Higher credit losses and credit-related expenses also could adversely affect our financial condition.

ResCap's lending volume is generally related to the rate of growth in U.S. residential mortgage debt outstanding and the size of the U.S. residential mortgage market. Recently, the rate of growth in total U.S. residential mortgage debt outstanding has slowed sharply in response to the reduced activity in the housing market and national declines in home prices. A decline in the rate of growth in mortgage debt outstanding reduces the number of mortgage loans available for ResCap to purchase or securitize, which in turn could lead to a reduction in its revenue, profits, and business prospects.

Given the recent disruptions and changes in the mortgage market, ResCap faces the need to make significant changes in its business processes and activities. At the same time, ResCap is experiencing losses of staff resources at many levels, as a result of both attrition and its previously announced restructuring. The loss of staff beyond ResCap's control increases the difficulty it faces in executing these adaptive changes to its business, and those difficulties represent an additional risk to ResCap's business and operating results.

Recent negative developments in ResCap's mortgage markets have led ResCap to reduce the number of mortgage products it offers.

As a result of decreased liquidity for a number of mortgage products, including nonprime mortgage products and many products offered through ResCap's international businesses, ResCap no longer offers those products in the affected markets. In ResCap's domestic mortgage business, it has shifted the bulk of its loan production to prime mortgage products that conform to the requirements of government-sponsored enterprises. In ResCap's international business, it generally restricts originations to those products and markets for which liquidity remains available, and ResCap has suspended new loan originations in the United Kingdom, Europe, and Australia. The products that are currently relatively liquid are generally not as profitable as the broader range of products ResCap has traditionally offered. In addition, in the United States and some other markets, a number of competitors offer similar mortgage products, resulting in compression on interest margins and gains on sales. As a result, ResCap's operations will generally be less profitable than they would be if ResCap was able to offer a more diversified product line.

Changes in existing U.S. government-sponsored mortgage programs, or disruptions in the secondary markets in the United States or in other countries in which we operate, could adversely affect our profitability and financial condition.

The ability of ResCap to generate revenue through mortgage loan sales to institutional investors in the United States depends to a significant degree on programs administered by government-sponsored enterprises

such as Fannie Mae, Freddie Mac, Ginnie Mae, and others that facilitate the issuance of mortgage-backed securities in the secondary market. These government-sponsored enterprises play a powerful role in the residential mortgage industry and ResCap has significant business relationships with them. Proposals have recently been enacted in Congress and are under consideration by various regulatory authorities that would affect the manner in which these government-sponsored enterprises conduct their business, including establishing a new independent agency to regulate the government-sponsored enterprises, to require them to register their stock with the SEC, to reduce or limit certain business benefits that they receive from the U.S. government, and to limit the size of the mortgage loan portfolios that they may hold. In addition, the government-sponsored enterprises themselves have been negatively affected by recent mortgage market conditions, including conditions that have threatened their access to debt financing. Any discontinuation of, or significant reduction in, the operation of these government-sponsored enterprises could adversely affect our revenues and profitability. Also, any significant adverse change in the level of activity in the secondary market, including declines in the institutional investors' desire to invest in ResCap's mortgage products, could adversely affect our business.

ResCap uses three primary sales channels to sell its mortgage loans to the secondary market: whole-loan sales, sales to government-sponsored enterprises, and securitizations. A decrease in demand for whole-loan purchasers or the government-sponsored enterprises, or for the securities issued in our securitizations, could adversely affect our revenues and profitability.

GMAC and certain of our owners are subject to regulatory agreements that may affect our control of GMAC Bank.

As previously disclosed, on February 1, 2008, Cerberus FIM, LLC; Cerberus FIM Investors, LLC; and FIM Holdings LLC (collectively, the FIM Entities), submitted a letter to the Federal Deposit Insurance Corporation (FDIC) requesting that the FDIC waive certain of the requirements contained in a two-year disposition agreement among each of the FIM Entities and the FDIC that was entered into in connection with the sale by General Motors Corporation of 51% of the equity interests in GMAC (the Sale Transaction). The Sale Transaction resulted in a change of control of GMAC Bank, an industrial bank, which required the approval of the FDIC. Prior to the Sale Transaction, the FDIC had imposed a moratorium on the approval of any applications for change in bank control notices submitted to the FDIC with respect to any industrial bank. As a condition to granting the application in connection with the change of control of GMAC Bank during the moratorium, the FDIC required each of the FIM Entities to enter into a two-year disposition agreement. That agreement required, among other things, that by no later than November 30, 2008, the FIM Entities complete one of the following actions: (1) become registered with the appropriate federal banking agency as a depository institution holding company pursuant to the Bank Holding Company Act or the Home Owners' Loan Act, (2) divest control of GMAC Bank to one or more persons or entities other than prohibited transferees, (3) terminate GMAC Bank's status as an FDIC-insured depository institution, or (4) obtain from the FDIC a waiver of the requirements set forth in this sentence on the ground that applicable law and FDIC policy permit similarly situated companies to acquire control of FDIC-insured industrial banks. On July 15, 2008, the FDIC determined to address the FIM Entities' waiver request through execution of a ten-year extension of the existing two-year disposition requirement. Pursuant to the extension, the FIM Entities have until November 30, 2018, to complete one of the four actions enumerated above. Certain agreements, which GMAC, GMAC Bank, and the FIM Entities entered into with the FDIC as a condition to the FDIC granting the ten-year extension, require, among other things, both GMAC and GMAC Bank to maintain specified capital levels. In the event required levels are not maintained or other provisions of the agreements are breached, the FDIC could exercise its discretionary powers and seek to take actions in response. Such actions could include termination or modification of the ten-year extension.

Our profitability and financial condition has been materially adversely affected by decreases in the residual value of off-lease vehicles, and such decreases may continue.

Our expectation of the residual value of a vehicle subject to an automotive lease contract is a critical element used to determine the amount of the lease payments under the contract at the time the customer enters into it. As a result, to the extent the actual residual value of the vehicle, as reflected in the sales proceeds

Source: GMAC LLC, 10-Q, August 08, 2008

received upon remarketing, is less than the expected residual value for the vehicle at lease inception, we incur additional depreciation expense and/or a loss on the lease transaction. General economic conditions, the supply of off-lease vehicles, and new vehicle market prices heavily influence used vehicle prices and thus the actual residual value of off-lease vehicles. The recent sharp decline in demand and used vehicle sale prices for sport-utility vehicles and trucks in the United States and Canada has affected GMAC's remarketing proceeds for these vehicles, and has resulted in an impairment of $716 million during the three months ended June 30, 2008. These trends may continue. GM's brand image, consumer preference for GM products, and GM's marketing programs that influence the new and used vehicle market for GM vehicles also influence lease residual values. In addition, our ability to efficiently process and effectively market off-lease vehicles impacts the disposal costs and proceeds realized from the vehicle sales. While GM provides support for lease residual values, including through residual support programs, this support by GM does not in all cases entitle us to full reimbursement for the difference between the remarketing sales proceeds for off-lease vehicles and the residual value specified in the lease contract. Differences between the actual residual values realized on leased vehicles and our expectations of such values at contract inception could continue to have a negative impact on our profitability and financial condition.

The worldwide financial services industry is highly competitive. If we are unable to compete successfully or if there is increased competition in the automotive financing, mortgage, and/or insurance markets or generally in the markets for securitizations or asset sales, our margins could be materially adversely affected.

The markets for automotive and mortgage financing, insurance, and reinsurance are highly competitive. The market for automotive financing has grown more competitive as more consumers are financing their vehicle purchases, primarily in North America and Europe. Our mortgage business faces significant competition from commercial banks, savings institutions, mortgage companies, and other financial institutions. Our insurance business faces significant competition from insurance carriers, reinsurers, third-party administrators, brokers, and other insurance-related companies. Many of our competitors have substantial positions nationally or in the markets in which they operate. Some of our competitors have lower cost structures, lower cost of capital, and are less reliant on securitization and sale activities. We face significant competition in various areas, including product offerings, rates, pricing and fees, and customer service. This competition may increase as we have recently increased pricing on certain lending activities. If we are unable to compete effectively in the markets in which we operate, our profitability and financial condition could be negatively affected.

The markets for asset and mortgage securitizations and whole-loan sales are competitive, and other issuers and originators could increase the amount of their issuances and sales. In addition, lenders and other investors within those markets often establish limits on their credit exposure to particular issuers, originators and asset classes, or they may require higher returns to increase the amount of their exposure. Increased issuance by other participants in the market, or decisions by investors to limit their credit exposure to — or to require a higher yield for — us or to automotive or mortgage securitizations or whole loans, could negatively affect our ability and that of our subsidiaries to price our securitizations and whole-loan sales at attractive rates. The result would be lower proceeds from these activities and lower profits for our subsidiaries and us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

The following matters were submitted to a vote of GMAC security holders during the second quarter of 2008:

- Effective April 1, 2008, the holders of GMAC's Class B Common Equity Interests appointed Ray G. Young as a Class B Manager to fill the vacancy created by the resignation of G. Richard Wagoner, Jr. as a Class B Manager.
- Effective May 15, 2008, the holders of GMAC's Class A and Class B Common Equity Interests approved by joint unanimous written consent (1) the waiver of GMAC's obligation to disburse payment of the Preferred Accrued Distribution Amount for the first fiscal quarter of 2008 within the time period contemplated by Section 5.1(a) of GMAC's Amended and Restated Limited Liability Company Operating Agreement dated as of November 30, 2006, as amended from time to time (the Operating Agreement), and (2) the extension to June 30, 2008, of the time period contemplated by Section 5.1(a) of the Operating Agreement for disbursement of the Preferred Accrued Distribution Amount for the first fiscal quarter of 2008. The waiver and extension are for the fiscal quarter ending March 31, 2008 only.

Item 5. Other Information

None.

Item 6. Exhibits

The exhibits listed on the accompanying Index of Exhibits are filed as a part of this report. This Index is incorporated herein by reference.

Source: GMAC LLC, 10-Q, August 08, 2008

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, this 7th day of August 2008.

GMAC LLC
(Registrant)

/s/ ROBERT S. HULL

Robert S. Hull
Executive Vice President and
Chief Financial Officer

/s/ DAVID J. DEBRUNNER

David J. DeBrunner
Vice President, Chief Accounting Officer, and
Corporate Controller

Source: GMAC LLC, 10-Q, August 08, 2008

INDEX OF EXHIBITS

Exhibit	Description	Method of Filing
10.1	Participation Agreement dated as of June 4, 2008 between each of GMAC LLC, General Motors Corporation, and Cerberus ResCap Financing LLC	Filed herewith.
10.2	Parent Company Agreement dated July 21, 2008 between each of GMAC LLC, Cerberus FIM, LLC, Cerberus FIM Investors, LLC, FIM Holdings LLC, IB Finance Holding Company, LLC, GMAC Bank and the Federal Deposit Insurance Corporation	Filed herewith.
10.3	Capital and Liquidity Maintenance Agreement dated July 21, 2008 between each of GMAC LLC, Cerberus FIM, LLC, Cerberus FIM Investors, LLC, FIM Holdings LLC, IB Finance Holding Company, LLC, GMAC Bank and the Federal Deposit Insurance Corporation	Filed herewith.
10.4	GMAC Long-Term Incentive Plan LLC Long-Term Equity Compensation Incentive Plan, dated July 16, 2008	Filed herewith.
10.5	GMAC Long-Term Incentive Plan LLC Form Award Letter	Filed herewith.
10.6	GMAC LLC Senior Leadership Severance Plan, Plan Document and Summary Plan Description, Effective June 1, 2008	Filed herewith.
10.7	Purchase Agreement among Residential Capital, LLC, GMAC Model Home Finance I, LLC, and CMH Holdings LLC, dated June 6, 2008	Filed herewith.
12	Computation of Ratio of Earnings to Fixed Charges	Filed herewith.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)	Filed herewith.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)	Filed herewith.

The following exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that Section. In addition, Exhibit No. 32 shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934

Exhibit	Description	Method of Filing
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350	Filed herewith.

Source: GMAC LLC, 10-Q, August 08, 2008

Exhibit 10.1

PARTICIPATION AGREEMENT

dated as of June 4, 2008

between

GMAC LLC, a Delaware limited liability company,

as Seller,

General Motors Corporation, a Delaware corporation,

as a Participant

and

Cerberus ResCap Financing LLC, a Delaware limited liability company,

as a Participant

TABLE OF CONTENTS

		Page
Section 1.	Definitions	1
Section 2.	Sale of Participation	5
Section 3.	Unconditional Obligation	6
Section 4.	Additional Payments	6
Section 5.	Maximum Participant Commitment	6
Section 6.	Representations and Warranties	7
Section 7.	Payments to Participant	7
Section 8.	Subordination of Participations	8
Section 9.	Administration	9
Section 10.	Non-Recourse; Independent Investigation	10
Section 11.	Expenses; Indemnity	11
Section 12.	Taxes	12
Section 13.	Reimbursement	12
Section 14.	Set-off	12
Section 15.	Nature of Interest	13
Section 16.	Miscellaneous	13

PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT (this "Agreement") dated as of June 4, 2008 is between GMAC LLC, a Delaware limited liability company (the "Seller"), General Motors Corporation, a Delaware corporation ("General Motors"), and Cerberus ResCap Financing LLC, a Delaware limited liability company ("Cerberus Fund", and together with General Motors, each a "Participant" and collectively, the "Participants").

RECITALS

WHEREAS, pursuant to that certain Loan Agreement dated as of June 4, 2008 (the "Loan Agreement") by and among Residential Funding Company, LLC, a Delaware limited liability company ("RFC"), GMAC Mortgage, LLC, a Delaware limited liability company ("GMAC Mortgage" and together with RFC, each a "Borrower" and collectively, the "Borrowers"), and Residential Capital, LLC, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, and Homecomings Financial, LLC, as guarantors, the Seller, as the Initial Lender, and GMAC LLC, as the Lender Agent, and other Persons from time to time party thereto, the Seller has agreed to purchase certain existing term loans made to Residential Capital, LLC and provide a revolving credit facility to the Borrowers; and

WHEREAS, to induce the Seller to enter into the Loan Agreement, each of the Participants, who are the indirect owners of the Borrowers and who will obtain benefits from the making of the Loans by the Seller to the Borrowers, has agreed to purchase a participation in the Loans under the Loan Agreement upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and intending to be legally bound, the Parties hereto agree as follows:

Section 1.Definitions.

(a) Capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Loan Agreement. In addition, as used herein, the following capitalized terms shall have the following respective meanings:

"Additional Price" means, with respect to a Future Loan, either 51%, in the case of Cerberus Fund, or 49%, in the case of General Motors, of the lesser of (a) the amount of such Future Loan or (b) the amount by which the Outstanding Aggregate Loan Amount, after giving effect to such Future Loan, would exceed the $2,750,000,000;provided,however, that for the purposes of Section 4(b), each Participant's Additional Price shall be the unused portion of such Participant's Maximum Participant Commitment.

"Agreement" has the meaning given to it in thePreamble.

"Borrower" has the meaning given to it in theRecitals.

Source: GMAC LLC, 10-Q, August 08, 2008

"Business Day" means any day other than (a) a Saturday or Sunday, or (b) a day on which banking institutions in the States of New York, Minnesota or Pennsylvania are required or authorized by law to be closed.

"Cerberus Fund" has the meaning given to it in the firstPreamble.

"Funded Participation Amount" for a Participant means, on any day, an amount equal to (a) the Initial Price paid by such Participant, plus (b) the aggregate of the Additional Prices paid by such Participant on or prior to such day pursuant toSection 4 to purchase its Participation in the Loans, minus (c) the aggregate amount of principal payments with respect to the Participation on or prior to such day pursuant toSection 7,Section 8 orSection 14.

"Future Loan" means each Loan made pursuant to the Loan Agreement after the Initial Funding Date.

"General Motors" has the meaning given to it in thePreamble.

"GMAC Mortgage" has the meaning given to it in theRecitals.

"Initial Funding Condition" means that the Outstanding Aggregate Loan Amount exceeds $2,750,000,000.

"Initial Funding Date" means June 16, 2008 or such other Business Day specified by the Seller upon not less than one Business Day's prior written notice to the Participants;provided that the day so specified shall not be earlier than June 16, 2008 unless an Event of Default shall have occurred;provided,further, that, unless an Event of Default has occurred, at least one Business Day prior to the Initial Funding Date, the Seller shall represent in writing that the Initial Funding Condition will be met on the Initial Funding Date after giving effect to Loans to be made on such date;

"Initial Price" means (a) with respect to Cerberus Fund, an amount equal to 51% of the amount by which the Outstanding Aggregate Loan Amount on the Initial Funding Date,plus the amount of any Loans to be made on such date, exceeds $2,750,000,000; provided that if an Event of Default has occurred prior to the Initial Funding Date, such Initial Price shall equal Cerberus Fund's Maximum Participant Commitment, and (b) with respect to General Motors, an amount equal to 49% of the amount by which the Outstanding Aggregate Loan Amount on the Initial Funding Dateplus the amount of any Loans to be made on such date, exceeds $2,750,000,00;provided that if an Event of Default has occurred prior to the Initial Funding Date, such Initial Price shall equal General Motors' Maximum Participant Commitment. For the avoidance of doubt, the Initial Price with respect to each of Cerberus Fund and General Motors shall not exceed their respective Maximum Participant Commitment.

"Lender" means a "Lender" as defined in the Loan Agreement.

"Loan Agreement" has the meaning given to it in theRecitals.

"Loans" means the "Loans" as defined in the Loan Agreement, and includes in each case the Notes evidencing such Loans.

Source: GMAC LLC, 10-Q, August 08, 2008

"Maximum Participant Commitment" means, as of any date: (a) with respect to Cerberus Fund, an amount equal to $382,500,000; and (b), with respect to General Motors, an amount equal to $367,500,000.

"Obligors" means, collectively, the Borrowers and each guarantor, pledgor, subordinator or other Person directly or indirectly obligated in respect of the Loans.

"Overnight LIBOR" means, for any day, the London interbank offered rate for overnight deposits in U.S. Dollars appearing on Reuters Screen LIBOR01 at approximately 11:00 a.m., London time, on such day, as reported by Bloomberg Financial Markets Commodities News, or such page as may replace Reuters Page LIBOR01, as determined by the Seller. In the event that such rate is not available on any day which is a business day in London for any reason, then Overnight LIBOR with respect to such day shall be determined by the Seller in a manner then customary in the market for determining such rate. For a day that is not a business day in London, the Overnight Rate shall be the rate determined as of the immediately preceding day for which such rate is reported.

"Participant" has the meaning given to it in the Preamble.

"Participant's Account" means, with respect to a Participant, the account specified for such Participant on Schedule 2, or such other account as such Participant may designate in writing to the Seller from time to time.

"Participant's Interest Payment" means, with respect to each Interest Period (or portion thereof) during which a Participant's Funded Participation Amount is greater than zero (including any Interest Period after the occurrence and during the continuation of an Event of Bankruptcy), an amount equal to the sum of (a) interest accrued on such Funded Participation Amount at a rate per annum equal to either (i) the LIBOR Rate for such Interest Period plus the Applicable Margin or (ii) for any applicable portion of such Interest Period that the Borrowers were required under the Facility Documents to pay interest at the Default Rate, the Default Rate for such Interest Period, plus (b) such Participant's Relative Percentage of interest accrued on the Seller's Percentage Interest of the Outstanding Aggregate Loan Amount at a rate per annum equal to (i) the Applicable Margin minus 100 basis points plus (ii) for any portion of such Interest Period that the Borrowers were required under the Facility Documents to pay interest at the Default Rate, 127 basis points, provided that in the case of any Interest Period after the occurrence and during the continuation of an Event of Bankruptcy, the "Participant's Interest Payment" for such Interest Period shall be the product of (a) such amount as calculated above, multiplied by (b) a percentage, the numerator of which is the amount of interest payments allowed on the Loans for such Interest Period and the denominator of which is the amount of interest payments that are due and payable under the Loan Agreement for such Interest Period.

"Participant's Share" means, with respect to a Participant and any Loan or payment, an amount equal to such Participant's Percentage Interest of the principal amount of such Loan or the amount of such payment, as applicable.

"Participation" has the meaning given to it in Section 2.

"Party" means Cerberus Fund, General Motors or the Seller, as applicable.

Source: GMAC LLC, 10-Q, August 08, 2008

“Percentage Interest” means, at any time with respect to a Participant, the number, expressed as a decimal (expressed to three decimal places), equal to the fraction, (a) the numerator of which is such Participant’s Funded Participation Amount, and (b) the denominator of which is the Outstanding Aggregate Loan Amount.

“Person” means any individual, corporation, estate, partnership, limited liability company, limited liability partnership, joint venture, association, joint-stock company, business trust, trust, unincorporated organization, government or any agency or political subdivision thereof, or other entity of a similar nature.

“Purchase Price” means either the Initial Price or an Additional Price, as the context requires.

“Relative Percentage” means, at any time with respect to a Participant, the number, expressed as a decimal (expressed to three decimal places), equal to the fraction, (a) the numerator of which is such Participant’s Funded Participation Amount, and (b) the denominator of which is the sum of the Funded Participation Amounts of both Participants.

“RFC” has the meaning given to it in theRecitals.

“Seller” has the meaning given to it in thePreamble.

“Seller’s Account” means the account specified for the Seller onSchedule 2, or such other account as the Seller may designate in writing to the Participants from time to time.

“Seller’s Interest Payment” means (a) all interest accrued on the Loans prior to the Initial Funding Date and (b) for each Interest Period or portion thereof on and after the Initial Funding Date (including any Interest Period after the occurrence and during the continuation of an Event of Bankruptcy), interest accrued on the Seller’s Percentage Interest of the Outstanding Aggregate Loan Amount at a rate per annum equal to (i) the LIBOR Rate for such Interest Period plus 100 basis points plus (ii) for any portion of such Interest Period that the Borrowers were required under the Facility Documents to pay interest at the Default Rate, 73 basis points, provided that in the case of any Interest Period after the occurrence and during the continuation of an Event of Bankruptcy, the “Seller’s Interest Payment” for such Interest Period shall be the product of (a) such amount as calculated above, multiplied by (b) a percentage, the numerator of which is the amount of interest payments allowed on the Loans for such Interest Period and the denominator of which is the amount of interest payments that are due and payable under the Loan Agreement for such Interest Period.

“Seller’s Percentage Interest” means, at any time, (a) 100% minus (b) the sum of the Percentage Interest for Cerberus Fund plus the Percentage Interest for General Motors.

“Senior Interests” shall mean (a) the Seller’s Percentage Interest of the Outstanding Aggregate Loan Amount, (b) the Seller’s Interest Payment, and (c) any fees or other amounts due and payable now or in the future by the Borrowers to the Seller pursuant to the Facility Documents (other than the portion of the Upfront Fee payable to the Participants pursuant toSection 2(b)), together with all costs and out-of-pocket expenses reasonably incurred by or on behalf of the Seller

Source: GMAC LLC, 10-Q, August 08, 2008

in connection with the Facility Documents and the transactions contemplated thereby which have not been paid or reimbursed by the Borrowers.

"Subject Interest" has the meaning given to it inSection 14.

"Withholding Tax" has the meaning given to it inSection 12.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. This Agreement includes the Schedules attached hereto. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding". The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein or any statute, law, order, rule or regulation shall be construed as referring to such agreement, instrument, other document, statute, law, order, rule or regulation as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (iv) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement. Section, Schedule and other headings and captions are included solely for convenience of reference and are not intended to affect the interpretation of any provisions of this Agreement.

Section 2.Sale of Participation. (a) Subject to the terms and conditions set forth in this Agreement, the Seller does hereby sell to each Participant, without recourse to or representation or warranty whatsoever by the Seller (except to the extent expressly provided herein), and each Participant does hereby acquire and assume, a participation (each, a "Participation") consisting of an undivided interest in the Seller's right, title and interest in, to and under the following: (i) each Loan, whether now existing or hereafter made, to the extent of such Participant's Percentage Interest, (ii) all accrued interest on the Loans, to the extent of such Participant's Interest Payment, (iii) the share of the Upfront Fee payable to such Participant pursuant toSection 2(b), (iv) the amounts payable and obligations owed under Sections 2.07(b), 2.07(c) and 3.02 of the Loan Agreement on account of increased costs, reductions in rate of return, and taxes incurred by such Participant in connection with the Participation, and (v) each of the following, to the extent of the Participation in the foregoing interests described in clauses (i) through (iv): (A) the Facility Documents, including the Guarantee; (B) all Collateral and other security or credit support of any kind; (C) all cash, securities, or other property, and all setoffs and recoupments, received, applied, or effected by or for the account of the Seller under the Loans and other extensions of credit under the Facility Documents (whether for principal, interest, fees, reimbursement obligations, or otherwise) from and after the Initial Funding Date, including all distributions obtained by or through redemption, consummation of a plan of reorganization, restructuring, liquidation, or otherwise of either Borrower, any Obligor or the Facility Documents, and all cash, securities, interest, dividends, and other property that may be exchanged for, or distributed or collected with respect to, any of the

Source: GMAC LLC, 10-Q, August 08, 2008

foregoing but excluding reimbursement for Seller's enforcement or Collateral maintenance expenses; (D) all claims, suits, causes of action and any other right of the Seller (in its capacity as a Lender), whether known or unknown, against the Borrowers, any other Obligor or any of their respective affiliates, agents, representatives, contractors, advisors or any other Person arising under or in connection with the Facility Documents or that is in any way based on or related to any of the foregoing or the loan transactions governed thereby, including contract claims, tort claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and purchased pursuant to this Agreement; and (E) all proceeds of the foregoing. As consideration for such participation, each Participant will pay to the Seller the applicable Initial Price on the Initial Funding Date and will fund the amounts required to be funded by it underSection 4 as and when due.

(b) On the Closing Date, the Seller shall remit from the upfront fee received by the Seller pursuant to the Loan Agreement $7,140,000 to Cerberus Fund and $6,860,000 to General Motors.

Section 3.Unconditional Obligation.

Subject to the other terms and conditions expressly set forth in this Agreement, each Participant's obligation to pay the Initial Price to the Seller on the Initial Funding Date and all amounts required to be paid by it underSections 4 and14 shall be unconditional. Each Participant hereby expressly acknowledges that its obligation to fund all amounts required to be paid by it hereunder shall be unaffected by the existence of any Default or Event of Default under the Loan Agreement.

Section 4.Additional Payments.

(a) The Seller shall notify each Participant promptly of its receipt of a notice from the Borrowers requesting a Loan, specifying therein the amount and the date of such Loan and, on and after the Initial Funding Date, the Initial Price or Additional Price, as the case may be, required to be paid by such Participant to purchase its Participation in such Loan. If, after giving effect to a Future Loan, the Outstanding Aggregate Loan Amount will exceed $2,750,000,000, then, not later than 10:00 a.m. (New York City time) on the date specified for such Loan, each Participant shall pay to the Seller, by deposit into the Seller's Account, the Purchase Price of its Participation in such Loan, in like currency and immediately available funds, without set-off, counterclaim or deduction of any kind. The effectiveness of the sale of a Participation in a Loan to a Participant shall be subject to receipt by the Seller of the Purchase Price from such Participant as provided herein.

(b) If an Event of Default shall occur and be continuing at a time when a Participant's Funded Participation Amount is less than its Maximum Participation Commitment, such Participant shall pay to the Seller, within one Business Day following written demand from the Seller, an amount equal to the unused portion of such Maximum Participation Commitment, as the Initial Price or Additional Price, as the case may, for its Participation.

Section 5.Maximum Participant Commitment. A Participant shall not be required to make any payment of Purchase Price to the extent that after giving effect to such payment, such

Source: GMAC LLC, 10-Q, August 08, 2008

Participant's Funded Participation Amount would exceed the Maximum Participant Commitment for such Participant on such date.

Section 6.Representations and Warranties. (a) Each Party represents and warrants to the other Parties (as of the date hereof and as of the Initial Funding Date) that:

(i) such Party (A) is duly organized and validly existing under the laws of its jurisdiction of organization or incorporation, (B) is in good standing under such laws and (C) has full power and authority to execute, deliver and perform its obligations under this Agreement;

(ii) such Party's execution, delivery, and performance of this Agreement have not resulted, and will not result, in a breach of any provision of (A) such Party's organizational documents, (B) any statute, law, writ, order, rule or regulation of any governmental authority applicable to such Party, (C) any judgment, injunction, decree or determination applicable to such Party or (D) any contract, indenture, mortgage, loan agreement, note, lease or other instrument by which such Party may be bound or to which any of the assets of such Party are subject; and

(iii) (A) this Agreement (1) has been duly and validly authorized, executed, and delivered by such Party and (2) constitutes the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except to the extent that such enforceability may be limited by bankruptcy, insolvency, or other similar laws of general applicability affecting the enforcement of creditors' rights generally and by the court's discretion in relation to equitable remedies; and (B) no notice to, registration with, consent or approval of, or any other action by, any relevant governmental authority or other Person is or will be required for such Party to execute, deliver, and perform its obligations under this Agreement.

(b) The Seller represents and warrants to each Participant (as of the date hereof and as of each date that it sells a Participation to such Participant hereunder) that the Seller is the sole legal and beneficial owner of, and has good title to, the Loans free and clear of any lien or similar encumbrance.

Section 7.Payments to Participant.

(a) Subject toSection 8, upon receipt by the Seller of (i) any payment of principal of any Loan, the Seller shall remit to each Participant its Participant's Share of such payment (determined as of the date that such payment is remitted to the Participant) and (ii) any payment of accrued interest on any Loan, the Seller shall remit to each Participant its Participant's Interest Payment for the applicable Interest Period;provided that interest on any Loan accrued prior to the Initial Funding Date shall be for the sole account of the Seller.

(b) At a Participant's request and to the extent contemplated by the Loan Agreement, the Seller shall make demand on the Borrowers for payment on account of increased costs, break funding payments or expenses incurred by such Participant in connection with the Participation and shall promptly remit to such Participant all such payments as and when received. In addition, so long as (i) a Participant has notified the Borrowers of its Participation and (ii) such Participant

Source: GMAC LLC, 10-Q, August 08, 2008

complies with its obligations underSection 12 and any similar provisions in the Loan Agreement, the Seller shall promptly remit to such Participant an amount equal to any payment received by the Seller from the Borrowers under the Loan Agreement on account of taxes incurred by such Participant in connection with the Participation. To the extent required by the Loan Agreement, the Participant hereby agrees, for the benefit of the Borrowers, to comply with the provisions of Section 3.02 of the Loan Agreement.

(c) All payments by the Seller to a Participant hereunder shall be made to such Participant's Account in like funds and currency as received by the Seller.

(d) If a payment is received by the Seller not later than 12:00 noon (New York City time) on any Business Day, the corresponding payment shall be made to the Participants not later than 5:00 p.m. (New York City time) on such day, and otherwise not later than 3:00 p.m. (New York City time) on the immediately succeeding Business Day.

(e) Nothing in this Agreement shall entitle a Participant to share in any fee or other payment under the Facility Documents except as expressly set forth herein.

(f) The Seller shall be entitled to deduct from payments to be made by it hereunder to a Participant any overdue amount payable by such Participant to the Seller under this Agreement.

Section 8.Subordination of Participations. Each Participant hereby irrevocably agrees that, to the extent provided below in this Section 8, its rights to receive any payment in respect of its Funded Participation Amount and its Participant's Interest Payment shall be subordinate and junior in right of payment to the prior payment of the Senior Interests in full in cash:

(a) Until such time as the Seller's Percentage Interest in the Outstanding Aggregate Loan Amount has been reduced to zero, the Seller shall retain all payments of principal with respect to the Obligations and shall apply such payments to the Seller's Percentage Interest in the Outstanding Aggregate Loan Amount. If the Seller receives any payments of principal with respect to the Loans at any time as the Seller's Percentage Interest is zero, subject toSection 8(b), the Seller shall remit such payments to the Participants in accordance withSection 7.

(b) If the Loans and other Obligations have been declared immediately due and payable at such time as there shall have occurred and be continuing any Event of Default, then the Seller shall distribute payments received under the Loan Agreement, to the extent of the funds available, in the following order of priority:

(i) to the Seller's Percentage Interest in the Outstanding Aggregate Loan Amount until the Seller's Percentage Interest in the Outstanding Aggregate Loan Amount has been reduced to zero;

(ii) to the Seller's Interest Payment until the accrued and unpaid amount of the Seller's Interest Payment has been paid in full;

(iii) any fees or other amounts due and payable by the Borrowers to the Seller pursuant to the Facility Documents, together with all costs and out-of-pocket expenses reasonably incurred by or on behalf of the Seller in connection with the Facility Documents

Source: GMAC LLC, 10-Q, August 08, 2008

and the transactions contemplated thereby until such amounts have been reimbursed or paid in full;

(iv) to each Participant, pro rata on the basis of the amounts owed under thisclause (iv), its Percentage Interest in the Outstanding Aggregate Loan Amount, until such amount has been reduced to zero;

(v) to each Participant, pro rata on the basis of the amounts owed under thisclause (v), its Participant's Interest Payment until the accrued and unpaid amount of its Participant's Interest Payment has been paid in full; and

(vi) to each Participant, pro rata on the basis of the amounts owed under thisclause (vi), any other amount due and payable to such Participant pursuant to its Participation until such amounts have been paid in full.

(c) In the event of any reorganization, arrangement, restructuring or liquidation of a Borrower pursuant to any bankruptcy, insolvency or similar law, rule, regulation or order, the Seller shall distribute payments received under the Loan Agreement according to Section 8(b). In the event that the Seller receives any payments as adequate protection or for similar purposes in any such proceedings involving either of the Borrowers, the Seller shall distribute such payments according to Section 8(b).

(d) Each Participant agrees that, in the event that it receives any payment on its Participation in excess of the amount to which it is entitled under thisSection 8, it will hold such payments in trust for the Seller and promptly turn over such amounts to the Seller for application to the Senior Interests.

Section 9.Administration.

(a) The Participations shall be reflected in the Seller' books and records, which, in the absence of manifest error, shall be presumed accurate with respect thereto.

(b) Any payments received by or for the account of the Seller with respect to the Obligations shall be applied to principal, interest, expenses or other amounts in the order and manner set forth in the Facility Documents, or if the Facility Documents do not require application in specific order or manner, as determined by the Seller in its sole discretion. Any application to the Senior Interests may be made in such order as the Seller from time to time in its sole discretion determines.

(c) Each Participant agrees that the Seller may, in its sole discretion, exercise or refrain from exercising any right, or take or refrain from taking any action, which the Seller may be entitled to take or assert under any of the Facility Documents or otherwise with respect to the obligations of the Borrowers, the Obligors, any other guarantor or grantor of liens or security interests, or other party thereunder or the enforcement thereof, all without notice to the Participants and, without limiting the generality of the foregoing, the Seller may take legal action to enforce the Participants' or the Seller's interests with respect to any Loan or any of the Facility Documents. In making and administering the Loans, the Seller shall exercise the same care as it normally exercises with respect to loans or commitments in which no participations are sold, but the Seller shall have no further

Source: GMAC LLC, 10-Q, August 08, 2008

responsibility to the Participants except as expressly provided herein, and, except to the extent its own gross negligence or willful misconduct results in actual loss to the Participants, the Seller shall have no responsibility to the Participants for any action or failure to act by the Seller under the Facility Documents or otherwise. Without limiting the foregoing, the Seller (i) may (but is not obligated to) consult with legal counsel, independent public accountants, appraisers and other experts reasonably selected by the Seller and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such persons; (ii) shall be entitled to rely on, and shall incur no liability by acting upon, any notice, consent, certificate, statement, order, or any instrument, document or other writing (including, without limitation, facsimile, email or other telecommunication device) reasonably believed by the Seller to be genuine and correct and to have been signed, sent, or made by the proper person; and (iii) shall not be required to make any inquiry concerning the observance or performance of any agreements contained in, or conditions of, the Facility Documents, or to inspect the property, books or records of the Borrowers, the Obligors or their subsidiaries and affiliates. Notwithstanding anything in the foregoing to the contrary, in any bankruptcy, insolvency or similar proceeding affecting either Borrower, the Seller shall file a proof of claim for all amounts owing under the Facility Documents in a timely manner and shall provide each Participant with a reasonable opportunity (but in any event not less than five (5) Business Days) to comment on such proof of claim prior to the filing thereof.

(d) The Seller shall deliver to the Participants copies of each amendment, consent, waiver or notice of default delivered in connection with the Facility Documents and such other documents received by the Seller from the Borrowers under the Facility Documents that such Participant shall request in writing within two Business Days of any such written request;provided,however, that each Participant hereby acknowledges and agrees that the Seller shall not assume responsibility with respect to the accuracy, authenticity, validity or enforceability thereof. Other than such documents as may be furnished by the Seller in accordance with the immediately preceding sentence, the Seller shall have no responsibility to provide the Participants with any credit information or other information concerning the affairs, financial condition or business of the Borrowers or any other party which may come into the Seller's possession.

(e) Each Participant agrees that the Seller may, in its sole discretion, without notice to or consent from such Participant, agree to the modification, amendment or waiver of any of the terms of any of the Facility Documents or the release of any Collateral,provided that the Seller shall not, without each Participant's prior written consent, agree to any such modification, amendment or waiver with respect to the Facility Documents that: (i) extends the due date for any scheduled repayment or prepayment of principal of or interest on any Loan, (ii) reduces the amount of any scheduled repayment or mandatory prepayment of principal of or interest on any Loan or the rate of interest on any Loan (iii) forgives any principal of or accrued interest on any Loan, or (iv) releases all or substantially all of the Collateral or the Guarantors;provided that, for the avoidance of doubt, this provision shall not be deemed to require the Participants' consent with respect to any sales of Collateral expressly permitted by the Facility Documents without the Lenders' consent.

Section 10.Non-Recourse; Independent Investigation. (a) Each Participant acknowledges and agrees that its Participation is being acquired without recourse to the Seller (other than for a breach of the Seller's obligation hereunder to remit the Participants' portion of payments received under the Facility Documents) and that it expressly assumes all risk of loss in connection with the Participation. The Seller makes no representation or warranty, express or implied, and assumes no

Source: GMAC LLC, 10-Q, August 08, 2008

responsibility, with respect to the genuineness, authorization, execution, delivery, validity, legality, value, sufficiency, perfection, priority, enforceability or collectability of any of the Loans or the Facility Documents. The Seller assumes no responsibility for (i) any representation or warranty made by, or the accuracy, completeness, correctness or sufficiency of any information (or the validity, completeness or adequate disclosure of assumptions underlying any estimates, forecasts or projections contained in such information) provided directly or indirectly by, the Borrowers, any other Obligor or any other Person, (ii) the performance or observance by the Borrowers or any other Obligor of any of the provisions of the Facility Documents (whether on, before or after the Initial Funding Date), (iii) the filing, recording, or taking of any action with respect to any of the Facility Documents, (iv) the financial condition of the Borrowers, any other Obligor or any other Person, (v) (except as otherwise expressly provided herein) any other matter whatsoever relating to the Borrowers, any other Obligor, any other Person, the Loans or the Participation or (vi) the income or withholding tax status with respect to a Participant's interest in the Loans;

(b) Each Participant acknowledges that it has received a copy of the Loan Agreement and the other Facility Documents executed and/or delivered by the Borrowers and/or Obligors. Each Participant represents and warrants to the Seller that such Participant (i) has full access to all such documents and information (including any financial information) as it deems necessary to review in order to enter into this Agreement, (ii) is a sophisticated buyer and has made, independently and without reliance on the Seller, its own independent investigation of the financial condition, operations, property, affairs, and general creditworthiness of the Borrowers, the other Obligors and the Facility Documents for the purpose of acquiring the Participation, (iii) has purchased the Participation for the purpose of investment only and with no present intention of reselling the same, and not with a view to, or for sale in connection with, any distribution thereof and (iv) will continue its own independent investigation of the financial condition and affairs of the Borrowers and the Obligors.

Section 11.Expenses; Indemnity. (a) The Seller acknowledges that it shall pay all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, and disbursements, including legal fees, incurred by the Seller, or for which the Seller is responsible, in connection with (i) the administration or enforcement of (A) the Loans or (B) the Loan Agreement or any Facility Documents against the Obligors, and (ii) the collection of the Loans (including, without limitation, those arising due to suits, claims or counterclaims by a Borrowers, an Obligor or other parties against the Seller or any agent of the Seller), and that neither Participant shall be obligated to indemnify or reimburse the Seller for any such item;provided that the Seller shall be entitled to be reimbursed for such expenses in accordance with the Facility Documents. Each Participant shall pay to the Seller all reasonable expenses, liabilities, costs and damages (including attorney's fees) reasonably incurred by the Seller in connection with the enforcement and collection of the obligations of such Participant under this Agreement.

(b) Each Participant agrees, within five Business Days of written request from the Seller, to reimburse the Seller for, to indemnify and defend the Seller against, and hold the Seller harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever, including but not limited to reasonable attorneys' fees and expenses that may at any time be imposed on, asserted against or incurred by, the Seller arising out of or in connection with the breach of or inaccuracy in any of the representations and warranties of such Participant or any material breach of or failure by such

Source: GMAC LLC, 10-Q, August 08, 2008

Participant to perform its covenants hereunder; provided, however, that a Participant shall not be liable for the Seller' gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, nonappealable order.

(c) The foregoing obligations of the Seller and the Participants shall survive the termination of this Agreement.

Section 12. Taxes. Any taxes due and payable on any payments to be made to a Participant hereunder shall be such Participant's sole responsibility. Each Participant warrants that it is not subject to any taxes, charges, levies or withholdings with respect to payments under this Agreement that are imposed by means of withholding by any applicable taxing authority ("Withholding Tax"). Each Participant agrees to provide the Seller, from time to time upon the Seller's request, completed and signed copies of any documents that may be required by an applicable taxing authority to certify such Participant's exemption from Withholding Tax with respect to payments to be made to such Participant under this Agreement; and each Participant agrees to hold the Seller harmless from any Withholding Tax imposed due to such Participant's failure to establish that it is not subject to Withholding Tax.

Section 13. Reimbursement. In the event that (a) the Seller shall pay any amount to a Participant pursuant hereto in the belief or expectation that a related payment has been or will be received or collected by the Seller pursuant to the Facility Documents and (b) such related payment is not received or collected by the Seller, then the Participant receiving such payment, within five Business Days of written request by the Seller, shall return such amount to the Seller, together with interest thereon accruing at Overnight LIBOR for each day from and including the date of such payment by the Seller to but excluding the date of repayment to the Seller. If the Seller determines at any time that any amount received or collected by the Seller pursuant to the Facility Documents must be rescinded or otherwise returned to a Borrower or to any other person or entity pursuant to any insolvency law or otherwise, then notwithstanding any other provision of this Agreement, the Seller shall not be required to remit any portion thereof to the Participants and each Participant, within the earlier of (i) five Business Days of written request by the Seller or (ii) the date the Seller is required to repay any such amount to a third party, will repay to the Seller any portion thereof that such Participant received, together with interest thereon at such rate, if any, as the Seller shall have been required to pay to a Borrower, or such other person or entity, with respect thereto. If, for any reason, a Participant shall at any time receive an amount in excess of the amount which such Participant is entitled to receive pursuant to this Agreement, then, promptly upon demand by the Seller, such Participant shall forthwith return such excess to the Seller, together with interest thereon accruing at Overnight LIBOR from the time of the overpayment to the date of repayment to the Seller.

Section 14. Set-off. To the extent contemplated by the Loan Agreement and permitted by law, the Participant shall be entitled to the benefits of any provisions in the Loan Agreement providing for rights of set-off against the Borrowers as though such Participant were a Lender. If, as a result of set-off or otherwise, a Participant receives a payment (a "Subject Payment") in respect of its Funded Participation Amount that would cause the aggregate principal amount received by such Participant in respect of the Loans to exceed its Percentage Interest of all repayments received by the Parties in respect of the Loans (or its participation therein), such Participant shall purchase from each of the other Parties a participation in the interests of the other Parties in the Loans such

Source: GMAC LLC, 10-Q, August 08, 2008

that all of the Parties received the benefit of such Subject Payment in proportion to their respective interests in the Loans before giving effect to such Subject Payment.

Section 15.Nature of Interest. Each Participant agrees that it will not have, and will not assert or seek to exercise, any legal or equitable right or remedy against the Borrowers or any Obligors with respect to the Loans or other liabilities under the Facility Documents and the purchase of its Participation hereunder. The Participant shall not, by reason of this Agreement and the transactions contemplated hereby, be deemed to have any interest in (a) any property taken as security for Borrower's obligations and liabilities under or with respect to (i) the Loans, the Note or the Facility Documents or (ii) any other credit, loan or financial accommodation from time to time made or furnished to the Borrowers by the Seller, or (b) any property now or hereafter in the possession of the Seller or under its or any agent's or pledgee-in-possession's control which may be or might become security for performance and payment of the Obligors' obligations under and in connection with the Loans, the Note and the Facility Documents by reason of the general description contained in any general loan or collateral agreement or collateral note held by the Seller or by reason of any right of setoff, counterclaim, banker's lien or otherwise;provided,however, that in the case ofclause (a) or (b) above, if such property, indebtedness, or the proceeds thereof shall be applied by the Seller to the payment or reduction of any principal or interest in any Loans, then, subject toSection 8, each Participant shall be entitled to its Participant's Share of such application.

Section 16.Miscellaneous.

(a) Entire Agreement; Amendments; Exercise of Rights. This Agreement constitutes the entire agreement of the Parties with respect to the respective subject matters hereof and supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and finally integrated into this Agreement. No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by the Parties and no waiver of any provision of this Agreement, nor consent to any departure by either Party from it, shall be effective unless it is in writing and signed by the affected Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of a Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver hereof by such Party, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of each Party provided herein (a) are cumulative and are in addition to, and are not exclusive of, any rights or remedies provided by law (except as otherwise expressly set forth in this Agreement) and (b) are not conditional or contingent on any attempt by such Party to exercise any of its rights under any other related document against the other Party or any other Person.

(b)Survival; Successors and Assigns. All representations, warranties, covenants, indemnities and other provisions made by the Parties shall be considered to have been relied upon by the Parties, shall be true and correct as of the date hereof and the Initial Funding Date, and shall survive the execution, delivery, and performance of this Agreement. This Agreement, including the representations, warranties, covenants and indemnities contained in this Agreement, shall inure to the benefit of, be binding upon and be enforceable by and against the Parties and their respective successors and permitted assigns. Without prejudice to any restrictions or limitations in the Loan

Source: GMAC LLC, 10-Q, August 08, 2008

Agreement: (i) the Seller shall not assign any of the Commitment or the Loans, except to a wholly owned subsidiary, without the prior written consent of each Participant, which consent may not be unreasonably withheld; and (ii) a Participation may not be sold, pledged, assigned, subparticipated, or otherwise transferred (except for an assignment by General Motors to a wholly owned subsidiary or an assignment by Cerberus Fund to an Affiliate of Cerberus Capital Management L.P. or a fund or account advised or managed by Cerberus Capital Management L.P. or by an Affiliate thereof), without the Seller's prior written consent, which consent may not be unreasonably withheld. Any such purported action described in the preceding sentence that occurs without the required consent shall be null and void and of no effect. For the avoidance of doubt, it is understood that it shall be reasonable for the Participants to withhold consent to an assignment by the Seller if the assignment documents are in conflict with or would prevent the Seller from complying with the terms and conditions of this Agreement.

(c) Further Assurances. Each Party agrees (i) to execute and deliver, or to cause to be executed and delivered, all such instruments and (ii) to take all such actions that another Party may reasonably request to effectuate the intent and purposes, and to carry out the terms, of this Agreement, including the procurement of any third-party consents.

(d) Confidentiality. Each Participant agrees that, without the prior written consent of the other Parties, it shall not disclose the contents of this Agreement to any Person, except that any Participant may make any such disclosure (a) as required to implement or enforce this Agreement, (b) if required to do so by any law, court, or regulation, (c) to any governmental authority or self-regulatory entity having or asserting jurisdiction over it, (d) if its attorneys advise it that it has a legal obligation to do so or that failure to do so may result in it incurring a liability to any other Person, (e) to its professional advisors and auditors or (f) to any assignee or transferee permitted hereunder. Each Participant agrees to comply with the requirements of the Facility Documents regarding confidentiality as if it was a Lender, and shall, upon the Seller's request, provide to the Seller a confidentiality undertaking to such effect in accordance with the terms of the Facility Documents. Each Participant further acknowledges that it may receive information form the Seller that is "insider information" for purposes of Section 10(b) of the Securities Exchange Act of 1934 and agrees that it will keep such information confidential and will not sue such information in violation of applicable securities laws. The provisions of this Section 16(d) shall survive the termination of this Agreement.

(e) Parties' Other Relationships. Each Party and any of its affiliates may engage in any kind of business or relationship with the Borrowers, any other Obligor or any of their respective affiliates without liability to the other Parties or any obligation to disclose such business or relationship to the other Parties. Each Participant acknowledges that the Seller and its affiliates may have commercial lending, and/or other business relationships, including extensions of credit, financial advisory arrangements and deposits, with the Borrowers, the Obligors and their respective affiliates in addition to the Loans and the Participation.

(f)Relationship Between the Seller and the Participants. The relationship between the Seller and each Participant shall be that of seller and buyer. A Participant's interests in the Loans in which it purchases an interest hereunder shall be a participation and shall not be deemed to be a direct assignment of such Loans. No Party is a trustee or agent for any other Party, and no Party

Source: GMAC LLC, 10-Q, August 08, 2008

shall have fiduciary obligations to any other Party. This Agreement shall not be construed to create a partnership or joint venture between the Parties.

(g) GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. (i) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (BUT WITH REFERENCE TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH BY ITS TERMS APPLIES TO THIS AGREEMENT). EACH PARTY HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO HEREBY CONSENTS TO PROCESS BEING SERVED IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, OR ANY DOCUMENT DELIVERED PURSUANT HERETO BY THE MAILING OF A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO ITS RESPECTIVE ADDRESS SPECIFIED AT THE TIME FOR NOTICES UNDER THIS AGREEMENT OR TO ANY OTHER ADDRESS OF WHICH IT SHALL HAVE GIVEN WRITTEN OR ELECTRONIC NOTICE TO THE OTHER PARTIES. THE FOREGOING SHALL NOT LIMIT THE ABILITY OF ANY PARTY HERETO TO BRING SUIT IN THE COURTS OF ANY JURISDICTION.

(ii) EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(h) Severability; Interpretation. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. This Agreement shall be deemed to have been jointly drafted and no provision of it shall be interpreted or construed for or against any Party because such Party purportedly prepared or requested such provision, any other provision or this Agreement as a whole.

(i) No Third Party Beneficiaries. None of the provisions of this Agreement will inure to the benefit of any Person other than the Seller and the Participants. Without limiting the generality of the foregoing, neither the Borrowers nor any other Person obligated to pay the Loans may rely hereon or have any right to assert that the Seller or a Participant has failed to comply with the provisions of this Agreement.

Source: GMAC LLC, 10-Q, August 08, 2008

(j) Subrogation. To the extent that the Seller enforces any claim for indemnification or other claim or remedy against a Participant under this Agreement and receives payment or another remedy from a Participant in respect of such claim or remedy, the Parties agree that to the extent permitted by law and the Facility Documents, without the need for further action on the part of any Party, such Participant shall be subrogated to the rights of the Seller against any other Person with respect to such claim or remedy to the extent of such payment or other remedy;provided that it shall not exercise any such subrogation right unless the Loan Repayment Date shall have occurred and all obligations owed to the Seller in respect of the Loan Agreement shall have been paid in full.

(k) Expenses. Except to the extent expressly provided in this Agreement, each Party agrees to bear its own expenses in connection with this Agreement.

(l) Interest. If any Party fails to pay any amount (including interest, to the fullest extent permitted by applicable law) payable by it hereunder when due, then interest shall accrue and be payable immediately upon demand on such unpaid amount at aper annum rate equal to Overnight LIBOR from and including the date on which such amount became due to but excluding the date the same is paid in full.

(m) Waiver of Punitive, Consequential, Special or Indirect Damages. Each of the Parties waives any right it may have to seek punitive, consequential, special or indirect damages from any of the other Parties with respect to any and all issues presented in any action, proceeding, claim or counterclaim brought by any of the Parties against any of the other Parties with respect to any matter arising out of or in connection with this Agreement. This waiver is knowingly and voluntarily given, and is intended to encompass each instance and each issue for which the right to seek punitive, consequential, special or indirect damages would otherwise apply. Each party hereto is authorized and directed to submit this Agreement to any court having jurisdiction over the subject matter and the parties to this Agreement as conclusive evidence of this waiver of the right to seek punitive, consequential, special or indirect damages.

(n) Notices. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by certified mail or overnight air courier, postage prepaid, or by facsimile, to the intended Party at the address or facsimile number of such Party set forth onSchedule 1 or at such other address or facsimile number as shall be designated by such Party in a written notice to the other parties hereto. All such notices and communications shall be effective, (i) if personally delivered, when received, (ii) if sent by overnight air courier, the next Business Day after delivery to the related air courier service, if delivery is guaranteed as of the next Business Day, (iii) if sent by certified mail, three Business Days after having been deposited in the mail, postage prepaid, and (iv) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means, if sent during business hours (if sent after business hours, then on the next Business Day).

(o) Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

Source: GMAC LLC, 10-Q, August 08, 2008

IN WITNESS WHEREOF, the parties have caused this Participation Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

GMAC LLC, as Seller

By: /S/ D. C. WALKER
Name: D. C. Walker
Title: Group Vice President
and Treasurer

Source: GMAC LLC, 10-Q, August 08, 2008

CERBERUS RESCAP FINANCING LLC

By Cerberus Partners, L.P., its Managing Member,

By Cerberus Associates, L.L.C., its General Partner,

By /s/ MARK A. NEPORENT

Name: Mark A. Neporent

Senior Managing Director

Source: GMAC LLC, 10-Q, August 08, 2008

GENERAL MOTORS CORPORATION, as a Participant

By: /s/ WALTER G. BORST
Name: Walter G. Borst
Title: Treasurer

Source: GMAC LLC, 10-Q, August 08, 2008

Exhibit 10.2

PARENT COMPANY AGREEMENT

This Parent Company Agreement (Agreement), is made and entered into as of July 21, 2008, by and among **Cerberus FIM, LLC**, a limited liability company with headquarters at 299 Park Avenue New York, New York 10171 ("CF"); **Cerberus FIM Investors, LLC**, a limited liability company with headquarters at 299 Park Avenue New York, New York 10171 ("CF Investors"); **FIM Holdings LLC**, a limited liability company with headquarters at 299 Park Avenue New York, New York 10171 ("FIM"); **GMAC LLC**, a limited liability company with headquarters at 200 Renaissance Center, Detroit, MI 48235 ("GMAC"); **IB Finance Holding Company, LLC**, a limited liability company with headquarters at 200 Renaissance Center, Detroit, MI 48265 ("IB Finance"); (collectively, CF, CF Investors, FIM, GMAC, and IB Finance are herein referred to as the "Parent Companies") **GMAC Bank**, a Utah-chartered, nonmember, industrial bank located at 6985 Union Park Center, Midvale, UT 84047 (formerly known as GMAC Automotive Bank and herein referred to as the "Bank"), and the **Federal Deposit Insurance Corporation**, a Federal banking agency headquartered in Washington, D.C. (the "FDIC").

WHEREAS, generally, pursuant to the Change in Bank Control Act, 12 U.S.C. § 1817(j), no person may acquire control of a state-chartered, nonmember bank unless it gives the FDIC at least sixty days prior written notice and unless the FDIC does not disapprove the proposed acquisition; and

WHEREAS, on May, 31, 2006, Mr. Stephen A. Feinberg ("Mr. Feinberg"), Citigroup Inc. ("Citigroup"), an Aozora Bank Limited ("Aozora") submitted an Interagency Notice of Change in Control with respect to the acquisition of indirect control of the Bank which notice was subsequently amended to add The PNC Financial Services Group, Inc. ("PNC") as an additional notificant (said notice, as amended, is herein referred to as the "Notice"); and

WHEREAS, pursuant to the Notice, four investor groups including Mr. Feinberg (acting through CF and CF Investors), Citigroup, Aozora and PNC, acting together through FIM, proposed to acquire fifty-one percent of the voting shares of GMAC, a parent company of the Bank; and

WHEREAS, on July 28, 2006, the Board of Directors of the FDIC ("Board") imposed a six-month moratorium on deposit insurance applications and change in control notices with respect to industrial banks; and

WHEREAS, on November 15,2006 the Board authorized staff to issue, and staff issued, a letter of intent not to disapprove the Notice ("Letter of Non-Disapproval") subject to a number of conditions, including specifically a Two-Year Disposition Agreement by and among CF, CF Investors, FIM, and the FDIC dated November 16, 2006 (the "Disposition Agreement"); and

Source: GMAC LLC, 10-Q, August 08, 2008

WHEREAS, the Disposition Agreement generally requires that CF, CF Investors, and FIM complete one of four specified actions no later than November 30, 2008: (A) become depository institution holding companies, (B) divest control of the Bank, (C) terminate the Bank's insured status, or (D) obtain a waiver of the requirement to take any of the foregoing actions ("Waiver"), and

WHEREAS, on February 1, 2008 CF, CF Investors, and FIM submitted to the FDIC their request for a Waiver pursuant to paragraph 1(D) of the Disposition Agreement, and

WHEREAS, this Agreement will enable the FDIC to better identify, evaluate, and control the potential risks to the Bank and to the Deposit Insurance Fund; and

WHEREAS, the FDIC may decide to deny the request for a Waiver unless the Parent Companies and the Bank enter into this Agreement;

NOW, THEREFORE, if the FDIC addresses the Waiver request through the execution of an extended disposition agreement with CF, CF Investors, and FIM which extends for ten years the requirement to complete one of four actions specified in the Disposition Agreement (the "Extended Disposition Agreement"), the Parent Companies and the Bank agree to comply with the following:

I. The Parent Companies

A. hereby consent to such examinations by the FDIC as the FDIC deems necessary of each Parent Company and each of their subsidiaries to monitor compliance with the provisions of the Extended Disposition Agreement, any amended non-disapproval; any agreements executed in connection with the Extended Disposition Agreement or any non-disapproval, the Federal Deposit Insurance Act (the "FDI Act") and any other federal law that the FDIC has specific jurisdiction to enforce against such company or subsidiary including, without limitation, those laws and regulations governing transactions and relationships between any depository institution subsidiary and its affiliates;

B. except for GMAC and IB Finance, shall each submit to the FDIC an initial listing of all of its affiliates and update the list annually;

C. shall each submit to the FDIC an annual report regarding its operations and activities, in the form and manner prescribed by the FDIC, and such other reports as may be requested by the FDIC to keep the FDIC informed as to financial condition, systems for monitoring and controlling financial and operating risks, and transactions with the Bank; and compliance by such Parent Company and its subsidiaries with applicable provisions of the Extended Disposition Agreement, any amended non-disapproval, the agreements executed in connection with the Extended Disposition Agreement or any amended non-disapproval, the FDI Act, and any other

Source: GMAC LLC, 10-Q, August 08, 2008

Federal laws that the FDIC has specific jurisdiction to enforce against such company or subsidiary;

D. shall cause an independent annual audit of the Bank to be performed during the first seven years of operation after the effective date of the Extended Disposition Agreement;

E. shall each provide written notification to the FDIC within thirty days of becoming aware of any person who acquires control, directly or indirectly, of 10 percent or more of the voting shares or member's interests of any of the Parent Companies;

F. shall obtain written approval from the New York Regional Director of the FDIC ("Regional Director") prior to adding a member to the Bank's board of directors during the first seven years of operation after the effective date of the Extended Disposition Agreement;

G. shall each serve as a source of strength to the Bank;

H. shall maintain the Bank's capital at such levels as the FDIC deems appropriate, as reflected in the terms of a Capital and Liquidity Maintenance Agreement ("CALMA") entered into by the Parent Companies, the FDIC, the Bank, and such other parties as the FDIC deems appropriate, and/or take such other actions as the FDIC deems appropriate to provide the Bank with a resource for additional capital and liquidity;

I. shall each notify the FDIC within five days of any non-compliance with any of the covenants in any agreements with (i) its lenders, including credit agreements, bond indenture, or similar documents, and (ii) any funding or related agreements including those related to securitizations and issuances of preferred securities (such covenants are herein collectively referred to as "Covenants");

J. shall each provide the FDIC with copies of any executed agreements with its lenders within thirty days after execution, and if any Covenants are modified after the effective date of the Extended Disposition Agreement, each affected company shall notify the FDIC of the modification within thirty days after execution of the modification;

K. shall each notify the FDIC within thirty days after incurring any additional debt, other than borrowings in the normal course of business;

L. shall each provide written notice to the FDIC within thirty days after the transfer of any of its assets (including any interest in the Bank or any other subsidiary) to any other party, except any transfers in the normal course of business, and except any transfer of an interest in the Bank that is subject to the notice requirements of the Change in Bank Control Act, 12 U.S.C. § 18 i 7(j);

Source: GMAC LLC, 10-Q, August 08, 2008

M. shall each obtain the Regional Director's approval prior to transferring any interest in the Bank amounting to control of the Bank to any entity directly or indirectly controlled by Mr. Feinberg (a "Feinberg Entity") and

N. shall each maintain such records as the FDIC may deem necessary to assess the risks to the Bank or to the Deposit Insurance Fund.

II. In addition to its obligations under section I above, GMAC shall

A. within 10 days after execution of this Agreement, provide to the Bank a list of all companies controlled, directly or indirectly, by GMAC (collectively, "GMAC Companies"), and shall provide to the Bank annual updates of any changes to this list;

B. at such intervals as the FDIC deems appropriate, provide the FDIC with such information as the FDIC deems appropriate concerning any GMAC affiliate and its relationship with the Bank as well as its impact or effect on the Bank, and if disclosure of information concerning any non-U.S. GMAC Company is prohibited by law or otherwise, GMAC shall cooperate with the FDIC, including without limitation, by seeking timely waivers or exemptions from any applicable confidentiality or secrecy restrictions or requirements, to enable the disclosure of such information to the FDIC, written in English and expressed in U.S. dollars;

C. maintain its capital at a level such that

1. on the effective date of the Extended Disposition Agreement and thereafter, the ratio of its Total Equity Capital to Total Assets is at least 5 percent; for purposes of calculating this ratio. (i) Total Equity Capital means total equity as reported in GMAC LLC's consolidated balance sheet, as reported in its Securities and Exchange Commission filings (SEC Form 10K an Form 10Q) and (ii) Total Assets means total assets as reported in the consolidated balance sheet portion of GMAC LLC's SEC filings; and

2. as of December 31, 2008 and at each quarter-end thereafter, the ratio of its Tangible Equity Capital to Total Assets is at least 5 percent; for purposes of calculating this ratio, (i) Tangible Equity Capital means total equity as reported in GMAC LLC's consolidated balance sheet, minus goodwill and intangible assets, net of accumulated amortization (other than mortgage servicing assets), as reported in its Securities and Exchange Commission filings (SEC Form 10K and Form 10Q) and (ii) Total Assets means total assets less all goodwill and intangible assets (other than mortgage servicing assets) as reported in the consolidated balance sheet portion of GMAC LLC's SEC filings;

Source: GMAC LLC, 10-Q, August 08, 2008

provided that no later than thirty days after each month-end until December 31, 2008, and thereafter no later than thirty days after each quarter-end unless otherwise directed by the Regional Director, GMAC shall report to the Regional Director its calculation of the above capital ratios as of each month-end or quarter-end, as appropriate; and provided further that, in the event that GMAC does not maintain its capital ratios as specified in paragraphs 1 and 2 above, GMAC shall submit to the Regional Director within thirty days after discovery of such noncompliance its plan to restore compliance with those capital ratios.

D. limit the representation, direct and indirect, of General Motors Corporation ("GM") on the Bank's board of directors to no more than 25 percent of the members of such board of directors, in the aggregate, provided that in the event of the resignation, death, or removal of a director who does not represent GM, GMAC will have 120 days to fill the vacancy; and

E. limit the representation, direct and indirect, of all Feinberg Entities, other than GMAC and its subsidiaries, on the Bank's board of directors to no more than 25 percent of the members of such board of directors, in the aggregate, provided that in the event of the resignation, death, or removal of a director who does not represent such a Feinberg Entity, GMAC will have 120 days to fill the vacancy.

III. The Bank shall

A. obtain written approval from the Regional Director prior to engaging in any transaction with a non-U.S. affiliate

B. prior to entering into any transaction with a non-U.S. affiliate, and until such transaction is consummated or terminated, obtain and maintain current financial information on that affiliate and make that information available for examiner review at the Bank's main office in the U.S.; at a minimum, such financial information shall include an annual income statement and balance sheet no more than 18-months old, expressed in U.S. dollars, written in English, and audited by a reputable accounting firm;

C. obtain written approval from the Regional Director prior to hiring any senior executive officer during the first seven years of operation after the effective date of the Extended Disposition Agreement;

D. obtain written approval from the Regional Director prior to hiring a senior executive officer who is associated in any manner (e.g., as a director, officer, employee. agent, owner, partner, adviser or consultant) (i) with any Feinberg Entity or (ii) with Mr. Feinberg;

E. obtain written approval from the Regional Director prior to entering into any contract for essential services with any affiliate;

F. obtain written approval from the Regional Director prior to consummating any proposed major deviation or material change from its business plan during the first seven years of operation after the effective date of the Extended Disposition Agreement;

G. notify the FDIC in writing at least thirty days before the aggregate amount of covered transactions between the Bank and its affiliates, except for those transactions that satisfy the collateral requirements in 12 C.F.R. § 223.42(c), exceeds 10 percent of the Bank's capital stock and surplus (For purposes of this provision, "covered transaction" and "affiliate" have the same meanings as in 12 C.F.R. part 223 subpart A);

H. notify the FDIC in writing within five days after discovery of any material change to the financial condition of any Parent Company, any third party counter-party, or any other Bank affiliate, which has, or is likely to have, an adverse effect on the ability of those companies to comply with their obligations under the CALMA;

I. complete and maintain on an ongoing basis, an independent risk assessment of its relationship with and dependence on, any Parent Company, focusing on the identification, measurement, monitoring, and management of any risk factors that could potentially and negatively impact the Bank; at a minimum, the independent assessment will consider each such company's financial condition and performance, the quality of its management and corporate governance, and an appropriate variety of negative scenarios, and based on this assessment, the Bank shall take actions to ensure that appropriate corporate separateness will be maintained between the Bank and such companies, that appropriate contingency plans are maintained and encompass deposit activities and any other services or support provided by the relationship, and that any potential deterioration of any such company will not negatively impact the Bank;

J. in connection with the requirement in paragraph I.D. above for an annual independent audit, submit to the FDIC: (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the depository institution's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days after their receipt by the institution, and (ii) written notification within 15 days after a change in the institution's independent auditor occurs; and

K. not establish or maintain on any property owned, leased or occupied by a Feinberg Entity, other than the Bank, a branch, loan production office,

Source: GMAC LLC, 10-Q, August 08, 2008

deposit production office, or A TM, or otherwise provide, offer, or market financial services on such property.

IV. Miscellaneous Provisions

A. Definitions. As used in this Agreement, and except as provided otherwise herein, the terms listed below have the following meanings

1. The term “affiliate” means a company that controls, is controlled by, or is under common control with, another company.

2. The term “board of directors” includes, for a corporation, the board of directors, and for a limited liability company, the board of managers or the managing member(s), as appropriate.

3. Except for purposes of calculating the amount of covered transactions in paragraph, III G above, the term “control” has the meaning given it in the Change in Bank Control Act, 12 U.S.C. § 1817(j)(8) and includes the presumption of control at 12 C.F.R. § 303.82(b)(2).

4. The term “subsidiary” means any company that is directly or indirectly controlled by another company.

5. The term “lender” means any entity that extends credit to another entity, including without limitations, a bondholder.

6. Other terms used in this Agreement that are not otherwise defined herein have the meanings given them in section 3 of the FDI Act, 12 U.S.C. § 1813.

B. Enforceability as Written Agreement. In addition to any other remedies provided by law, this Agreement is binding and enforceable by FDIC as a written agreement pursuant to Section 8 of the FDI (12 U.S.C. § 1818) (“Section 8”) and each Parent Company is an institution-affiliated party for purposes of section 8.

C. Authority. For each party to this Agreement that is a corporation, other than the FDIC, the board of directors of such party has approved a resolution (the “Resolution”) authorizing its entry into this Agreement. Each party that is a limited liability company or a partnership has provided to the FDIC a certification of counsel or a certified copy of the Resolution of the board of directors authorizing its entry into this Agreement. Each certification of counsel or certified copy of each Resolution are attached hereto as Exhibits 1 through 6 and incorporated herein by reference.

D. Governing Laws. This Agreement and the rights and obligations hereunder shall be governed by and shall be construed in accordance with

Source: GMAC LLC, 10-Q, August 08, 2008

the Federal law of the United States, and, in the absence of controlling Federal law, in accordance with the laws of the State of New York.

E. No Waiver. No failure to exercise, and no delay in the exercise of, any right or remedy on the part of any of the parties to this Agreement shall operate as a waiver or termination of such right or remedy. Further, any exercise or partial exercise of any right or remedy relating to this Agreement will not preclude any other or further exercise of such right or remedy or any other right or remedy.

F. No Oral Change. This Agreement and the rights and obligations herein may not be amended, discharged, released, renewed or extended in whole or in part, in any manner except by a writing signed by all of the parties.

G. Addresses. Any request, notice, correspondence or submission required or permitted by the Agreement shall be provided in writing and shall be delivered by hand or sent by United States express mail or commercial express mail, postage prepaid, and addressed as follows:

If to **Cerberus FIM, LLC; Cerberus FIM Investors, LLC; or FIM Holdings LLC**:

[Cerberus FIM, LLC] [Cerberus FIM Investors, LLC] or [FIM Holdings LLC]
299 Park Avenue
New York, New York 10171

If to **GMAC LLC**; **or IB Finance Holding Company, LLC**;

[GMAC LLC] or [IB Finance Holding Company, LLC]
200 Renaissance Center
Detroit, MI 48235

If to the **GMAC Bank**:

GMAC Bank
6985 Union Park Center
Midvale, UT 84047

If to the **FDIC**:

Associate Director, Division of Supervision and Consumer Protection
Supervision and Applications Branch
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

And

Source: GMAC LLC, 10-Q, August 08, 2008

Regional Director
New York Regional Office
Federal Deposit Insurance Corporation
20 Exchange Place - 4th Floor
New York, NY 10005

H. No Assignment. This agreement may not be assigned or transferred, in whole or in part, without the prior written consent of the Regional Director.

I. Binding on Successors and Assigns. This Agreement is binding on the parties hereto and their successors and assigns.

J. Complete Agreement. This Agreement is the complete and exclusive statement of the agreement between the parties concerning the commitments set forth in the Agreement, and supersedes all prior written or oral communications, representations and agreements relating to the subject matter of these paragraphs.

K. Joint and Several Liability. The obligations, liabilities, agreements and commitments of the Parent Companies in paragraphs I.D., I.F., I.G., and I.H. of this Agreement are joint and several, and the FDIC may pursue any right or remedy that it may have against one or more of the Parent Companies, consecutively or simultaneously, without releasing or discharging any other Parent Company.

L. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all such counterparts taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year indicated above.

Cerberus FIM, LLC,

By its sole Managing Member:

By: /s/ MARK A. NEPORENT

Printed Name and Title: Mark A. Neporent

Source: GMAC LLC, 10-Q, August 08, 2008

Cerberus FIM Investors, LLC,

By its Managing Member:

By: /s/ MARK A. NEPORENT

Printed Name and Title: Mark A. Neporent

FIM Holdings LLC

By its Managing Member(s):

By: /s/ MARK A. NEPORENT

Printed Name and Title: Mark A. Neporent

GMAC LLC

By its Managing Member(s):

By: /S/ ROBERT S. HULL

Printed Name and Title: Robert S. Hull, Executive Vice President and Chief Financial Officer

IB Finance Holding Company, LLC

By its Managing Member(s):

By: /S/ C. L. QUENNEVILLE

Printed Name and Title: C. L. Quenneville, Secretary

GMAC Bank

By: /S/ MARK B. HALES

Printed Name and Title: Mark B. Hales, President and CEO

Source: GMAC LLC, 10-Q, August 08, 2008

Federal Deposit Insurance Corporation

By: /s/ SANDRA L. THOMPSON

Sandra L. Thompson, Director
Division of Supervision and Consumer Protection

Exhibit 10.3

CAPITAL AND LIQUIDITY MAINTENANCE AGREEMENT

This CAPITAL AND LIQUIDITY MAINTENANCE AGREEMENT (the "Agreement"), dated as of July 21, 2008, is made and entered into by and among **Cerberus FIM, LLC**, a limited liability company with headquarters at 299 Park Avenue New York, New York 10171 ("CF"); **Cerberus FIM Investors, LLC**, a limited liability company with headquarters at 299 Park Avenue New York, New York 10171 ("CF Investors"); **FIM Holdings LLC**, a limited liability company with headquarters at 299 Park Avenue New York, New York 10171 ("FIM"); **GMAC LLC**, a limited liability company with headquarters at 200 Renaissance Center, Detroit, MI 48235 ("GMAC"); **IB Finance Holding Company, LLC**, a limited liability company with headquarters at 200 Renaissance Center, Detroit, MI 48265 ("IB Finance"); (collectively, CF, CF Investors, FIM, GMAC, and IB Finance are herein referred to as the "Parent Companies"); **GMAC Bank**, a Utah-chartered, nonmember, industrial bank located at 6985 Union Park Center, Midvale, UT 84047 (formerly known as GMAC Automotive Bank and herein referred to as the "Bank"), and the **Federal Deposit Insurance Corporation**, a Federal banking agency headquartered in Washington, D.C. (the "FDIC").

WITNESSETH:

WHEREAS, generally, pursuant to the Change in Bank Control Act (the "CBCA"), 12 U.S.C. § 1817(j), no person may acquire control of a state-chartered, nonmember bank unless it gives the FDIC at least sixty days prior written notice and unless the FDIC does not disapprove the proposed acquisition; and

WHEREAS, on May, 31, 2006, Mr. Stephen A. Feinberg ("Mr. Feinberg"), Citigroup Inc. ("Citigroup"), and Aozora Bank Limited ("Aozora") submitted an Interagency Notice of Change in Control with respect to the acquisition of indirect control of the Bank which notice was subsequently amended to add The PNC Financial Services Group, Inc. ("PNC") as an additional notificant (said notice, as amended, is herein referred to as the "Notice"); and

WHEREAS, pursuant to the Notice, four investor groups including Mr. Feinberg (acting through CF and CF Investors), Citigroup, Aozora, and PNC, acting together through FIM, proposed to acquire fifty-one percent of the voting shares of GMAC, a parent company of the Bank; and

WHEREAS, on July 28, 2006, the Board of Directors of the FDIC ("Board") imposed a six-month moratorium on deposit insurance applications and change in control notices with respect to industrial banks; and

WHEREAS, on November 15, 2006 the Board authorized staff to issue, and staff issued, a letter of intent not to disapprove the Notice ("Letter of Non-Disapproval") subject to a number of conditions, including specifically a Two-Year Disposition

Source: GMAC LLC, 10-Q, August 08, 2008

Agreement by and among CF, CF Investors, FIM, and the FDIC dated November 16, 2006 (the "Disposition Agreement"); and

WHEREAS, the Disposition Agreement generally requires that CF, CF Investors, and FIM complete one of four specified actions no later than November 30, 2008: (A) become depository institution holding companies, (B) divest control of the Bank, (C) terminate the Bank's insured status, or (D) obtain a waiver of the requirement to take any of the foregoing actions ("Waiver"), and

WHEREAS, in order to satisfy an additional condition of the FDIC's Letter of Non-Disapproval, GMAC, IB Finance, the Bank and the FDIC entered into a Capital Maintenance Agreement dated November 15, 2006 (the "CMA")

WHEREAS, on February 1, 2008 CF, CF Investors, and FIM submitted to the FDIC their request for a Waiver pursuant to paragraph 1(D) of the Disposition Agreement (the "Waiver Request"), and

WHEREAS, the Parent Companies, directly or indirectly, control the Bank;

WHEREAS, the FDIC may deny the Waiver Request unless the Parent Companies and the Bank enter into this Agreement, and

NOW, THEREFORE, in consideration of the premises and the agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1.**<u>Approval by FDIC</u>.** If the FDIC addresses the Waiver Request through the execution of an extended disposition agreement with CF, CF Investors, and FIM which extends for ten years the requirement to complete one of four action specified in the Disposition Agreement (the "Extended Disposition Agreement"), this Agreement shall become fully effective and binding upon the parties hereto.

2.**<u>Termination of Capital Maintenance Agreement</u>**. This Agreement terminates, cancels and supersedes the CMA.

3.**<u>Capital.</u>** On the effective date of this Agreement and at all times during the three years thereafter, the Parent Companies and the Bank will maintain sufficient capital in the Bank such that the Bank's Leverage Ratio is at least 11 percent, as calculated under 12 C.F.R. § 325.2(m), (v), and (x). On the day after the end of the three year period referenced in the foregoing sentence and at all times thereafter the Parent Companies and the Bank will maintain sufficient capital in the Bank such that the Bank will be well capitalized as that term is defined in 12 C.F.R. part 325.

If at any time during the three year period referenced in the foregoing paragraph, the Bank's Leverage Ratio falls below 11 percent, the Parent Companies shall immediately cause the Bank's Leverage Ratio to be restored to at least 11 percent. If at any time after such three year period the Bank fails to be well capitalized, the Parent Companies shall

Source: GMAC LLC, 10-Q, August 08, 2008

immediately cause the Bank to be restored to well capitalized status. Any capital contributions to the Bank will be in the form of cash, short-term US Treasury securities, or other assets acceptable to the FDIC.

4.**Liquidity**. The Parent Companies will maintain the Bank's liquidity at such levels that the FDIC deems appropriate. In particular, the Parent Companies will provide the Bank with financial assistance, as specified below, to permit the Bank to meet its short- and long-term liquidity demands.

A. Short-Term Liquidity.

GMAC and such additional Parent Companies that are acceptable to the FDIC will enter into a Revolving Line of Credit Agreement with the Bank to provide $3,000,000,000, or such greater amount as may later be negotiated between GMAC (and/or such additional Parent Companies that are acceptable to the FDIC) and the Bank, in unsecured financing (Line of Credit) to the Bank to fund loans or deposit withdrawals, pay operating expenses, or satisfy other corporate purposes.

Any and all agreements related to the Line of Credit must contain only such terms and conditions as the FDIC, in its sole discretion, finds acceptable. At a minimum, the Line of Credit is subject to the restrictions of Section 23B of the Federal Reserve Act and cannot contain terms and conditions that are less favorable to the Bank than a comparable transaction with an unaffiliated third party.

The Bank may draw on the Line of Credit provided by GMAC at any time the Bank or FDIC considers it necessary.

The Bank must submit all documents establishing the Line of Credit, fully executed, to the FDIC prior to the effective date of the Extended Disposition Agreement.

B. Long-Term Liquidity.

If the Bank identifies liquidity requirements that it cannot satisfy, it must notify each of the Parent Companies and the FDIC as soon as practicable. The FDIC, in addition to any other actions, may require one or more of the Parent Companies to submit a liquidity support plan acceptable to the FDIC within 15 days after receipt of the notice.

5. **Authority of the Parties**. For each party to this Agreement that is a corporation, other than the FDIC, the board of directors of such party has approved a resolution (the "Resolution") authorizing its entry into this Agreement. Each party that is a limited liability company or a partnership has provided to the FDIC a certification of counsel or a certified copy of the Resolution of the board of directors authorizing its entry into this Agreement. Each certification of counsel

Source: GMAC LLC, 10-Q, August 08, 2008

or certified copy of each Resolution are attached hereto as Exhibits 1 through 6 and incorporated here in by reference.

6.**Miscellaneous.**

A. Enforceability As A Written Agreement. In addition to any other remedies provided by law, this Agreement is binding and enforceable by the FDIC as a written agreement pursuant to section 8 of the Federal Deposit Insurance Act (12 U.S.C. § 1818) against the other parties, their successors and assigns.

B. Bankruptcy Treatment of Commitments. The obligations of the Parent Companies and the Bank contained in this Agreement are commitments to maintain the capital and liquidity of the Bank and, if a bankruptcy petition is filed by or against any Parent Company, the obligations of such Parent Company contained in this Agreement will be paid as an administrative expense of the debtor pursuant to section 507(a)(1) of the Bankruptcy Code (11 U.S.C. § 507(a)(1)).

C. Conservatorship or Receivership of the Bank. In the event of the appointment of a conservator or receiver for the Bank, the obligations of the Bank and the Parent Companies hereunder shall survive said appointment and be enforceable by the FDIC.

D. Governing Laws. This Agreement and the rights and obligations hereunder shall be governed by, and shall be construed in accordance with the Federal law of the United States and, in the absence of controlling Federal law, in accordance with the laws of the State of New York.

E. No Waiver. No failure to exercise, and no delay in the exercise of, any right or remedy on the part of any of the parties hereto shall operate as a waiver or termination thereof, nor shall any exercise or partial exercise of any right or remedy preclude any other or further exercise of such right or remedy or any other right or remedy.

F. Severability. In the event any one or more of the provisions contained herein should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

G. No Oral Changes. This Agreement may not be modified, amended, discharged, or terminated, released, renewed or extended in any manner except by a writing signed by all of the parties.

Source: GMAC LLC, 10-Q, August 08, 2008

H. Addresses for and Receipt of Notice. Any notice hereunder shall be in writing and shall be delivered by hand or sent by United States express mail or commercial express mail, postage prepaid, and addressed as follows:

If to **Cerberus FIM, LLC; Cerberus FIM Investors, LLC; or FIM Holdings LLC**:

[Cerberus FIM, LLC] [Cerberus FIM Investors, LLC] or [FIM Holdings LLC]
299 Park Avenue
New York, New York 10171

If to **GMAC LLC**; **or IB Finance Holding Company, LLC**;

[GMAC LLC] or [IB Finance Holding Company, LLC]
200 Renaissance Center
Detroit, MI 48235

If to the **GMAC Bank**:

GMAC Bank
6985 Union Park Center
Midvale, UT 84047

If to the **FDIC**:

Associate Director, Division of Supervision and Consumer Protection Supervision and Applications Branch

Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

And

Regional Director
New York Regional Office
Federal Deposit Insurance Corporation
20 Exchange Place – 4th Floor
New York, NY 10005

I. No Assignment. This agreement may not be assigned or transferred, in whole or in part, without the prior written consent of the FDIC.

J. Joint and Several Liability. The obligations, liabilities, agreements and commitments of the Parent Companies and the Bank (collectively the "Obligors") in paragraphs 3 and 4 of this Agreement are joint and several, and the FDIC may pursue any right or remedy that it may have against one

Source: GMAC LLC, 10-Q, August 08, 2008

or more of the Obligors, consecutively or simultaneously, without releasing or discharging any other Obligor.

K. Complete Agreement. This Agreement is the complete and exclusive statement of the agreement among the parties, and supersedes all prior written or oral communications, representations, understandings, and agreements relating to the subject matter of this Agreement.

L. Counterparts. This agreement may be executed in two or more counterparts, each of which shall be deemed an original and all such counterparts taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CERBERUS FIM, LLC

By its sole Managing Member:

By: /s/ MARK A. NEPORENT

Printed Name and Title: Mark A. Neporent

CERBERUS FIM INVESTORS, LLC

By its sole Managing Member:

By: /S/ MARK A. NEPORENT

Printed Name and Title: Mark A. Neporent

FIM HOLDINGS LLC

By its Managing Member(s):

By: /s/ MARK A. NEPORENT

Printed Name and Title: Mark A. Neporent

GMAC LLC

By its Managing Member(s):

By: /S/ ROBERT S. HULL

Printed Name and Title: Robert S. Hull, Executive Vice President and Chief Financial Officer

Source: GMAC LLC, 10-Q, August 08, 2008

IB FINANCE HOLDING COMPANY, LLC

By its Managing Member(s):

By: /S/ C. L. QUENNEVILLE

Printed Name and Title: C. L. Quenneville, Secretary

GMAC BANK

By: /S/ MARK B. HALES

Printed Name and Title: Mark B. Hales, President and CEO

FEDERAL DEPOSIT INSURANCE CORPORATION

By: /S/ SANDRA L. THOMPSON

Sandra L. Thompson, Director

Division of Supervision and Consumer Protection

Source: GMAC LLC, 10-Q, August 08, 2008

Exhibit 10.4

GMAC LONG-TERM INCENTIVE PLAN LLC

LONG-TERM EQUITY COMPENSATION INCENTIVE PLAN

As Adopted Effective July 16, 2008

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LONG-TERM INCENTIVE PLAN LLC
LONG-TERM EQUITY COMPENSATION INCENTIVE PLAN

Table of Contents

Section 1	Definitions
Section 2	Purpose of Plan
Section 3	Term of Plan; Amendment and Termination of Plan
Section 4	Administration
Section 5	Eligibility and Participation
Section 6	Bps Available under Plan; Valuation of Awards
Section 7	Grants of Awards
Section 8	Vesting and Payment of Award
Section 9	Restrictive Covenants
Section 10	Termination of Employment; Other Payments
Section 11	Claims
Section 12	Taxes
Section 13	Miscellaneous

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LONG-TERM INCENTIVE PLAN LLC

LONG-TERM EQUITY COMPENSATION INCENTIVE PLAN

1.0 **DEFINITIONS**

The following terms shall have the following meanings unless the context indicates otherwise:

1.1 *"Award"* shall mean a compensatory award that is granted in accordance with Section 7 below and that Vests and is paid in accordance with Section 9 or 11 below.

1.2 *"Award Letter"* shall mean a written agreement between GMAC LTIP LLC and the Participant that establishes the terms, conditions, restrictions and/or limitations applicable to an Award in addition to those established by the Plan and by the Committee's exercise of its administrative powers.

1.3 *"Beneficiary"* shall mean a beneficiary designated in writing by a Participant to receive a Payment in the event of a Participant's death prior to a date of Payment. If no Beneficiary is designated by the Participant, then the Participant's estate shall be deemed to be the Participant's Beneficiary.

1.4 *"Board"* shall mean the Board of Managers of the Company.

1.5 *"bps"* shall mean a hypothetical ownership interest of the Company (based on basis points) where, for example (i) an Award subject to 1.5 bps would equal an Award relating to a 0.015% hypothetical ownership interest of the Company and (ii) an Award subject to 3.25 bps would equal an Award relating to a 0.0325% hypothetical ownership interest of the Company.

1.6 "*Cause*" shall mean any one of the following:

(a) felony indictment or misdemeanor conviction; or

(b) failure to perform any material responsibility of the leadership position; or

(c) a course of conduct which would tend to hold the Company or any of its affiliates in disrepute or scandal, as determined by the Board in its sole discretion; or

(d) failure to follow lawful directions of the Board; or

(e) any material breach of fiduciary duty to the Company; or

(f) gross negligence; or

(g) willful misconduct; or

(h) failure to comply with a material Company policy; or

(i) any act of fraud, theft, or dishonesty; or

(j) breach of any restrictive covenants, including the duty of confidentiality with respect to Company information.

1.7 *"Change in Control"* shall mean ***both***:

Source: GMAC LLC, 10-Q, August 08, 2008

(a) a change in the ownership of the Company in accordance with Treasury Regulation Section 1.409A-3(i)(5)(v); or

(b) a change in effective control of the Company in accordance with Treasury Regulation Section 1.409A-3(i)(5)(vi); or

(c) a change in the ownership of a substantial portion of the Company's assets in accordance with Treasury Regulation Section 1.409A-3(i)(5)(vii);

and either

(i) any person who is not FIM Holdings LLC, GM Finance Co. Holdings Inc., General Motors Corporation and their affiliates becomes the beneficial owner, directly or indirectly, of more than 50% of the combined voting power of the then issued and outstanding securities or other ownership interests of the Company; or

(ii) the sale, transfer or other disposition of all or substantially all of the business and assets of the Company, whether by sale of assets, merger or otherwise (determined on a consolidated basis), to a person other than FIM Holdings LLC, GM Finance Co. Holdings Inc., General Motors Corporation and their affiliates.

1.8 *"Change-in-Control Date"* shall mean the date a Change in Control occurs.

1.9 *"Code"* shall mean the Internal Revenue Code of 1986, as amended from time to time, including applicable regulations promulgated thereunder.

1.10 *"Committee"* shall mean the Board's Compensation and Leadership Committee.

1.11 *"Company"* shall mean GMAC LLC.

1.12 *"Competitive Activity"* shall mean an activity in which the Participant engages directly or indirectly (whether as a principal, agent, partner, member, employee, investor, owner, consultant, board member or otherwise) that is in direct competition with the Company or any of its Subsidiaries or affiliates in any of the States within the United States, or countries within the world, in which the Company or any of its Subsidiaries or affiliates conducts business with respect to a business in which the Company or any of its subsidiaries or affiliates engaged or was preparing to engage during employment and on the date of the termination of employment; *provided, however*, that an ownership interest of 1% or less in any publicly held company shall not constitute a Competitive Activity; *and further provided, however*, that the Participant may be employed by or otherwise associated with a business or entity of which a subsidiary, division, segment, unit, etc. is in direct competition with the Company or any Subsidiary or affiliate but as to which such subsidiary, division, segment, unit, etc. the Participant has no direct or indirect responsibilities or involvement so long as the Participant does not breach the covenant of confidentiality contained in Section 11.3 below.

1.13 *"Deferral Payment Date"* shall mean March 15, 2013, or any other date specified in an Award Letter.

1.14 *"Disability"* or *"Disabled"* shall mean a "disability" as defined under Code Section 409A(a)(2)(C).

1.15 *"Dividend Equivalent"* shall mean a case amount equal to the amount of a dividend with respect to GMAC LLC equity that is paid to GMAC LLC equity holders on or after an IPO.

1.16 *"Effective Date"* shall mean July 16, 2008, the date approved by the Board.

1.17 *"ERISA"* shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, including applicable regulations promulgated thereunder.

Source: GMAC LLC, 10-Q, August 08, 2008

1.18 *"Exchange Act"* shall mean the Securities Exchange Act of 1934, as amended from time to time, including applicable regulations thereunder.

1.19 *"Fair Market Value"* shall mean the fair market value of the Company as determined in good faith by the Board and in accordance with Section 6 below.

1.20 *"GMAC LLC"* shall mean GMAC LLC, a Delaware limited liability company.

1.21 *"GMAC LTIP LLC"* shall mean GMAC Long-Term Incentive Plan LLC, a Delaware limited liability company.

1.22 "*IPO"* shall mean an underwritten sale to the public of the Company's equity securities pursuant to an effective registration statement filed with the Securities and Exchange Commission on Form S-1 and after which the Company's equity securities are listed on the New York Stock Exchange or the American Stock Exchange or are quoted on the NASDAQ Stock Market; *provided, however,* that an IPO shall not include any issuance of the Company's equity securities in any merger or other business combination, and shall not include any registration of the issuance of such equity securities to exiting security holders or employees of the Company on Form S-4 or Form S-8.

1.23 *"Member"* shall mean a person or entity that owns and holds a Membership Interest.

1.24 *"Membership Interest"* shall mean either a "Class A Membership Interest" or a "Class B Membership Interest" as such term is defined under and described in the Amended and Restated Limited Liability Company Operating Agreement of GMAC LLC dated as of November 30, 2006, as amended from time to time.

1.25 *"Participant"* shall mean any employee of the Company or any Subsidiary to whom an Award has been granted by the Committee under the Plan and who is employed by the Company or any Subsidiary as of the date the Award Vests in accordance with Section 8 or 10 below.

1.26 *"Payment"* or *"Paid"* shall mean a cash payment made to a Participant equal to:

(a) if with respect to an RSU, the product of (x) the Fair Market Value times (y) bps subject to the Payment, plus any Dividend Equivalents, if applicable; or

(b) if with respect to an SAR, the product of (x) the Fair Market Value less the Strike Price times (y) bps subject to the Payment.

1.27 *"Plan"* shall mean the GMAC Long-Term Incentive Plan LLC Long-Term Equity Compensation Incentive Plan.

1.28 *"RSU"* shall mean an Award designated as a full-value compensatory vehicle where compensation attributable to such Award will be measured by the Fair Market Value as of the Payment Date, and which shall be subject to restrictions and limitations imposed by the Committee on the date of grant.

1.29 *"SAR"* shall mean an Award designated as an appreciation-only compensatory vehicle where compensation attributable to such Award will be measured by the excess, if any, of the Fair Market Value of the Award as of the Payment Date less the Strike Price, and which shall be subject to restrictions and limitations imposed by the Committee on the date of grant.

1.30 *"Strike Price"* shall mean the strike price of an SAR as determined by the Committee.

Source: GMAC LLC, 10-Q, August 08, 2008

1.31 *"Subsidiary"* shall mean a corporation of which the Company directly or indirectly owns more than 50 percent of the Voting Stock or any other business entity in which the Company directly or indirectly has an ownership interest of more than 50 percent.

1.32 *"Treasury Regulation"* shall mean the regulations promulgated under the Code by the United States Department of the Treasury, as amended from time to time.

1.33 *"Unforeseeable Emergency"* shall mean an "unforeseeable emergency" as defined under Code Section 409A(a)(2)(B)(ii)(I).

1.34 *"Unvested Award"* shall mean the portion of an Award that has not yet Vested.

1.35 *"Valuation"* shall mean a fair market valuation of the Company in accordance with Section 6.3 below.

1.36 *"Vest"* shall mean that the Participant has an unrestricted right, title and interest to receive the compensation attributable to the Award (or a portion of such Award) or to otherwise enjoy the benefits underlying such Award without a "substantial risk of forfeiture" (as such term is defined and used in Code Section 409A).

1.37 *"Vesting Date"* shall mean the date on which an Award Vests as specified in the Award Letter.

1.38 *"Voting Stock"* shall mean the capital stock of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the directors of a corporation.

2.0 **PURPOSE OF PLAN**

2.1 **Purpose**. The purpose of the Plan is to motivate certain employees of the Company and its Subsidiaries to put forth maximum efforts toward the growth, profitability, and success of the Company and its Subsidiaries by providing incentives to such employees through payments that are aligned to the ownership interests of the Company. In addition, the Plan is intended to provide incentives that will attract and retain highly qualified individuals as employees of the Company and its Subsidiaries, and to assist in aligning the interests of such employees with the interests of the Members.

2.2 **ERISA.** The Plan is intended to be an unfunded "employee benefit plan" (as such term is defined and used under ERISA) which is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of ERISA, and thus the Plan is intended to be treated as and subject to the "top-hat" plan requirements under ERISA.

2.3 **Code Section 409A.** The Plan is intended to be a "nonqualified deferred compensation plan" as such term is defined and used under Code Section 409A, and thus the Plan is intended to be fully subject to and fully compliant with Code Section 409A.

3.0 **TERM OF PLAN; AMENDMENT AND TERMINATION OF PLAN**

3.1 **Term**. The Plan shall be effective as of the Effective Date and shall terminate on the earlier of (i) the date that all Awards granted under the Plan are Paid or (ii) the 10th anniversary of the Effective Date, unless sooner terminated by the Board in accordance with Section 3.2 below.

3.2 **Termination of Plan**. The Board may suspend or terminate the Plan at any time with or without prior notice; *provided, however*, that no action authorized by this Section 3.2 shall reduce the amount of any outstanding Award or otherwise adversely change the terms and conditions thereof without the Participant's prior written consent.

Source: GMAC LLC, 10-Q, August 08, 2008

3.3 **Amendment of Plan**. The Board may amend the Plan at any time with or without prior notice; *provided, however*, that no action authorized by this Section 3.3 shall reduce the amount of any outstanding Award or otherwise adversely change the terms and conditions thereof without the Participant's prior written consent.

3.4 **Amendment or Cancellation of Award Letters**. The Committee may amend or modify any Award Letter at any time; *provided, however,* that if the amendment or modification adversely affects the Participant, such amendment or modification shall be by mutual agreement between the Committee and the Participant or such other persons as may then have an interest therein.

3.5 **Restrictions to Amendment of Plan**. Notwithstanding anything contained in the Plan to the contrary, any amendment to the Plan or to any Award Letter that would result in compensation payable under the Plan to be subject to the penalty tax imposed by Code Section 409A shall be null and void and of no effect as if the Plan had never been amended.

4.0 **ADMINISTRATION**

4.1 **Responsibility**. The Committee shall have the responsibility, in its sole discretion, to control, operate, manage and administer the Plan in accordance with its terms.

4.2 **Award Letter**. Each Award granted under the Plan shall be evidenced by an Award Letter, which shall be signed by an authorized agent or officer of GMAC LTIP LLC and the Participant; *provided, however*, that in the event of any conflict between a provision of the Plan and any provision of an Award Letter, the provision of the Plan shall control and prevail.

4.3 **Authority of the Committee**. The Committee shall have all the discretionary authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan, including but not limited to the following:

(a) to determine eligibility for participation in the Plan;

(b) to determine the size of an Award granted under the Plan;

(c) to set vesting schedules for each Award;

(d) to set the Strike Prices for SARs under the Plan;

(e) to grant Awards to, and to enter into Award Letters with, Participants;

(f) to supply any omission, correct any defect, or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem appropriate in its sole discretion to carry the same into effect;

(g) to issue administrative guidelines as an aid to administer the Plan and make changes in such guidelines as it from time to time deems proper;

(h) to make rules for carrying out and administering the Plan and make changes in such rules as it from time to time deems proper;

(i) to the extent permitted under the Plan, grant waivers of Plan terms, conditions, restrictions, and limitations;

(j) to maintain the Plan's full compliance with Code Section 409A;

Source: GMAC LLC, 10-Q, August 08, 2008

(k) to recommend Fair Market Value to the Board for purposes of the Plan;

(l) to take any and all other actions it deems necessary or advisable for the proper operation or administration of the Plan.

4.4 **Action by the Committee**. The Committee may act only by a majority of its members. Any determination of the Committee may be made, without a meeting, by a writing or writings signed by all of the members of the Committee. In addition, the Committee may authorize any one or more of its members to execute and deliver documents on behalf of the Committee.

4.5 **Delegation of Authority**. The Committee may delegate to one or more of its members, or to one or more agents, such administrative duties as it may deem advisable; *provided, however*, that any such delegation shall be in writing. In addition, the Committee, or any person to whom it has delegated duties under this Section 4.5, may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. The Committee may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company or the Subsidiary whose employees have benefited from the Plan, as determined by the Committee.

4.6 **Determinations and Interpretations by the Committee**. All determinations and interpretations made by the Committee shall be binding and conclusive on all Participants and their heirs, successors, and legal representatives.

4.7 **Liability**. No member of the Committee and no employee of the Company shall be liable for any act or failure to act hereunder, except in circumstances involving his or her bad faith, gross negligence or willful misconduct, or for any act or failure to act hereunder by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated.

4.8 **Indemnification**. The Company shall indemnify members of the Committee and any agent of the Committee against any and all liabilities or expenses to which they may be subjected by reason of any act or failure to act with respect to their duties on behalf of the Plan, except in circumstances involving such person's bad faith, gross negligence or willful misconduct.

5.0 **ELIGIBILITY AND PARTICIPATION**

5.1 **Eligibility**. All employees of the Company and its Subsidiaries shall be eligible to participate in the Plan and to receive Awards.

5.2 **Participation**. The Committee in its sole discretion shall designate who shall be a Participant and receive Awards under the Plan. Designation of a Participant in any year shall not require the Committee to designate such person to receive an Award in any other year or, once designated, to receive the same Award as granted to the Participant in any other year. The Committee shall consider such factors as it deems pertinent in selecting Participants and in determining the bps subject to each Award. Notwithstanding the Committee's authority to determine Participants and Awards, the Chief Executive Officer of the Company shall have the authority to grant RSUs to any Participants who do not receive SARs Awards. The Chief Executive Officer shall present the RSU Participants and Award bps to the Committee from time to time or upon the Committee's request, so that the Committee may determine whether it has any objection to such compensation for these Participants.

6.0 **BPS AVAILABLE UNDER PLAN; VALUATION OF AWARDS**

Source: GMAC LLC, 10-Q, August 08, 2008

6.1 **Available bps for Grant**. The aggregate number of bps that may be granted under all Awards during the term of the Plan shall not exceed 1000. The aggregate number of bps that may be granted under all RSU Awards during the term of the Plan shall not exceed 600. The aggregate number of bps that may be granted under all SAR Awards during the term of the Plan shall not exceed 400. Awards that are cancelled or forfeited may be regranted.

6.2 **Adjustment to Award**. If there is any change to the Membership Interests, through merger, consolidation, reorganization, recapitalization, dividend, split, reverse split, split-up, split-off, spin-off, combination of Membership Interests, exchange of Membership Interests, dividend in kind or other like change in capital structure or distribution (other than normal cash dividends) to Members, an adjustment shall be made to each Award either granted or available for grant under the Plan so that after such adjustment each Award reflects such change to the Membership Interests. In addition, for the purpose of preventing any dilution or enlargement of Participants' rights under the Plan, the Committee shall have the authority to adjust, in an equitable manner, the bps available for grant or granted under the Plan, as well as the Strike Price of outstanding SARs or any other affected term.

6.3 **Fair Market Valuation of the Company**. The Board shall determine a Valuation (i) at least once a year and (ii) as of a Change-in-Control Date. The Board may in its sole discretion determine a Valuation at any other time. Valuations shall take into account the valuation rules under Treasury Regulation Section 1.409A-1(b)(5)(iv) if compliance with such valuation rules are necessary for compliance with Code Section 409A.

7.0 **GRANTS OF AWARDS**

7.1 **Grants**. The Committee in its sole discretion and at any time may grant Awards to Participants. Each grant of an Award shall be designated by a fixed bps underlying the Award.

7.2 **Types of Grants**. The Committee in its sole discretion may grant either RSUs, SARs, or a combination of both.

7.3 **Award Letter**. Each Award shall be evidenced by an Award Letter, stating:

(a) the bps underlying the Award;

(b) if the Award is an SAR, then the Strike Price;

(c) the Vesting schedule for each Award;

(d) if the Award is an RSU, whether the Award is subject to a Deferral Payment Date; and

(e) any other term, condition, restriction and/or limitation with respect to the Award.

7.4 **Deferral**. To the extent permitted by the Committee, a Participant may elect to defer compensation attributable to an RSU Award to the Deferral Payment Date, provided that such deferral fully complies with Code Section 409A.

7.5 **Dividend Equivalents.** On or after an IPO, Participants who hold RSUs shall be entitled to receive Dividend Equivalents to the same extent and in the same manner as equity holders of the Company's common stock, if and when such holders receive dividends under such common stock. The Dividend Equivalent shall be subject to the same Vesting schedule and forfeiture rules applicable to the related RSU Award.

8.0 **VESTING AND PAYMENT OF AWARDS**

Source: GMAC LLC, 10-Q, August 08, 2008

8.1 **Vesting**. Each Award shall Vest in accordance with the Vesting schedule contained in each Award Letter, as determined by the Committee in its sole discretion, unless Vesting is accelerated in accordance with Section 8.2 or 10 below.

8.2 **Vesting Due to a Change in Control**. During the one-year period immediately following the Change-in-Control Date, a Participant's unvested Awards shall 100% immediately Vest as of the date of an involuntary termination of the Participant's employment by the Company without Cause.

8.3 **Payment of RSU Awards**. RSUs that Vest shall be Paid to the Participant within 75 days after a Vesting Date, based on the most recent Valuation, provided that if all or a portion of the RSUs are subject to a valid deferral in accordance with Section 7.4 above, then such RSUs shall be Paid in accordance with such Deferral Payment Date based on the most recent Valuation prior to the Deferral Payment Date.

8.4 **Payment of SAR Awards**. SARs that Vest shall be paid to the Participant by March 15 immediately following the December 31, 2012 final Vesting Date, but not later than 75 days after a Vesting Date based on (i) if the Participant's employment has not been terminated prior to the date of Payment, then the most recent Valuation or (ii) if the Participant's employment has been terminated (including termination due to death) prior to the date of Payment, then the most recent Valuation preceding the date of the termination of the Participant's employment (including a termination due to death).

8.5 **Payment of Dividend Equivalents**. Dividend Equivalents (if any) shall be paid when the related RSU Award is paid to the Participant in accordance with Section 8.3 above.

9.0 **RESTRICTIVE COVENANTS**

9.1 **Non-Competition.** While the Participant is employed by the Company or a Subsidiary, and during the 1-year period immediately following the date of any termination of the Participant's employment with the Company or a Subsidiary, such Participant shall not at any time, directly or indirectly, whether on behalf of himself or herself or any other person or entity, engage in a Competitive Activity.

9.2 **Non-Solicitation of Customers/Clients and Employees**. While the Participant is employed by the Company or a Subsidiary, and during the 2-year period immediately following the date of any termination of the Participant's employment with the Company or a Subsidiary, such Participant shall not at any time, directly or indirectly, whether on behalf of himself or herself or any other person or entity (i) solicit any client and/or customer of the Company or any Subsidiary with respect to a Competitive Activity or (ii) solicit or employ any employee of the Company or any Subsidiary, or any person who was an employee of the Company or any subsidiary during the 60-day period immediately prior to the Participating Senior Leader's termination, for the purpose of causing such employee to terminate his or her employment with the Company or such Subsidiary.

9.3 **Confidentiality**. While the Participant is employed by the Company or a Subsidiary, and at all times thereafter, a Participant shall not disclose to anyone or make use of any trade secret or proprietary or confidential information of the Company, including such trade secret or proprietary or confidential information of any customer or client or other entity to which the Company owes an obligation not to disclose such information, which he or she acquires during his or her employment with the Company, including but not limited to records kept in the ordinary course of business, except:

(a) as such disclosure or use may be required or appropriate in connection with his or her work as an employee of the Company; or

(b) when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order him or her to divulge, disclose or make accessible such information; or

Source: GMAC LLC, 10-Q, August 08, 2008

(c) as to such confidential information that becomes generally known to the public or trade without his or her violation of this Section 9.3; or

(d) to the Participant's spouse, attorney, and/or his or her personal tax and financial advisors as reasonably necessary or appropriate to advance the Participant's tax, financial and other personal planning (each an "Exempt Person"), *provided, however*, that any disclosure or use of any trade secret or proprietary or confidential information of the Company by an Exempt Person shall be deemed to be a breach of this Section 9.3 by the Participant.

9.4 **Non-Disparagement**. While the Participant is employed by the Company or a Subsidiary, and at all times thereafter, a Participant shall not make any statements or express any views that disparage the business reputation or goodwill of the Company and/or any of its Subsidiaries, affiliates, investors, members, officers, or employees.

9.5 **Enforcement of Section 9.** If a Participant materially violates any provision of this Section 9, he or she shall immediately forfeit any right, title and interest to any Award that has not yet been paid. In addition, such Participant shall be required to repay to GMAC LTIP LLC a cash amount equal to the value of all Payments made during the 24-month period ending on the date the Company initiates an enforcement action under this Section 9 and shall reimburse the Company for its legal fees and costs associated with recovery of these amounts.

9.6 **Enforcement of Non-Competition, Non-Solicitation and Confidentiality Covenants.** If a Participant violates or threatens to violate any provisions of this Section 9, the Company shall not have an adequate remedy at law. Accordingly, the Company shall be entitled to such equitable and injunctive relief, without the posting of a bond, as may be available to restrain the Participant and any business, firm, partnership, individual, corporation or entity participating in the breach or threatened breach from the violation of the provisions of this Section 9. Nothing in the Plan shall be construed as prohibiting the Company from pursuing any other remedies available at law or in equity for breach or threatened breach of this Section 9, including the recovery of damages. If the Company is successful in enforcing its rights under this provision, the affected Participant shall reimburse the Company for its legal fees and costs associated with such enforcement action.

10.0 **TERMINATION OF EMPLOYMENT; OTHER DISTRIBUTIONS**

10.1 **Death**. If a Participant dies prior to a Payment, then the Participant's Unvested Awards shall Vest (if at all) as of the date of death of such Participant in accordance with the Award Letter.

10.2 **Termination of Employment Due to Disability**. If a Participant's employment is terminated due to Disability prior to a Payment, then the Participant's Unvested Awards shall Vest (if at all) as of the date of such termination of employment in accordance with the Award Letter.

10.3 **Termination for Cause**. If a Participant's employment is terminated by the Company or a Subsidiary for Cause prior to a Payment, then the Participant's Vested and Unvested Awards shall be immediately forfeited as of the date of such termination of employment.

10.4 **Termination without Cause**. If a Participant's employment is terminated by the Company or a Subsidiary without Cause, including a Qualified Termination under the GMAC Senior Leadership Severance Plan effective as of June 1, 2008, prior to a Payment, then:

(a) the Participant's Unvested Award shall Vest (if at all) in accordance with the Award Letter; and

(b) all other of the Participant's Unvested Awards shall be immediately forfeited as of the date of such termination of employment.

Source: GMAC LLC, 10-Q, August 08, 2008

10.5 **Termination by Participant**. If a Participant's employment is terminated by the Participant prior to a Payment, then the Participant's Unvested Awards shall be immediately forfeited as of the date of such termination of employment.

10.6 **Disability**. The Committee, in its sole discretion, may provide in the Award Letter or take such unilateral action so that Awards will be Paid if a Participant is Disabled (even if the Participant's employment with the Company or a Subsidiary is not terminated), provided that such Payment fully complies with Code Section 409A.

10.7 **Unforeseeable Emergency**. The Committee, in its sole discretion, may provide in the Award Letter or take such unilateral action so that all or a portion of the Awards will be Paid if a Participant has an Unforeseeable Emergency, provided that such Payment fully complies with Code Section 409A.

10.8 **Section 409A Mandatory 6-Month Delay**. Notwithstanding anything contained in the Plan to the contrary, if the Committee determines that the Participant is a "specified employee" as such term is defined and used under Code Section 409A(a)(2)(B)(i) and Treasury Regulation Section 1.409A-3(i)(2), then all Payments based on a termination of employment shall be subject to a mandatory delay and Paid on the first day of the 7th month following the date that would have been the date of Payment if the Participant had not been determined by the Committee to be a "specified employee" and based on the most recent Valuation as of the date that would have been the date of Payment had the Participant had not been determined by the Committee to be a specified employee.

11.0 **CLAIMS**

11.1 **Claims Procedure**. If any Participant or Beneficiary, or his or her legal representative, has a claim for benefits under the Plan which is not being paid, such claimant may file a written claim with the Committee setting forth the amount and nature of the claim, supporting facts, and the claimant's address. Written notice of the disposition of a claim by the Committee shall be furnished to the claimant within 90 days after the claim is filed. In the event of special circumstances, the Committee may extend the period for determination for up to an additional 90 days, in which case it shall so advise the claimant. If the claim is denied, the reasons for the denial shall be specifically set forth in writing, pertinent provisions of the Plan shall be cited, including an explanation of the Plan's claim review procedure, and, if the claim is perfectible, an explanation as to how the claimant can perfect the claim shall be provided.

11.2 **Claims Review Procedure**. If a claimant whose claim has been denied wishes further consideration of his or her claim, he or she may request the Committee to review his or her claim in a written statement of the claimant's position filed with the Committee no later than 60 days after receipt of the written notification provided for in Section 11.1 above. The Committee shall fully and fairly review the matter and shall promptly advise the claimant, in writing, of its decision within the next 60 days. Due to special circumstances, the Committee may extend the period for determination for up to an additional 60 days, in which case it shall so advise the claimant.

12.0 **TAXES**

12.1 **Withholding Taxes**. The Company and/or GMAC LTIP LLC shall be entitled to withhold from any and all payments made to a Participant under the Plan all federal, state, local and/or other taxes or imposts which the Company determines are required to be so withheld from such payments or by reason of any other payments made to or on behalf of the Participant or for his or her benefit hereunder.

12.2 **Golden Parachute Excise Tax Reduction**. If a Participant becomes subject to the excise tax imposed by Code Section 4999 (the "Parachute Excise Tax"), then the Company and the Participant agree that the aggregate "parachute payment" (as such term is used under Code Section 280G) shall be reduced to 299.99% of the Participant's "base amount" (as such term is used under Code Section

Source: GMAC LLC, 10-Q, August 08, 2008

280G). If such reduction occurs under this Section 12.2, the Participant may select in his or her own discretion what portion of the parachute payments will be so reduced.

12.3 **Code Section 409A**. The Plan is subject to Code Section 409A. Notwithstanding anything contained in the Plan to the contrary, the Committee shall have full authority to operate the Plan and to override or amend any provision in the Plan or any Award Letter in order for the Plan to be fully compliant — both in form and in operation — with Code Section 409A.

12.4 **No Guarantee of Tax Consequences**. No person connected with the Plan in any capacity, including, but not limited to, the Company and any Subsidiary and their directors, officers, agents and employees, makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts payable or provided under the Plan, or paid to or for the benefit of a Participant under the Plan, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

13.0 **MISCELLANEOUS**

13.1 **Listing of Awards and Related Matters**. If at any time the Committee shall determine that the listing, registration or qualification of Awards with respect to any Award on any securities exchange or under any applicable law, or the consent or approval of any governmental regulatory authority, is necessary or desirable as a condition of, or in connection with, the granting of an Award, such Award may not be exercised, distributed or paid out, as the case may be, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

13.2 **No Right, Title, or Interest in Company Assets**. Participants shall have no right, title, or interest whatsoever in or to any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

13.3 **Nontransferability**. Awards granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged, or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution.

13.4 **Voting and Distribution Rights**. A Participant shall not be entitled to any voting rights, distributions or any other rights or privileges of an equity holder as a result of the grant of an Award.

13.5 **No Right to Continued Employment or Service or to Grants**. The Participant's rights, if any, to continue to serve the Company or any Subsidiary as an officer, employee, or otherwise, shall not be enlarged or otherwise affected by his or her designation as a Participant under the Plan, and the Company or the applicable Subsidiary reserves the right to terminate the employment of any Employee at any time. The adoption of the Plan shall not be deemed to give any Employee or any other individual any right to be selected as a Participant or to be granted an Award.

13.6 **Awards Subject to Foreign Laws**. The Committee may grant Awards to individual Participants who are subject to the tax and/or other laws of nations other than the United States, and such Awards may have terms and conditions as determined by the Committee as necessary to comply with applicable foreign laws. The Committee may take any action that it deems advisable to obtain approval of such

Source: GMAC LLC, 10-Q, August 08, 2008

Awards by the appropriate foreign governmental entity; *provided, however*, that no such Awards may be granted pursuant to this Section 13.4 and no action may be taken which would result in a violation of the Exchange Act or any other applicable law.

13.7 **Governing Law**. The Plan, all Awards granted hereunder, and all actions taken in connection herewith shall be governed by and construed in accordance with the laws of the State of Michigan without reference to principles of conflict of laws, except as superseded by applicable federal law.

* * * * *

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC FINANCIAL SERVICES

GMAC Long-Term Incentive Plan LLC
200 Renaissance Center, M/C482-B14-D46, Detroit, MI. 48265

[grant date]

[full name]

Re: *GMAC Long-Term Incentive Plan LLC Long-Term Equity Compensation Incentive Plan*

Dear [Participant's First Name]:

1. You have been granted an Award under the GMAC Long-Term Incentive Plan LLC Long-Term Equity Compensation Incentive Plan (the "Plan"). The grant date of your Award is [grant date] ("Grant Date"). A copy of the Plan is attached. Capitalized terms not defined in this Award Letter will have the meanings as defined in the Plan.
2. Your Award is granted to you as a matter of separate inducement and is not in lieu of salary or other compensation for your services. Your Award is granted to you in exchange for your relinquishment of any right, title and interest with respect to any and all of your grants under the GMAC Management LLC Class C Membership Interests Plan (MPI) and/or the GMAC Long-Term Incentive Plan LLC Long-Term Phantom Interest Plan (LTIP).
3. Your Award will become effective after you have signed and dated one copy of this Award Letter and have returned the signed copy to Rhonda Carey at 200 Renaissance Center, MC: 482-B14-D64, Detroit, MI 48265. If you do not sign and return this Award Letter within 30 days of the date of this Award Letter, then we will assume that you do not want this Award, and this Award will be null and void and without any further force or effect.
4. Your Award is an RSU Award with [ ]bps.
5. Your RSU Award Vest as follows, and will be Paid as elected by you below:

• 20% on December 31, 2008;	☐ within 75 days of the Vesting Date, or
	☐ on the Deferral Payment Date
• 20% on December 31, 2009;	☐ within 75 days of the Vesting Date, or
	☐ on the Deferral Payment Date
• 20% on December 31, 2010;	☐ within 75 days of the Vesting Date, or
	☐ on the Deferral Payment Date
• 20% on December 31, 2011;	☐ within 75 days of the Vesting Date, or
	☐ on the Deferral Payment Date
• 20% on December 31, 2012.	☐ within 75 days of the Vesting Date, or
	☐ on the Deferral Payment Date

All elections made in this paragraph 5 are irrevocable. Failure to make an election in this paragraph 5 will result in all payments being made within 75 days of the Vesting Date.

Source: GMAC LLC, 10-Q, August 08, 2008

6. If your employment is terminated due to death or Disability, then the next 20% tranche of your Unvested Award will immediately Vest and be Paid within 75 days of this new Vesting Date. The remaining Unvested portion of your Award will be forfeited.
7. If your employment is terminated by the Company Without Cause, then the next 20% tranche of your Unvested Award will Vest as determined by the schedule above and the remaining Unvested portion of your Award will be forfeited. However, the Payment of your Award will be determined based on the most recent Valuation preceding your termination of employment.
8. During the 1-year period immediately following a Change-in-Control Date,100% of your Unvested Award will immediately Vest on the date of your termination of employment by the Company without Cause.
9. You understand and acknowledge that your Award is subject to the rules under Code Section 409A, and that you agree and accept all risks (including increased taxes and penalties) resulting from Code Section 409A.
10. Your FY 2008 Award will be subject to and governed by the terms and conditions of this Award Letter and the Plan. As a Participant, you agree to abide by the terms and conditions of this Award Letter and the Plan. Please indicate your receipt of the Plan, your deferral payment election, and your acceptance of and agreement to the terms and conditions of this Award Letter and the Plan, by signing in the indicated space below within 30 days of the date of this Award Letter.

Sincerely yours,

Anthony S. Marino
GMAC Group VP and Chief HR Officer
[Grant Date]

I ACCEPT AND AGREE TO BECOME A PARTICIPANT IN THE GMAC LONG-TERM INCENTIVE PLAN LLC LONG-TERM EQUITY COMPENSATION INCENTIVE PLAN ("PLAN") AND WILL ABIDE BY THE TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD LETTER.

IN ADDITION, I RELINQUISH ALL RIGHT, TITLE AND INTEREST WITH RESPECT TO ANY AND ALL MPI AND LTIP AWARD AGREEMENTS, ALL OF WHICH SHALL HAVE NO FURTHER FORCE OR EFFECT.

____________________ ____________________

[name] [date]

Source: GMAC LLC, 10-Q, August 08, 2008

Exhibit 10.6

GMAC LLC

SENIOR LEADERSHIP SEVERANCE PLAN

PLAN DOCUMENT

AND

SUMMARY PLAN DESCRIPTION

Effective June 1, 2008

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC
SENIOR LEADERSHIP SEVERANCE PLAN

TABLE OF CONTENTS

	Page
I. Purpose of the Plan	5
II. Eligibility and Participation	5
III. Qualified Terminations of Employment	6
IV. Plan Benefits	7
V. Participating Senior Leader's Obligations	10
VI. Tax Matters	12
VII. Administration, Amendment and Termination	13
VIII. Claims Procedure	13
IX. Other Information	13
X. Statement of ERISA Rights	14
XL. Questions Regarding The Plan	15
XIL. Miscellaneous	15
Appendix A: Participation Agreement	
Appendix B: General Release	
Appendix C: Claims Procedure	

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC
SENIOR LEADERSHIP SEVERANCE PLAN

DEFINITIONS

	Page
AIP	7
Board	5
Cause	6
CEO	5
Change in Control	9
Company	5
CIC Severance Multiple	8
CIC Severance Pay	8
Claims Procedure	13
COBRA	9
Code	8
Committee	5
Competitive Activity	10
Disability	6
ERISA	5
Exempt Person	11
General Release	6
Good Reason	7
IPO	9
Non-Competition Period	10

Source: GMAC LLC, 10-Q, August 08, 2008

	Page
Non-Solicitation Period	**10**
Parachute Excise Tax	**12**
Participatiug Senior Leader	**5**
Participation Agreement	**5**
Plan	**5**
Protection Period	**8**
Qualified Termination of Employment	**6**
Senior Leader	**5**
Severance Multiple	**7**
Severance Pay	**7**
SPD	**5**

Source: GMAC LLC, 10-Q, August 08, 2008

GMAC LLC
SENIOR LEADERSHIP SEVERANCE PLAN

PLAN DOCUMENT AND SUMMARY PLAN DESCRIPTION

This is the Summary Plan Description ("SPD") for the GMAC LLC Senior Leadership Severance Plan (the "Plan"). The Board of Managers (the "Board") of GMAC LLC (the "Company") adopted the Plan with an effective date of June 1, 2008. The Plan is intended to be an employee welfare-benefit plan under and subject to the Employee Retirement Income Security Act of 1974, as amended, and the applicable regulations promulgated thereunder ("ERISA"). As a SPD, its purpose is to explain the Plan for you and provide you with additional information regarding the Plan. You should read it carefully. This document also serves as the "plan document" for the Plan.

I. PURPOSE OF THE PLAN

The Plan is intended to provide financial and other benefits to certain members of senior leadership in the event of a termination of employment. Severance payments are not to be viewed as automatic and are not compensation for past services, but instead are intended only as prospective payments that will be offered under certain circumstances to those selected for participation in the Plan at the discretion of the Company.

II. ELIGIBILITY AND PARTICIPATION

A. Selected executives of the Company ("Senior Leaders") will participate in the Plan. However, participation in the Plan will be determined on an individual basis by the Board's Compensation and Leadership Committee (the "Committee") in its sole discretion and on recommendation by the Company's Chief Executive Officer (the "CEO"). The CEO will be a participant in the Plan unless the Committee decides otherwise.

B. A Senior Leader who has been selected by the Committee to be a participant in the Plan will become a participant in the Plan upon signing a Participation Agreement substantially in the form attached to the Plan as Appendix A (a "Participating Senior Leader").

C. The Committee may revoke a Participation Agreement at any time and for any reason or for no reason in its sole discretion upon one year advance written notice. Accordingly, a Participating Senior Leader will no longer participate in the Plan on and after the end of the one-year period immediately following the date the Participating Senior Leader receives a written notice from the Committee revoking his or her Participation Agreement; provided, however, that such revocation will not reduce any severance benefits to which the Participating Senior Leader is entitled due to a Qualified Termination of Employment that occurs on or before the end of such one-year period.

Source: GMAC LLC, 10-Q, August 08, 2008

III. QUALIFIED TERMINATIONS OF EMPLOYMENT

A. Plan benefits are payable only upon a "Qualified Termination of Employment," which means a termination of a Participating Senior Leader's employment with the Company as a result of either of the following:

1. Involuntary Termination Without Cause; or
2. Resignation With Good Reason.

B. Accordingly, Plan benefits are not payable for an "unqualified" termination of employment as a result of any of the following:

1. Death
2. Disability
3. Involuntary Termination For Cause
4. Resignation Without Good Reason
5. Retirement
6. An approved Leave of Absence
7. Transfers from the Company to a Company affiliate.
8. The majority of the Company's assets are sold via an asset purchase agreement and a Participating Senior Leader is offered continued employment with a comparable salary and target incentive or equity compensation opportunity.

C. Plan benefits will not be paid unless and until the Participating Senior Leader signs and does not revoke a General Release substantially in the form attached to the Plan as Appendix C.

D. "Cause" means any one of the following:

1. Felony indictment or misdemeanor conviction
2. Failure to perform any material responsibility of the leadership position
3. A course of conduct which would tend to hold the Company or any of its affiliates in disrepute or scandal, as determined by the Board in its sole discretion
4. Failure to follow lawful directions of the Board

Source: GMAC LLC, 10-Q, August 08, 2008

5. Any material breach of fiduciary duty to the Company
6. Gross negligence
7. Willful misconduct
8. Failure to comply with a material Company policy
9. Any act of fraud, theft, or dishonesty
10. Breach of any duty of confidentiality with respect to Company information.
11. Breach of any duty described in Sections V-A through V-D of the Plan.

E. “Good Reason” means:

1. A material reduction in annual salary or a reduction in target incentive or equity compensation opportunity other than a management-approved across-the-board reduction applicable to all senior leaders of the Company; or
2. A material adverse diminution in duties, or responsibilities below a level consistent with a Senior Leader’s performance and skill level, as determined in good faith by the Committee, provided that a suspension of a Senior Leader with pay shall not constitute Good Reason.

F. The Committee will determine in good faith whether Cause or Good Reason exists.

IV. PLAN BENEFITS

A. If a Participating Senior Leader’s employment is terminated due to an Involuntary Termination Without Cause or a Resignation With Good Reason, then he or she will be entitled to receive Severance Pay. Severance Pay is computed as follows:

1. The “Severance Multiple” (as stated in the Participating Senior Leader’s Participation Agreement), times
2. the sum of:
   a. the Participating Senior Leader’s current annual base salary, plus
   b. the current calendar year’s Annual Incentive Plan (“AIP”) target amount, minus

Source: GMAC LLC, 10-Q, August 08, 2008

3. the sum of:
    a. any unpaid retention bonus payments otherwise payable to a Participating Senior Leader, plus
    b. any debts or monies owed to the Company or its subsidiaries or affiliates.

In addition, if a Participating Senior Leader's employment is treated as a Resignation With Good Reason for purposes of the Plan, then such Participating Senior Leader's termination of employment shall be treated as a "termination without Cause" under the Company's Long-Term Equity Compensation Incentive Plan.

B. Should a Change in Control occur, and should either an Involuntary Termination Without Cause or a Resignation With Good Reason occur within the Protection Period set forth in the Participating Senior Leader's Participation Agreement, then all unvested long-term incentive compensation held by the Participating Senior Leader under any Company plan, program or arrangement shall immediately vest after the expiration of any revocation period associated with the General Release, and he or she will be entitled to receive CIC Severance Pay in lieu of the Severance Pay amount under Section IV-A. CIC Severance Pay is computed as follows:

1. The "CIC Severance Multiple" (as stated in the Participating Senior Leader's Participation Agreement), times
2. the sum of:
    a. the Participating Senior Leader's current annual base salary, plus
    b. the current calendar year's AIP target amount, minus
3. the sum of:
    a. any unpaid retention bonus payments otherwise payable to a Participating Senior Leader,; plus
    b. any debts or monies owed to the Company or its subsidiaries or affiliates.

In addition, should a Change in Control occur and if a Participating Senior Leader's employment is treated as a Resignation With Good Reason for purposes of the Plan, then such Participating Senior Leader's termination of employment shall be treated as a "termination without Cause" under the Company's Long-Term Equity Compensation Incentive Plan.

C. In order to qualify as a "short-term deferral" under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), payment of the Severance Pay

Source: GMAC LLC, 10-Q, August 08, 2008

or CIC Severance Pay will be made as a lump sum payment within 30 days of the later of the termination date or the expiration of any revocation period associated with the General Release.

D. “Change in Control” means the first to occur of any of the following events:

1. any person who is not FIM Holdings LLC, GM Finance Co. Holdings Inc., General Motors Corporation and their affiliates becomes the beneficial owner, directly or indirectly, of 50% or more of the combined voting power of the then issued and outstanding securities or other ownership interests of the Company; or

2. the sale, transfer or other disposition of all or substantially all of the business and assets of the Company, whether by sale of assets, merger or otherwise (determined on a consolidated basis), to a person other than FIM Holdings LLC, GM Finance Co. Holdings Inc., General Motors Corporation and their affiliates.

3. For the avoidance of doubt, an IPO of the Company shall not be deemed a Change in Control.

E. “IPO” means an underwritten sale to the public of the Company’s equity securities pursuant to an effective registration statement filed with the Securities and Exchange Commission on Form S-1 and after which the Company’s equity securities are listed on the New York Stock Exchange or the American Stock Exchange or are quoted on the NASDAQ Stock Market; provided that an IPO shall not include any issuance of the Company’s equity securities in any merger or other business combination, and shall not include any registration of the issuance of such equity securities to exiting security holders or employees of the Company on Form S-4 or Form S-8.

F. A Participating Senior Leader will also be eligible for a prorated payout under the AIP, based on the number of days worked during the AIP performance period. Payment will be made at the same time AIP payments are made to other AIP participants and determined based on the approved funding level applicable to other Senior Leaders.

G. A Participating Senior Leader may only terminate his or her employment as a Resignation With Good Reason if (i) such termination occurs within two (2) years of the date of the first occurrence of Good Reason, (ii) the Participating Senior Leader notifies the Company within ninety (90) days of the first occurrence of Good Reason, and (iii) the Company is provided at least thirty (30) days to cure (if curable).

H. All other incentive plan benefits are governed by the applicable plan.

I. If the Participating Senior Leader qualifies for health continuation under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”), he or she may elect to continue medical benefits as required by COBRA for up to eighteen (18)

Source: GMAC LLC, 10-Q, August 08, 2008

months or until no longer qualifying for COBRA, whichever is shorter. The Company will reimburse actual COBRA costs incurred for up to 18 months.

V. PARTICIPATING SENIOR LEADER'S OBLIGATIONS

A. Non-Competition. At all times prior to and following a Participating Senior Leader's termination of employment for any reason, including voluntary termination, then during the subsequent twelve months (Non-Competition Period) a Participating Senior Leader shall not at any time, directly or indirectly, engage in a Competitive Activity. "Competitive Activity" means shall mean an activity in which the Participating Senior Leader engages directly or indirectly (whether as a principal, agent, partner, member, employee, investor, owner, consultant, board member or otherwise) that is in material direct competition with the Company or any of its subsidiaries in any of the States within the United States, or countries within the world, in which the Company or any of its subsidiaries conducts business with respect to a business in which the Company or any of its subsidiaries engaged or was materially preparing to engage during employment and on the date of the termination of employment; provided, however, that an ownership interest of 1% or less in any publicly held company shall not constitute a Competitive Activity; and further provided, however, that the Participating Senior Leader may be employed by or otherwise associated with a business or entity of which a subsidiary, division, segment, unit, etc. is in material direct competition with the Company or any subsidiary but as to which such subsidiary, division, segment, unit, etc. the Participating Senior Leader has no direct or indirect responsibilities or involvement so long as the Participating Senior Leader does not breach the covenant of confidentiality contained in Section V-C.

B. Non-Solicitation. At all times prior to and following a Participating Senior Leader's termination of employment for any reason, including voluntary termination, then during the subsequent twenty-four months (Non-Solicitation Period) a Participating Senior Leader shall not at any time, directly or indirectly, whether on behalf of himself or herself or any other person or entity (i) solicit any client and/or customer of the Company or any subsidiary with respect to a Competitive Activity or (ii) solicit or employ any employee of the Company or any subsidiary, or any person who was an employee of the Company or any subsidiary during the 60-day period immediately prior to the Participating Senior Leader's termination, for the purpose of causing such employee to terminate his or her employment with the Company or such subsidiary.

C. Confidentiality. At all times prior to and following the termination date, a Participating Senior Leader shall not disclose to anyone or make use of any trade secret or proprietary or confidential information of the Company, including such trade secret or proprietary or confidential information of any customer or client or other entity to which the Company owes an obligation not to disclose such information, which he or she acquires during his or her employment with the Company, including but not limited to records kept in the ordinary course of business, except:

1. as such disclosure or use may be required or appropriate in connection with his or her work as an employee of the Company; or

Source: GMAC LLC, 10-Q, August 08, 2008

2. when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order him or her to divulge, disclose or make accessible such information; or

3. as to such confidential information that becomes generally known to the public or trade without his or her violation of this Section V-C; or

4. to the Participating Senior Leader’s spouse, attorney, and/or his or her personal tax and financial advisors as reasonably necessary or appropriate to advance the Participating Senior Leader’s tax, financial and other personal planning (each an “Exempt Person”), *provided, however*, that any disclosure or use of any trade secret or proprietary or confidential information of the Company by an Exempt Person shall be deemed to be a breach of this Section V-C by the Participating Senior Leader.

D. Non-Disparagement. At all times prior to and following the termination date, a Participating Senior Leader shall not make any statements or express any views that disparage the business reputation or goodwill of the Company and/or any of its subsidiaries, affiliates, investors, members, officers, or employees.

E. Resignation as Officer and Director. On or before the termination date, the Participating Senior Leader will submit to the Company in writing his or her resignation (as applicable) as (i) an officer of the Company and of all subsidiaries or affiliates and (ii) a member of the Board and of the board of managers of all subsidiaries or affiliates.

F. Return of Company Property. Immediately following the termination date, a Participating Senior Leader will immediately return all Company property in his or her possession, including but not limited to all computer equipment (hardware and software), telephones, facsimile machines, electronic communication devices, credit cards, office keys, security access cards, badges, identification cards and all copies (including drafts) of any documentation or information (however stored) relating to the business of the Company, its customers and clients or its prospective customers and clients.

G. Cooperation. Following the termination date, a Participating Senior Leader will cooperate willingly, as the Company may reasonably request, including his or her attendance and truthful testimony where deemed appropriate by the Company, with respect to any investigation or the Company’s defense or prosecution of any existing or future claims or litigations or other proceeding relating to matters in which he or she was involved or potentially had knowledge by virtue of his or her employment with the Company.

H. Enforcement of Section V. If a Participating Senior Leader materially violates any provision of this Section V, he or she shall immediately forfeit any right, title

Source: GMAC LLC, 10-Q, August 08, 2008

and interest to any Severance Pay or CIC Severance Pay that has not yet been paid or provided and shall be required to repay to the Company a cash amount equal to the value of the Severance Pay or CIC Severance Pay that he or she has already received and shall reimburse the Company for its legal fees and costs associated with recovery of these amounts.

I. Enforcement of Non-Competition, Non-Solicitation and Confidentiality Covenants. If a Participating Senior Leader violates or threatens to violate any provisions of Section V, the Company shall not have an adequate remedy at law. Accordingly, the Company shall be entitled to such equitable and injunctive relief, without posting a bond, as may be available to restrain the Participating Senior Leader and any business, firm, partnership, individual, corporation or entity participating in the breach or threatened breach from the violation of the provisions of Section V. Nothing in the Plan shall be construed as prohibiting the Company from pursuing any other remedies available at law or in equity for breach or threatened breach of Section V, including the recovery of damages. If Company is successful in enforcing its rights under this provision, the affected Participating Senior Leader will reimburse the Company for its legal fees and costs associated with such enforcement action.

VI. TAX MATTERS

A. Withholding Taxes. The Company shall be entitled to withhold from any and all payments made to a Participating Senior Leader under the Plan all federal, state, local and/or other taxes or imposts which the Company determines are required to be so withheld from such payments or by reason of any other payments made to or on behalf of the Participating Senior Leader or for his or her benefit hereunder.

B. Golden Parachute Excise Tax Adjustment. If a Participating Senior Leader becomes subject to the excise tax (the "Parachute Excise Tax") imposed by Code Section 4999, then the Company and the Participating Senior Leader agree that the aggregate "parachute payment" (as such term is used under Code Section 280G) shall be reduced to 299.99% of the Participating Senior Leader's "base amount" (as such term is used under Code Section 280G). If such reduction occurs under this Section VI-B, the Participating Senior Leader may select in his or her own discretion what portion of the parachute payments will be so reduced.

C. Code Section 409A. The Plan is not intended to be subject to Code Section 409A. Notwithstanding anything contained in the Plan to the contrary, the Committee shall have full authority to operate the Plan and to override or amend any provision in the Plan and any Participation Agreement in order for the Plan to be fully compliant – both in form and in operation – with Code Section 409A.

D. No Guarantee of Tax Consequences. No person connected with the Plan in any capacity, including, but not limited to, the Company and any subsidiary and their directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts payable or

Source: GMAC LLC, 10-Q, August 08, 2008

provided under the Plan, or paid to or for the benefit of a Participating Senior Leader under the Plan, or that such tax treatment will apply to or be available to a Participating Senior Leader on account of participation in the Plan.

VII. ADMINISTRATION, AMENDMENT AND TERMINATION

The Committee has and retains the right to interpret, amend, revise, cancel or terminate the Plan at any time and without prior notice, provided any amendment, revision, cancellation or termination of the Plan will not reduce a Participating Senior Leader's benefits to which he or she has become entitled due to a Qualified Termination of Employment that has already occurred or is about to occur. No representations by anyone may extend the Plan to provide severance packages or benefits not covered by the Plan.

The Committee, as a fiduciary of the Plan, shall in its sole discretion determine each employee's eligibility under the Plan and the amount of Severance Pay or CIC Severance Pay or other benefits under the Plan, and in connection therewith in such fiduciary capacity and in its sole discretion shall make factual determinations. Such determinations shall be made under the Claims Procedure (explained below) when the Claims Procedure is applicable.

The Committee, as a fiduciary of the Plan, acting under the Claims Procedure or otherwise, shall have the authority and responsibility, in its sole discretion, to interpret or construe the terms and provisions of the Plan.

VIII. CLAIMS PROCEDURE

If you believe that you are entitled to severance benefits, you must make a claim for benefits by following the Claims Procedure set forth in Appendix C to this document.

IX. OTHER INFORMATION

Official Plan Name: GMAC LLC Senior Leadership Severance Plan

Name and Address of Employer that Maintains the Plan:
GMAC LLC, 200 Renaissance Center, M/C482-B14-D46, Detroit, MI. 48265.

Employer Identification Number of Employer that Maintains the Plan: 38-0572512

Plan Number: 5XX

Type of Plan: Welfare — Severance

Type of Administration: Self-administered by GMAC LLC. GMAC LLC 's Compensation and Leadership Committee administers the Plan on behalf of GMAC LLC.

Source: GMAC LLC, 10-Q, August 08, 2008

Funding: The Plan is unfunded and uninsured.

Sources of Contributions: The employer, GMAC LLC, makes contributions in the amount necessary to pay benefits.

Agent for Service of Legal Process on the Plan and Address at which Process May Be Served: GMAC LLC, 200 Renaissance Center, M/C482-B14-D46, Detroit, MI. 48265.

Date of the End of the Year for Purposes of Maintaining the Plan's Fiscal Records (that is, the plan year end): December 31.

X. STATEMENT OF ERISA RIGHTS

As a participant in the GMAC Senior Leadership Severance Plan you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

Receive Information about Your Plan and Benefits

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites, all documents governing the Plan, and a copy of the latest annual report (Form 5500 Series), if any, filed by the plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain upon written request to the plan administrator copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if any, and updated summary plan description. The plan administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

Enforce Your Rights

Source: GMAC LLC, 10-Q, August 08, 2008

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file a suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the plan administrator (see below). If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

XI. QUESTIONS REGARDING THE PLAN

Questions regarding the Plan may be directed to: the Vice President of Total Rewards, GMAC LLC, 767 Fifth Avenue, New York, NY 10153.

XII. MISCELLANEOUS

A. No Mitigation. A Participating Senior Leader shall be under no obligation to seek other employment following the termination date and there will be no offset against amounts due to the Participating Senior Leader under the Plan on account of any compensation attributable to any subsequent employment.

B. Offset. Any benefits paid under the Plan will be reduced by any payment or benefit made or provided by the Company or any subsidiary to the Participating Senior Leader pursuant to (i) any severance plan, program, policy or arrangement of the Company or any subsidiary not otherwise referred to in the Plan, (ii) the termination-of-employment provisions of any employment agreement between the Company or any subsidiary and the

Source: GMAC LLC, 10-Q, August 08, 2008

Participating Senior Leader, and (iii) any federal, state or local statute, rule, regulation or ordinance.

C. No Right, Title, or Interest in Company Assets. Participating Senior Leaders hall have no right, title, or interest whatsoever in or to any assets of the Company or any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participating Senior Leader, or his or her beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. Subject to this Section XII-C, all payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts

D. No Right to Continued Employment. A Participating Senior Leader's rights, if any, to continue to serve the Company as an employee shall not be enlarged or otherwise affected by his or her designation as a participant under the Plan, and the Company or the applicable subsidiary reserves the right to terminate the employment of any employee at any time. The adoption of the Plan shall not be deemed to give any employee, or any other individual any right to be selected as a participant or to continued employment with the Company or any subsidiary.

E. Other Rights. The Plan shall not affect or impair the rights or obligations of the Company or a Participating Senior Leader under any other written plan, contract, arrangement, or pension, profit sharing or other compensation plan, provided however, that if any provision of any agreement, plan, program policy, arrangement or other written document between or relating to the Company and the Participating Senior Leader conflicts with any provision of the Plan, the provision of the Plan shall control and prevail.

F. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Michigan without reference to principles of conflict of laws, except as superseded by ERISA and other applicable federal law.

G. Severability. If any term or condition of the Plan shall be invalid or unenforceable to any extent or in any application, then the remainder of the Plan, with the exception of such invalid or unenforceable provision, shall not be affected thereby and shall continue in effect and application to its fullest extent.

* * * * *

Source: GMAC LLC, 10-Q, August 08, 2008

APPENDIX A

PARTICIPATION AGREEMENT

Dear [Participant's Name]:

You have been designated by GMAC LLC ("GMAC") to become a participant in the GMAC LLC Senior Leadership Severance Plan (the "Plan"). You will become a participant in the Plan by signing this letter agreement. If you do not sign this letter agreement, then you will not become a participant in the Plan.

If you become a participant in the Plan, your participation will be subject to and governed by the terms and conditions of the Plan, a copy of which is attached to this letter agreement. Generally, under the Plan and in accordance with this Participation Agreement, if your employment is terminated by GMAC without Cause, or by you for Good Reason, your:

- Severance Multiple (expressed as a percentage) will be ___%;
- CIC Severance Multiple (expressed as a percentage) will be ___%;
- Your Protection Period will begin three months immediately prior to a Change in Control and will end ___ month(s) immediately following such Change in Control.

Please refer to the Plan for more specificity regarding your severance benefits and your post-termination obligations to GMAC.

You agree and accept all risks (including increased taxes and penalties) resulting from Code Section 409A if the Plan is found to be subject to Code Section 409A.

As a participant in the Plan, you agree to abide by the terms and conditions of the Plan, specifically but not limited to the obligations enumerated in Section V of the Plan. Please indicate your receipt of the Plan document, and your acceptance of and agreement to the terms and conditions of the Plan, by signing in the indicated space below.

Sincerely yours,

[authorized officer]
[title]

I ACCEPT AND AGREE TO BECOME A PARTICIPANT IN, AND WILL ABIDE BY THE TERMS AND CONDITIONS OF, THE GMAC LLC SENIOR LEADERSHIP SEVERANCE PLAN.

______________________________ ____________________

[name] [date]

Source: GMAC LLC, 10-Q, August 08, 2008

GENERAL RELEASE

I,__________, in consideration of and subject to the terms and conditions set forth in the GMAC LLC Senior Leadership Severance Plan (the "Plan"), and other good and valuable consideration, do hereby release and forever discharge GMAC LLC (the "Company") and its current and former officers, directors, partners, members, shareholders, investors, employees, attorneys, agents, predecessors, successors, affiliates, assigns and legal representatives (together, the "Company Released Parties"), from any and all claims, charges, manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, charges, claims, and demands whatsoever which I, my heirs, executors, administrators and assigns have, or may hereafter have against the Company Released Parties arising out of or by reason of any cause, matter or thing whatsoever, whether known or unknown, from the beginning of the world to__________, 20___ ("Claims") in connection with or relating to, my employment or termination of employment with the Company and its subsidiaries, all employment-related matters arising under any federal, state or local statute, rule or regulation or principle of contract law or common law and any claims of employment discrimination, unlawful harassment or retaliation claims and claims arising under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000et seq., the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001et seq., the Fair Labor Standards Act (to the extent allowed by law), 29 U.S.C. § 201et seq., Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621,et seq., the Reconstruction Era Civil Rights Act, 42 U.S.C. § 1981et seq., the Americans with Disabilities Act of 1993, 42 U.S.C. § 12900et seq., and the Family and Medical Leave Act of 1990 (to the extent allowed by law), 42 U.S.C. § 12101,et seq.

This General Release does include any claim arising under or in connection with any existing obligation of the Company (i) to pay or provide any compensation or benefit required to be paid or provided under the Plan, (ii) to indemnify me for my acts as an officer or director of the Company in accordance with the bylaws of the Company and the policies and procedures of the Company that are presently in effect, or (iii) to me and my eligible, participating dependents or beneficiaries under any existing welfare, retirement or other fringe-benefit plan or program of the Company in which I and/or my dependents are participants.

I acknowledge that I have been advised to consult with legal counsel. I acknowledge that I have been provided with the opportunity to review and consider this General Release for twenty-one (21) days from the date it was provided to me. If I elect to sign before the expiration of the twenty-one (21) days, I acknowledge that I will have chosen, of my own free will without any duress, to waive my right to the full twenty-one (21) day period. I understand that I may revoke this General Release within seven (7) days after my execution by sending a written notice of revocation to__________, GMAC LLC, [200 Renaissance Center, Tower 200, 14th Floor, MC 482-B14-D46, Detroit, MI 48265], received within the seven-day revocation period.

Source: GMAC LLC, 10-Q, August 08, 2008

I acknowledge that I have not relied on any representations or statements not set forth in the Plan or in this General Release. Unless otherwise publicly filed by the Company, I will not disclose the contents or substance of this General Release to any third parties, other than my attorneys, accountants, or as required by law, and I will instruct each of the foregoing not to disclose the same. I am signing this General Release knowingly, voluntarily and with full understanding of its terms and effects.

This General Release will be governed by and construed in accordance with the laws of the State of Michigan. If any provision in this General Release is held invalid or unenforceable for any reason, the remaining provisions shall be construed as if the invalid or unenforceable provision had not been included.

In witness hereof, I have executed this General Release this ___ day of__________, 20___.

____

[name]

Source: GMAC LLC, 10-Q, August 08, 2008

CLAIMS PROCEDURE

1. A participant ("claimant") with an interest in the GMAC Senior Leadership Severance Plan (he "Plan") shall have the right to file a claim for benefits under the Plan and to appeal any denial of a claim for benefits. Any request for a Plan benefit or to clarify the claimant's rights to future benefits under the terms of the Plan shall be considered to be a claim. (However, this claims procedure does not govern casual inquiries about benefits or the circumstances under which benefits might be paid under the terms of the Plan, nor does it govern a request for a determination regarding eligibility for coverage except such a determination as is requested or necessary in connection with a claim for benefits.) An authorized representative of the claimant may act on behalf of the claimant in pursuing a benefit claim or appeal of an adverse benefit determination. The individual or individuals responsible for deciding the benefit claim or appeal, as applicable, may require the representative to provide reasonable written proof that the representative has in fact been authorized to act on behalf of the claimant. The Plan requires no fee or other cost for the making of a claim or appealing an adverse benefit determination.

2. A claim for benefits will be considered as having been made when submitted in writing by the claimant to the plan administrator, in care of:

   Vice President Total Rewards
   GMAC LLC
   767 Fifth Avenue
   New York, NY 10153

   Your claim should include the following:

   Your name, address, telephone number, and social security number.

   Your dates of employment with the Company.

   Your job title and position with the Company.

   The reasons for your termination of employment; and

   A statement of the reasons why you are entitled to severance pay under the Plan

3. A claim for benefits will be considered as having been made when submitted in writing by the claimant to the plan administrator, in care of: The Vice President of Total Rewards of the Company, acting on behalf of the plan administrator, will determine whether, or to what extent, the claim may be allowed or denied under

Source: GMAC LLC, 10-Q, August 08, 2008

the terms of the Plan. If the claim is wholly or partially denied, the plan administrator shall notify the claimant of the Plan's adverse benefit determination within a reasonable period of time, but not later than 90 days after the Plan receives the claim, unless the plan administrator determines that special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. Such extension may not exceed an additional 90 days from the end of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the final decision. For the purposes of this paragraph 3, the period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with the Plan's filing requirements, without regard to whether all the information necessary to make a benefit determination accompanies the filing.

4. The plan administrator shall provide a claimant with written or electronic notification of any adverse benefit determination. Any electronic notification shall comply with the standards imposed by 29 CFR § 2520.104b-1(c)(i), (iii) and (iv). The notification shall set forth, in a manner calculated to be understood by the claimant:

   (1) The specific reason(s) for the adverse determination;

   (2) Reference to the specific Plan provisions on which the determination is based;

   (3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

   (4) A description of the Plan's appeal (review) procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA § 502(a) following an adverse benefit determination on appeal.

5. The claimant may appeal an adverse benefit determination to the Vice President of Total Rewards acting on behalf of the plan administrator. The Vice President of Total Rewards shall conduct a full and fair review of each appealed claim and its denial. The claimant shall have at least 60 days following receipt of a notification of an adverse benefit determination within which to appeal the determination.

6. The appeal of an adverse benefit determination must be made in writing. In connection with making such request, the claimant may submit written comments, documents, records, and other information relating to the claim for benefits. The claimant shall be provided, free of charge upon written request, reasonable access

Source: GMAC LLC, 10-Q, August 08, 2008

to, and copies of, all documents, records and other information relevant (as defined in paragraph (k) below) to the claimant's claim for benefits. In considering the appeal the Vice President of Total Rewards shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in connection with the initial benefit determination.

General procedure. The plan administrator shall notify a claimant of the Plan's benefit determination upon appeal within a reasonable period of time, but not later than 60 days after receipt of the claimant's appeal. However, the plan administrator may determine that special circumstances (such as the need to hold a hearing) require an extension of time for processing the claim. If the plan administrator determines that an extension of time, not to exceed 60 days, for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 60-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on appeal.

Calculating time periods. For the purposes of this paragraph (f), the period of time within which a benefit determination on appeal is required to be made shall begin at the time an appeal is filed in accordance with the Plan's appeal filing requirements, without regard to whether all the information necessary to make a benefit determination on appeal accompanies the filing. In the event that a period of time is extended as provided above for the determination of a claim on appeal due to a claimant's failure to submit information necessary to decide an appeal of an adverse benefit determination, the period for making the benefit determination on appeal shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

Furnishing documents. In the case of an adverse determination on appeal, the plan administrator shall provide such access to, and copies of, documents, records, and other information described in subparagraphs (g)(3) and (4) below as is appropriate.

7. The plan administrator shall provide a claimant with written or electronic notification of the Plan's benefit determination on appeal. Any electronic notification shall comply with the standards imposed by 29 CFR § 2520.104b-1(c)(i), (iii) and (iv). In the case of an adverse benefit determination on appeal, the notification shall set forth, in a manner calculated to be understood by the claimant:

    (1) The specific reason(s) for the adverse determination;

Source: GMAC LLC, 10-Q, August 08, 2008

(2) Reference to the specific Plan provisions on which the benefit determination is based;

(3) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant (as defined in paragraph (k) below) to the claimant's claim for benefits; and

(4) A statement of the claimant's right to bring a civil action under ERISA § 502(a).

8. The claimant must exhaust his or her rights to file a claim and to appeal an adverse benefit determination before bringing any civil action to recover benefits due to him under the terms of the Plan, to enforce his or her rights under the terms of the Plan, or to clarify his or her rights to future benefits under the terms of the Plan.

9. The Vice President of Total Rewards shall exercise his or her responsibilities and authority under this claims procedure as a fiduciary and, in such capacity, shall have the discretionary authority and responsibility (1) to interpret and construe the Plan and any rules or regulations under the Plan, (2) to determine the eligibility of employees to participate in the Plan, and the rights of participants and former participants and any other claimants to receive benefits under the Plan, and (3) to make factual determinations in connection with any of the foregoing. The Vice President of Total Rewards may, in his or her discretion, determine to hold a hearing or hearings in carrying out his or her responsibilities and authority under this claims procedure.

10. Benefit claim determinations and decisions on appeals shall be made in accordance with governing Plan documents. The Plan's provisions shall be applied consistently with respect to similarly situated claimants. The Vice President of Total Rewards shall maintain complete records of his or her proceedings in deciding claims and appeals.

11. Definitions. For the purposes of this Claims Procedure the following definitions apply:

"*Adverse benefit determination*" means any of the following: a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit, including any such denial, reduction, termination, or failure to provide or make payment that is based on a determination of a participant's eligibility to participate in the Plan.

A document, record, or other information shall be considered "*relevant*" to a claimant's claim if such document, record, or other information (i) was relied upon in making the benefit determination, (ii) was submitted, considered, or generated in the course of making the benefit determination, without regard to

Source: GMAC LLC, 10-Q, August 08, 2008

whether such document, record, or other information was relied upon in making the benefit determination, or (iii) demonstrates compliance with the administrative processes and safeguards required pursuant to paragraph (j) above in making the benefit determination.

Source: GMAC LLC, 10-Q, August 08, 2008

Exhibit 10.7

PURCHASE AGREEMENT

among

RESIDENTIAL CAPITAL, LLC,

GMAC MODEL HOME FINANCE I, LLC,

and

CMH HOLDINGS LLC

Dated as of June 6, 2008

TABLE OF CONTENTS

ARTICLE I DEFINITIONS AND TERMS		2
Section 1.1	Certain Definitions	2
Section 1.2	Other Terms	4
Section 1.3	Other Definitional Provisions	4
ARTICLE II PURCHASE AND SALE OF INTERESTS		5
Section 2.1	Sale of Interests	5
Section 2.2	Excluded Assets	5
Section 2.3	Retained Liabilities	5
Section 2.4	Other Conveyances	5
Section 2.5	Purchase Price	6
Section 2.6	Obligation to Deliver Additional Proceeds to NewCo	6
Section 2.7	Closing	6
Section 2.8	Deliveries by ResCap and its Affiliates	6
Section 2.9	Deliveries by NewCo	7
Section 2.10	Determination of Final Aggregate NBV and Final Additional Proceeds	7
Section 2.11	Allocation of Purchase Price	8
ARTICLE III REPRESENTATIONS AND WARRANTIES		8
Section 3.1	Representations and Warranties of ResCap and Seller	8
Section 3.2	Representations and Warranties of NewCo	11
ARTICLE IV COVENANTS		12
Section 4.1	Commercially Reasonable Efforts	12
Section 4.2	The Separation	13
Section 4.3	Further Assurances	14
Section 4.4	Tax Matters	15

Source: GMAC LLC, 10-Q, August 08, 2008

ARTICLE V CONDITIONS TO CLOSING 16

Section 5.1 Conditions to the Obligations of each of the Parties 16

Section 5.2 Conditions to the Obligations of ResCap and Seller 16

Section 5.3 Conditions to the Obligations of NewCo 16

ARTICLE VI TERMINATION 17

Section 6.1 Termination 17

Section 6.2 Effect of Termination 18

ARTICLE VII MISCELLANEOUS 18

Section 7.1 Notices 18

Section 7.2 Amendment; Waiver 19

Section 7.3 No Assignment or Benefit to Third Parties 19

Section 7.4 Entire Agreement 19

Section 7.5 Fulfillment of Obligations 20

Section 7.6 Expenses 20

Section 7.7 Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury 20

Section 7.8 Counterparts 20

Section 7.9 Headings 20

Section 7.10 Severability 20

Section 7.11 Survival of Representations, Warranties and Covenants 21

Section 7.12 Commitment Regarding Actions of Controlled Affiliates 21

Section 7.13 Specific Performance 21

EXHIBITS

EXHIBITS

Exhibit A List of Transferred Assets

Exhibit B Estimated NBV Schedule

Exhibit C List of Specified Excluded Assets

Exhibit D Servicing Agreement Term Sheet

Exhibit E Form of Mutual Release

Source: GMAC LLC, 10-Q, August 08, 2008

PURCHASE AGREEMENT

This PURCHASE AGREEMENT is dated as of June 6, 2008, among Residential Capital, LLC, a Delaware limited liability company ("ResCap"), GMAC Model Home Finance I, LLC, a Delaware limited liability company and indirect wholly-owned subsidiary of ResCap ("Seller"), and CMH Holdings LLC, a Delaware limited liability company ("NewCo"). Each of ResCap, Seller and NewCo are referred to herein as a "Party" and, collectively, as the "Parties".

RECITALS:

WHEREAS, Seller, through GMAC Model Home Finance, LLC, a Delaware limited liability company and direct wholly-owned subsidiary of Seller (the "Direct Subsidiary"), and LENOne, LLC, GMCMTH, LLC and KBOne, LLC, each a wholly-owned direct or indirect subsidiary of the Direct Subsidiary (each an "Indirect Subsidiary" and, collectively, the "Indirect Subsidiaries" and together with the Direct Subsidiary, the "Subsidiaries"), owns assets (collectively, the "Subsidiary Group Assets"), including model homes, option lots, REO (as hereinafter defined), and lending receivables;

WHEREAS, Seller desires to sell, and NewCo desires to purchase, a portion of the Subsidiary Group Assets (other than the Excluded Assets), through a sale and purchase of all of the membership interests of the Direct Subsidiary (the "Interests"), which owns and, as of the Closing, will own all of the outstanding membership interests of the Indirect Subsidiaries, on the applicable terms and subject to the conditions set forth herein;

WHEREAS, the Parties agree that (i) the portion of Subsidiary Group Assets that are intended to constitute Transferred Assets are those assets identified onExhibit A hereto, (ii) to the extent such assets have an aggregate net book value as recorded on the records of ResCap in excess of $479,172,068 as of the Cut-Off Date, the excess assets shall be deemed to be Excluded Assets for all purposes under this Agreement and shall be retained by Seller, and (iii) as further provided in Section 4.2 of this Agreement, the Parties shall take all actions necessary after the Closing to effect such retention of Excluded Assets by Seller;

WHEREAS, concurrently with the execution of this Agreement, NewCo and Cerberus Partners, L.P. have entered into a loan agreement, dated as of the date hereof (the "Loan Agreement" and, together with the promissory notes and security agreement referenced in the Loan Agreement, the "Loan Documentation"), pursuant to which, at Closing, NewCo intends to borrow an amount in cash not less than the Cash Purchase Price, on the applicable terms and subject to the conditions set forth therein;

WHEREAS, concurrently with the execution of this Agreement, Seller, the Investor and NewCo have entered into an amended and restated limited liability company agreement, effective as of the Closing (the "LLC Agreement"), concerning the management, ownership and operation of NewCo, the rights and obligations of the Members in respect of the Units and specifying certain actions to be taken by the managing member of NewCo with respect to the Transferred Assets; and

WHEREAS, as further detailed in Section 4.2(d) of this Agreement, from and after the Closing, ResCap shall, or shall cause one of its controlled Affiliates to, provide NewCo and the

---

Subsidiaries with the services identified on Exhibit D hereto (the "Servicing Agreement Term Sheet").

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and undertakings contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Additional Proceeds" means the aggregate amount of proceeds or other payments received by ResCap or any of its Affiliates in respect of the Transferred Assets with respect to the period between 11:59 p.m. (New York City Time) on the Cut-Off Date and 12:01 a.m. (New York City Time) on the Closing Date, but solely to the extent actually paid to NewCo in accordance with Section 2.6 of this Agreement.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Aggregate NBV" means the aggregate net book value of the Transferred Assets as recorded on the books of ResCap as of the Cut-Off Date, after giving effect to the exclusion of the Retained Liabilities.

"Agreement" means this Purchase Agreement, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

"Ancillary Transfer Documents" means those instruments of transfer, assumptions, filings or documents required to be executed and delivered by Seller or NewCo to effect the sale and transfer of the Interests to NewCo pursuant to this Agreement

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by Law or executive order to close.

"Class A Senior Preferred Units " has the meaning set forth in the LLC Agreement.

"Class B Junior Preferred Units " has the meaning set forth in the LLC Agreement.

Source: GMAC LLC, 10-Q, August 08, 2008

"Common Units " has the meaning set forth in the LLC Agreement.

"Contract" means any contract, undertaking, commitment, lease, mortgage, indenture, arrangement, plan or other legally binding agreement or understanding.

"Cut-Off Date" means May 31, 2008.

"Encumbrance" means any lien, pledge, charge, claim, encumbrance, restriction, community property interest, security interest, option, mortgage, easement, right of first offer, right of first refusal or claim of any kind and character.

"Excluded Assets" means the assets (other than the Transferred Assets and the membership interests in the Indirect Subsidiaries) of each of the Subsidiaries, including the Specified Excluded Assets set forth onExhibit C hereto, subject to adjustment pursuant to Sections 2.10(c) and (d).

"Excluded Employees" means, collectively, all individuals who prior to the Closing are actively employed (whether full- or part-time) by any of the Subsidiaries or any such individual who is on short-term disability leave, authorized leave of absence, military service or lay-off with recall rights and all individuals who prior to the Closing are engaged as independent contractors by any of the Subsidiaries.

"Governmental Entity" means any federal, state or local court, administrative body or other governmental or quasi-governmental entity with competent jurisdiction.

"Indirect Interests" means all of the outstanding membership interests in the Indirect Subsidiaries.

"Investor" means Cerberus ResCap Assets Investors LLC.

"Investor Homes" means those model homes owned by investors and set forth on Section 1.1 of the ResCap Disclosure Letter.

"Law" means any law, statute, ordinance, rule, regulation, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a Governmental Entity or self-regulatory organization.

"Liabilities" means any and all debts, liabilities, commitments and obligations of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising (including, whether arising out of any contract or tort based on negligence or strict liability) and whether or not the same would be required by GAAP to be reflected in financial statements or disclosed in the notes thereto.

"Person" means an individual, a corporation, a partnership, an association, a limited liability company, a Governmental Entity, a trust or other entity or organization.

Source: GMAC LLC, 10-Q, August 08, 2008

"REO" means any real estate owned by one of the Subsidiaries which is not subject to any lease agreement with a builder or other third party.

"ResCap Disclosure Letter" means the Disclosure Letter delivered by ResCap to NewCo prior to the execution and delivery of this Agreement.

"Tax Returns" means all reports, returns, declarations, statements or other information filed, supplied or required to be filed or supplied to any Governmental Entity in connection with Taxes.

"Taxes" means all taxes, charges, fees, levies or other similar assessments or liabilities, including without limitation income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, services, withholding, employment, payroll and franchise taxes imposed by the United States or any state, local or foreign government, or any agency thereof, or other political subdivision of the United States or any such government, and any interest, fines, penalties, assessments or additions to tax resulting from, attributable to, or incurred in connection with any Tax or any contest or dispute thereof and any interest in respect of such amounts.

"Transaction Documents" means, collectively, (i) this Agreement, (ii) the LLC Agreement, (iii) the Loan Documentation, (iv) the Mutual Release and (v) the Ancillary Transfer Documents.

"Transferred Assets" means those assets set forth onExhibit A hereto, subject to adjustment pursuant to Sections 2.10(c) and 2.10(d) of this Agreement and Section 4.2(a) of the ResCap Disclosure Letter.

"Units" means, collectively, the Class A Senior Preferred Units, the Class B Junior Preferred Units and Common Units.

Section 1.2Other Terms. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

Section 1.3Other Definitional Provisions. Unless the express context otherwise requires:

(a) the words "hereof", "herein", and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(b) the terms defined in the singular have a comparable meaning when used in the plural, and vice versa;

(c) the terms "Dollars" and "$" mean United States Dollars;

(d) references herein to a specific Section, Subsection or Exhibit shall refer, respectively, to Sections, Subsections or Exhibits of this Agreement;

Source: GMAC LLC, 10-Q, August 08, 2008

(e) wherever the word "include," "includes," or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation;" and

(f) references herein to any gender includes each other gender.

ARTICLE II

PURCHASE AND SALE OF INTERESTS

Section 2.1 Sale of Interests. On the terms and subject to the conditions set forth herein, at the Closing, Seller shall sell, convey, transfer, assign and deliver to NewCo, and NewCo shall purchase from Seller, all of the right, title and interest of Seller in and to the Interests (the "Interests Sale").

Section 2.2 Excluded Assets. From and after the Closing, notwithstanding anything to the contrary in this Agreement, Seller shall retain all right, title and interest (legal or beneficial) to (including tax ownership in respect of) the Excluded Assets.

Section 2.3 Retained Liabilities. From and after the Closing, ResCap and Seller shall retain, perform and discharge when due all Liabilities that exist, or arise out of (i) the ownership of the Interests, Indirect Interests or any of the Transferred Assets or the operation of the businesses or assets of any of the Subsidiaries prior to or as of the Closing (other than obligations incurred in the ordinary course of business consistent with past practice pursuant to brokerage or commission agreements to pay broker fees or commissions resulting from (x) the sale of any assets prior to Closing the proceeds from which sales are delivered to NewCo at Closing pursuant to Section 4.2(f) or (y) the sale of any Transferred Asset after the Closing Date), (ii) any Excluded Asset, (iii) any Excluded Employee or (iv) any of the matters specified in Section 2.3 of the ResCap Disclosure Letter (collectively, the "Retained Liabilities"). Notwithstanding anything to the contrary herein, neither NewCo nor any of the Subsidiaries shall assume or have any responsibility of any nature with respect to any Retained Liabilities.

Section 2.4 Other Conveyances. Notwithstanding anything to the contrary in this Agreement:

(a) If it is determined before, at or after the Closing that any Affiliate of ResCap (other than a Subsidiary) owns or possesses any of the Indirect Interests or Transferred Assets, then ResCap shall promptly cause such Affiliate to transfer, assign, convey and deliver to the applicable Subsidiary such Indirect Interests or Transferred Assets in accordance with the terms of this Agreement; provided, that NewCo shall not be obligated to pay any amounts to any such Affiliate of ResCap in consideration for the transfer of such Indirect Interests or Transferred Assets.

(b) If it is determined at or after the Closing that as of the Closing any Subsidiary owned or possessed any of the Excluded Assets, then NewCo shall and shall cause Subsidiary to promptly transfer, assign, convey and deliver such Excluded Assets to Seller or any other controlled Affiliate of ResCap designated by ResCap in accordance with the terms of this Agreement; provided, that ResCap shall not be obligated to pay any amounts to NewCo or such Subsidiary in consideration for the transfer of such Excluded Assets.

Source: GMAC LLC, 10-Q, August 08, 2008

Section 2.5Purchase Price. The aggregate consideration to be paid at the Closing to Seller for the sale of the Interests shall equal (i) $230,000,000 (the "Cash Purchase Price") and (ii) the Class B Junior Preferred Units (collectively, the "Purchase Price").

Section 2.6Obligation to Deliver Additional Proceeds to NewCo. If at any time after 11:59 p.m. (New York City Time, respectively) on the Cut-Off Date, ResCap or any of its Affiliates receives proceeds or other payments with respect to any Transferred Asset, ResCap shall, and shall cause its Affiliates to, (i) accept and hold such proceeds and payments in trust for the account and sole benefit of NewCo (subject to the Closing) and have no equitable or beneficial interest in any such proceeds or payments (except to the extent this Agreement is terminated prior to Closing in accordance with its terms) and (ii) deliver such proceeds and payments (free of any withholding, setoff, recoupment or deduction of any kind except as required by applicable Law) promptly (but in any event no later than three Business Days after the date on which such Person receives such proceeds or payments, except in the case of proceeds and payments received prior to the Business Day immediately preceding the Closing Date, which shall be delivered at the Closing) to NewCo, when necessary or appropriate, with NewCo's endorsement (without recourse, representation or warranty).

Section 2.7Closing Subject to the terms and conditions of this Agreement, the consummation of the Interests Sale and the other transactions contemplated hereby (the "Closing") shall take place at the offices of Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 at 10:00 A.M. New York City time, on June 9, 2008, or at such other time and place as the parties hereto may mutually agree. At the Closing, the Parties shall take all actions required under this Article II and all other actions not previously taken but required to be taken hereunder at or prior to the Closing. The date on which the Closing occurs is called the "Closing Date".

Section 2.8Deliveries by ResCap and its Affiliates. At the Closing:

(a) ResCap shall cause Seller to execute and deliver counterparts to those Ancillary Transfer Documents required to be executed and delivered by Seller to effect the sale and transfer of the Interests to NewCo pursuant to this Agreement;

(b) ResCap shall deliver the certificate required to be delivered pursuant to Section 5.3(e);

(c) ResCap shall deliver a release in the form annexed hereto asExhibit E (the "Mutual Release"), duly executed by ResCap, on behalf of itself and each of its controlled Affiliates (other than the Subsidiaries), on the one hand, and the Direct Subsidiary, on behalf of itself and each of the Indirect Subsidiaries, on the other hand;

(d) ResCap shall caused to be delivered the written resignations, effective as of the Closing, of the current officers, managing member, manager or members of the board of managers or directors, as applicable, of each of the Subsidiaries;

(e) ResCap shall deliver, or cause to be delivered, to NewCo all proceeds and payments in respect of Transferred Assets required to be delivered to NewCo pursuant to Section 2.6; and

Source: GMAC LLC, 10-Q, August 08, 2008

(f) ResCap shall deliver such other documents and instruments as may be reasonably required to consummate the transactions contemplated by this Agreement.

Section 2.9Deliveries by NewCo. At the Closing:

(a) NewCo shall (i) deliver the Cash Purchase Price to Seller in immediately available funds by wire transfer to an account or accounts that have been designated by ResCap prior to the Closing Date and (ii) issue the Class B Junior Preferred Units to Seller;

(b) NewCo shall execute and deliver counterparts to those Ancillary Transfer Documents required to be executed and delivered by NewCo to effect the sale and transfer of the Interests pursuant to this Agreement;

(c) NewCo shall deliver the certificate required to be delivered pursuant to Section 5.2(c); and

(d) NewCo shall deliver such other documents and instruments as may be reasonably required to consummate the transactions contemplated by this Agreement.

Section 2.10Determination of Final Aggregate NBV and Final Additional Proceeds.

(a) Set forth onExhibit B is an estimate prepared by ResCap of the Aggregate NBV (the "Estimated NBV Schedule").

(b) By no later than 30 days after the Closing Date, ResCap shall deliver to NewCo a written statement (the "Post-Closing Statement") setting forth the calculation of (i) Aggregate NBV and (ii) Additional Proceeds, together with (x) the material documentation supporting such calculations and (y) a certificate, executed by a duly authorized officer of ResCap, to the effect that such calculations were made in good faith and are consistent with the books and records of ResCap and Seller. ResCap agrees to make available to NewCo, at NewCo's request, all books and records reasonably requested by NewCo to verify such calculations. The term "Final Aggregate NBV" means the Aggregate NBV as set forth in the Post-Closing Statement, subject to adjustment as provided in subsection (c) below. The term "Final Additional Proceeds" means the Additional Proceeds as set forth in the Post-Closing Statement.

(c) To the extent Final Aggregate NBV exceeds $479,172,068 (such excess amount, the "Excess NBV"), then (i) with respect to those assets used in the calculation of Transferred Assets that represent the Excess NBV (the "Excess Assets"), the term "Excluded Assets" shall be deemed to include such Excess Assets, (ii) all of the right, title and interest of the applicable Subsidiary in and to such Excess Assets shall be transferred to Seller pursuant to Section 4.2(a) and (iii) the term "Final Aggregate NBV" shall mean the Aggregate NBV as set forth in the Post-Closing Statementless the aggregate net book value of the Excess Assets as recorded on the books of ResCap as of the Cut-Off Date. The Parties shall, within 30 days after the delivery of the Post-Closing Statement, reach mutual agreement as to which Transferred Assets shall constitute Excess Assets pursuant to this Section 2.10(c) or, to the extent the Parties are unable to reach mutual agreement by the end of such 30-day period, NewCo shall pay to Seller an amount in cash equal to the product of (i) the Excess NBV and (ii) 0.4799946.

Source: GMAC LLC, 10-Q, August 08, 2008

(d) To the extent Final Aggregate NBV is less than $479,172,068 (such excess amount, the "Shortfall NBV"), then (i) the Parties shall, within 30 days after the delivery of the Post-Closing Statement, reach mutual agreement as to which additional assets of ResCap and its controlled Affiliates shall be included as "Transferred Assets" to result in the Aggregate NBV (taking into account such additional assets) equaling $479,172,068, (ii) such additional assets shall be deemed to be "Transferred Assets" and ResCap shall, or shall cause its controlled Affiliate to, sell, convey, transfer, assign and deliver to NewCo or the Subsidiary designated by NewCo, all of the right, title and interest of Seller in and to such additional assets and (iii) the term "Final Aggregate NBV" shall mean the Aggregate NBV as set forth in the Post-Closing Statementplus the aggregate net book value of such additional assets as recorded on the books of ResCap as of the Cut-Off Date.

Section 2.11Allocation of Purchase Price. A proposed allocation of the Purchase Price among the Interests and Indirect Interests (an "Allocation") shall be set forth on a schedule to be prepared by NewCo and delivered to ResCap within 90 days following the Closing Date. ResCap shall have a period of thirty 30 days after receipt of the proposed Allocation (the "Review Period") to review it. If ResCap does not object to the proposed Allocation in writing during the Review Period, the Allocation prepared by NewCo shall be the final Allocation for the Purchase Price. If ResCap provides written notice to NewCo within the Review Period that ResCap disputes the proposed Allocation, NewCo and ResCap shall attempt to reach a mutually acceptable agreement regarding the appropriate Allocation during the thirty-day 30-day period beginning on the date that NewCo receives the notice from ResCap (the "Negotiation Period"). If NewCo and ResCap are able to reach a mutually acceptable agreement within the Negotiation Period, such agreement shall be the final Allocation of the Purchase Price. NewCo and Seller, or their respective Affiliates as applicable, shall file all Tax Returns for which they are responsible consistent with the final Allocation and shall take no position before any taxing authority inconsistent with such Allocation except (x) to the extent agreed to in writing by NewCo and ResCap, (y) by subsequent agreement with the Internal Revenue Service following an audit by the Internal Revenue Service or (z) by a court decision. Notwithstanding the foregoing, in the event that ResCap provides written notice to NewCo during the Review Period that it disputes the proposed Allocation and the Parties are unable to reach a mutually acceptable agreement regarding the appropriate Allocation within the Negotiation Period, the Parties shall submit the proposed Allocation to an accounting firm of national standing that is reasonably acceptable to ResCap and NewCo (the "Independent Auditor") for review at the shared (50/50) expense of the parties. The determination of the Independent Auditor shall be the final allocation under this Section 2.11. ResCap shall act (and shall be deemed to have acted) on behalf of Seller pursuant to this Section 2.11.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1Representations and Warranties of ResCap and Seller. ResCap represents and warrants, on behalf of itself and Seller, to NewCo as of the date hereof and as of the Closing Date that, except as set forth in the applicable sections of the ResCap Disclosure Letter:

Source: GMAC LLC, 10-Q, August 08, 2008

(a) Due Organization. Each of ResCap, Seller and the Subsidiaries is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation. ResCap has all requisite limited liability company power and authority to enter into this Agreement and to carry out its respective obligations hereunder and to consummate the transactions contemplated hereby. Seller has all requisite limited liability company power and authority to enter into the Mutual Release and each Ancillary Transfer Document and to carry out its obligations thereunder and to consummate the transactions contemplated thereby. Other than with respect to the Excluded Assets, each of the Subsidiaries has the requisite limited liability company power and authority to own its assets and to carry on its business as presently conducted and is duly qualified to do business and is in good standing (where such concept exists) as a foreign limited liability company in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary.

(b) Binding Effect. The execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of ResCap. This Agreement has been duly executed and delivered by ResCap. This Agreement, assuming the due authorization, execution and delivery by NewCo, constitutes a legally binding obligation of ResCap, enforceable against ResCap in accordance with its terms, subject to bankruptcy, insolvency, receivership, moratorium, reorganization or similar laws affecting the rights of creditors generally. As of the Closing Date, (i) the execution and delivery of the Mutual Release, and each of the Ancillary Transfer Documents, the performance of their respective obligations thereunder and the consummation of the transactions contemplated thereby shall have been duly authorized by all requisite limited liability company action on the part of Seller, (ii) the Mutual Release and each of the Ancillary Transfer Documents shall have been duly executed and delivered by Seller and (iii) the Mutual Release and each Ancillary Transfer Document, assuming the due authorization, execution and delivery by NewCo, shall constitute a legally binding obligation of Seller, enforceable against each such entity in accordance with its terms, subject to bankruptcy, insolvency, receivership, moratorium, reorganization or similar laws affecting the rights of creditors generally.

(c) Consents and Approvals. Except for the consents listed in Section 3.1(c) of the ResCap Disclosure Letter, no consent, approval, waiver, authorization, notice or filing is required to be obtained from or made with (i) any Governmental Entity or self-regulatory organization or (ii) any other Person, in each case, by ResCap or any of its controlled Affiliates in connection with the execution, delivery and performance of any Transaction Document.

(d) Non-Contravention. The execution, delivery and performance of this Agreement by ResCap and by ResCap and each of its controlled Affiliates of the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) violate any provision of the organizational documents of the applicable entity, (ii) subject to receipt of the consents listed in Section 3.1(c) of the ResCap Disclosure Letter, result in the material breach of, or constitute a material default under, or result in the termination, cancellation, modification or acceleration (whether after the filing of notice or the lapse of time or both) of any material right or obligation of ResCap or any of its controlled Affiliates under, or result in a loss of any material benefit to which such party is entitled under, any material Contract, or result in the creation of any

Source: GMAC LLC, 10-Q, August 08, 2008

Encumbrance upon any of the Interests, Indirect Interests or the Transferred Assets, or (iii) subject to receipt of the consents listed in Section 3.1(c) of the ResCap Disclosure Letter, violate or result in a breach of or constitute a default under any Law to which ResCap or any of its controlled Affiliates is subject.

(e) Transferred Assets; Interests and Indirect Interests; Excluded Assets; Excluded Employees.

(i) Seller has full right to sell, assign and transfer all of its right, title and interest in the Interests to NewCo, subject to receipt of the consents listed in Section 3.1(c) of the ResCap Disclosure Letter. Seller is the owner of the Interests, free and clear of any Encumbrances of any nature whatsoever (except for any such Encumbrances being released prior to or effective upon the Closing). At the Closing, Seller shall transfer all right, title and interest in the Interest to NewCo, free and clear of any Encumbrances of any kind, and, except for those Ancillary Transfer Documents executed and delivered to NewCo by Seller at Closing, no novations or assignments shall be necessary to vest NewCo at the Closing with such right, title and interest. The Interests constitute all of the outstanding membership interests (or other form of equity- or equity-like interests) of the Direct Subsidiary. All of the outstanding membership interests of the Indirect Subsidiaries are owned by a Subsidiary. Each Subsidiary that owns Indirect Interests is the owner of such Indirect Interests, free and clear of any Encumbrances of any nature whatsoever (except for any such Encumbrances being released prior to or effective upon the Closing). One of the Subsidiaries is the owner of each Transferred Asset, free and clear of any Encumbrances of any nature whatsoever (except for any such Encumbrances being released prior to or effective upon the Closing). None of the Transferred Assets have been sold, transferred, conveyed or otherwise disposed of since the Cut-Off Date, except in accordance with Section 4.2(f) of this Agreement.

(ii) The sole business conducted by each Subsidiary is and has been the ownership of the Transferred Assets, the Excluded Assets, the Indirect Interests (to the extent applicable) and the model homes, lots, and other assets previously sold and and except for obligations incurred in the ordinary course of business consistent with past practice or pursuant to the Transaction Documents, no Subsidiary has incurred any Liabilities other than the Retained Liabilities and those Liabilities satisfied in full prior to the Closing. Except for the Services contemplated to be performed pursuant to Section 4.2(d) of this Agreement, the Interests, Indirect Interests and Transferred Assets shall, at Closing, constitute all assets, properties and rights necessary to operate the Transferred Assets in all material respects as currently operated.

(iii) The Estimated NBV Schedule has been prepared in good faith and reflects the aggregate net book value of the Transferred Assets as recorded on the books of ResCap as of the Cut-Off Date, after giving effect to the exclusion of the Retained Liabilities.

(iv) All Liabilities required to be paid prior to or as of 12:01 a.m. (New York City Time) on the Closing Date by ResCap or any of its Affiliates in respect of any of the Interests, Indirect Interests or Transferred Assets shall have been fully paid by

Source: GMAC LLC, 10-Q, August 08, 2008

ResCap or the applicable Affiliate, other than obligations incurred in the ordinary course of business consistent with past practice pursuant to brokerage or commission agreements to pay broker fees or commissions resulting from the sale of any assets prior to Closing the proceeds from which sales are delivered to NewCo at Closing pursuant to Section 4.2(f). Without limiting the generality of the previous sentence, (i) no deficiency for any Taxes has been asserted or assessed with respect to any of the Interests, Indirect Interests or Transferred Assets that has not been satisfied by payment, settled or withdrawn, (b) there is no audit, claim or controversy currently asserted or threatened in writing with respect to the any of the Interests, Indirect Interests or Transferred Assets in respect of any Taxes and (c) there are no Encumbrances or security interests on any of the Interests, Indirect Interests or Transferred Assets that arose in connection with any failure to pay any Taxes.

(v) Set forth onExhibit C is a list, as of the Cut-Off Date, of the Excluded Assets prepared in good faith by ResCap. The assets set forth on this list are referred to as the "Specified Excluded Assets".

(f) [Intentionally Omitted].

(g) Brokers/Finders. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transfer of the Interests (or the transfer of control of any of the Indirect Interests or Transferred Assets as a result thereof) pursuant to this Agreement based upon arrangements made by or on behalf of ResCap or any of its Affiliates with respect to which NewCo has any obligation or liability.

(h) No Other Representations or Warranties. Except for the representations and warranties contained in this Section 3.1, neither ResCap nor any of its Affiliates or other Persons makes any express or implied representation or warranty on behalf of ResCap, Seller, the Interest, the Indirect Interests or the Transferred Assets.

Section 3.2Representations and Warranties of NewCo. NewCo represents and warrants to ResCap as of the date hereof and as of the Closing Date that:

(a) Due Organization. NewCo is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and has all requisite limited liability company power and authority to enter into this Agreement and each of the Ancillary Transfer Documents and to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

(b) Binding Effect. The execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action of NewCo. This Agreement has been duly executed and delivered by NewCo. This Agreement, assuming the due authorization, execution and delivery by ResCap and Seller, constitutes a legally binding obligation of NewCo, enforceable against NewCo in accordance with its terms, subject to bankruptcy, insolvency, receivership, moratorium, reorganization or similar laws affecting the

Source: GMAC LLC, 10-Q, August 08, 2008

rights of creditors generally. As of the Closing Date, (i) the execution and delivery of each Ancillary Transfer Document, the performance of its obligations thereunder and the consummation of the transactions contemplated thereby shall have been duly authorized by all requisite limited liability company action of NewCo, (ii) each Ancillary Transfer Document shall have been duly executed and delivered by NewCo and (iii) each Ancillary Transfer Document, assuming the due authorization, execution and delivery by Seller, shall constitute a legally binding obligation of NewCo, enforceable against NewCo in accordance with its respective terms, subject to bankruptcy, insolvency, receivership, moratorium, reorganization or similar laws affecting the rights of creditors generally.

(c) Consents and Approvals No consent, approval, waiver, authorization, notice or filing is required to be obtained from or made with (i) any Governmental Entity or self-regulatory organization or (ii) any other Person, by NewCo, Cerberus Partners, L.P. or Cerberus Capital Management, L.P. in connection with the execution, delivery and performance of any Transaction Document.

(d) Non-Contravention The execution, delivery and performance by NewCo, Cerberus Partners, L.P. and Cerberus Capital Management, L.P. of each Transaction Documents to which it is a party, and the consummation of the transactions contemplated under each such Transaction Document, do not and will not (i) violate any provision of the organizational documents of any such Person, (ii) result in the material breach of, or constitute a material default under, or result in the termination, cancellation, modification or acceleration (whether after the filing of notice or the lapse of time or both) of any material right or obligation of such Person under, or result in a loss of any material benefit to which such Person is entitled under, any material Contract, or result in the creation of any Encumbrance upon any of assets of such Person, or (iii) violate or result in a breach of or constitute a default under any Law to which such Person is subject.

(e) Brokers/Finders. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transfer of the Interests (or the transfer of control of any of the Indirect Interests or Transferred Assets as a result thereof) pursuant to this Agreement based upon arrangements made by or on behalf of NewCo with respect to which ResCap or Seller has any obligation or liability.

(f) No Other Representations or Warranties. Except for the representations and warranties contained in this Section 3.2, neither NewCo nor any of its Affiliates or other Persons makes any express or implied representation or warranty on behalf of NewCo.

ARTICLE IV

COVENANTS

Section 4.1Commercially Reasonable Efforts.

(a) Each of the Parties shall cooperate and use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, and assist and

Source: GMAC LLC, 10-Q, August 08, 2008

cooperate with the other Parties to this Agreement in doing, all things necessary or desirable under applicable Law to consummate, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the Transaction Documents.

Section 4.2The Separation.

(a) The Parties acknowledge and agree that, notwithstanding anything to the contrary in this Agreement, Seller shall retain all right, title and interest (legal or beneficial) to (including tax ownership in respect of) the Excluded Assets and Retained Liabilities from and after the Closing. In furtherance of the previous sentence, (i) ResCap and its controlled Affiliates shall use their respective commercially reasonable efforts to cause the Specified Excluded Assets to be transferred from the Subsidiaries to Seller or one or more controlled Affiliates of ResCap (other than any Subsidiary) as promptly as practicable after the Closing, (ii) each Party hereto shall, and shall cause its Affiliates, promptly to execute, acknowledge and deliver any other assurances or documents or instruments of transfer reasonably requested by the other Party hereto and necessary to effect such retention of the Excluded Assets by Seller and (iii) to the extent any Excluded Assets are held by any Subsidiary after the Closing, then NewCo shall cause such Subsidiary to transfer such Excluded Assets to Seller or, at ResCap's direction, one or more controlled Affiliates of ResCap (other than any Subsidiary). ResCap shall bear all reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of outside counsel) incurred by NewCo or any Subsidiary in connection therewith. From and after the Closing, ResCap shall indemnify and defend NewCo, its Affiliates (including the Subsidiaries), managing member, officers, directors, employees, agents, successors and assigns (each a "NewCo Indemnified Party") from and against any and all actions, suits, claims, proceedings, damages, losses, deficiencies, liabilities, penalties, fines, interest, costs, damages, judgments, amounts paid in settlement and expenses (including, without limitation, the cost and expenses of any litigations, actions, judgments and settlements related thereto, and the reasonable costs and expenses of attorneys and accountants incurred in the investigation or defense thereof or the enforcement of rights hereunder) (collectively, "Losses") related to the Excluded Assets or the Retained Liabilities. Notwithstanding anything to the contrary in this Agreement, the Parties agree that, in addition to the indemnification provided to the NewCo Indemnified Parties hereunder, but without duplication of recovery, the Company shall have the rights specified in Section 4.2(a) of the ResCap Disclosure Letter. If at any time after the Closing, NewCo or any Subsidiary receives proceeds or other payments with respect to any of the Excluded Assets, NewCo shall, or shall cause the applicable Subsidiary to, (i) accept and hold such proceeds or payments in trust for the account and sole benefit of Seller and have no equitable or beneficial interest in any such proceeds or payments and (ii) deliver such proceeds and payments (free of any withholding, setoff, recoupment or deduction of any kind except as required by applicable Law) promptly (but in any event no later than three Business Days after the date on which such Person receives such proceeds or payment) to Seller, when necessary or appropriate, with NewCo's or a Subsidiary's endorsement, as applicable, (without recourse, representation or warranty).

(b) Prior to the Closing, ResCap and each of the Subsidiaries shall effect, or cause to be effected (i) the transfer of the employment services of the Excluded Employees from each applicable Subsidiary to ResCap or a controlled Affiliate of ResCap (other than the Subsidiaries) and (ii) the assumption by ResCap of the Retained Liabilities arising out of the

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Excluded Employees (the "Employee Separation"). The Employee Separation will be deemed effective for legal, accounting and other computational purposes as of 11:59 p.m. (New York City Time) on the Business Day immediately preceding the Closing Date. From and after the effective time of the Employee Separation, none of the Subsidiaries shall have any responsibility for, and ResCap shall indemnify and defend each of the NewCo Indemnified Parties from and against, any Losses related to all current or former employees (including the Excluded Employees), and, to the extent a Retained Liability, contractors or consultants of a Subsidiary.

(c) Within 30 days after the Closing, ResCap shall deliver to NewCo true, correct and complete list, as of the Closing Date, of (i) the Excluded Assets and (ii) Retained Liabilities, together with an officer's certificate to the effect that such lists have been prepared in accordance with this Section 4.2(c).

(d) From and after the Closing, ResCap shall, or shall cause one of its controlled Affiliates (other than any Subsidiary) to, provide NewCo and the Subsidiaries with the services identified on the Servicing Agreement Term Sheet until the expiration of the applicable term set forth thereon, upon the terms and subject to the conditions therein. NewCo shall, or shall cause one of its Subsidiaries to, timely pay all costs required to be paid thereunder for such services. The terms and conditions set forth in the Servicing Agreement Term Sheet shall be deemed to be operative covenants under this Agreement. As promptly as practicable after the Closing, the Parties shall negotiate in good faith and enter into a definitive servicing agreement in form and substance to be mutually agreed upon and consistent with the Servicing Agreement Term Sheet.

(e) Prior to Closing, ResCap shall, or shall cause one of its controlled Affiliates to, contribute to the capital of the Direct Subsidiary the outstanding promissory note issued by the Direct Subsidiary to Residential Funding Company, LLC in the amount of approximately $800,000.

(f) To the extent that, during the period from the Cut-Off Date to the Closing, there has been any, direct or indirect, sale, transfer, conveyance of other disposition of any assets of a Subsidiary that would have constituted Transferred Assets had such assets been owned by such Subsidiary as of the Closing Date, then, (i) prior to the Closing, ResCap shall promptly notify NewCo of such action or proposed action and (ii) NewCo shall have the right to receive at Closing from ResCap the proceeds from the sale of such asset.

(g) From and after the Closing, NewCo shall indemnify and defend ResCap, its Affiliates, managing member, officers, directors, employees, agents, successors and assigns (each a "ResCap Indemnified Party") from and against any and all Losses arising out of the ownership of the Interests, Indirect Interests or any of the Transferred Assets after the Closing, except to the extent such Losses arise out of the Excluded Assets or constitute Retained Liabilities.

Section 4.3Further Assurances. From time to time after the Closing Date, each Party hereto shall, and shall cause its Affiliates, promptly to execute, acknowledge and deliver any other assurances or documents or instruments of transfer reasonably requested by the other Party hereto and necessary for the requesting Party to satisfy obligations hereunder or to obtain the

Source: GMAC LLC, 10-Q, August 08, 2008

benefits of the transactions contemplated hereby. Without limiting the generality of the foregoing, to the extent that NewCo discovers following Closing that any asset that was intended to be transferred pursuant this Agreement was not transferred at Closing, ResCap shall or shall cause its Affiliates promptly to assign and transfer to NewCo all right, title and interest in such asset. As soon as practicable after Closing (but in any event by no later than 30 days thereafter), ResCap shall deliver to NewCo a schedule (i) identifying the Transferred Assets owned by each Subsidiary as of the Closing Date and (ii) such other information concerning the Transferred Assets as reasonably requested by NewCo.

Section 4.4Tax Matters.

(a) Seller shall be liable for and Seller shall pay, or cause to be paid, any and all Taxes applicable to the Interests, Indirect Interests or Transferred Assets attributable to periods (or portions thereof) ending on or before the Closing Date. NewCo shall be liable for and shall pay all Taxes applicable to the Interests, Indirect Interests or Transferred Assets attributable to periods (or portions thereof) beginning on the day after the Closing Date.

(b) Seller or NewCo, as the case may be, shall promptly reimburse any Tax paid by the other party all or a portion of which Tax is the responsibility of Seller or NewCo in accordance with the terms of this Section 4.4. Within a reasonable time prior to the payment of any such Tax, the party paying such Tax shall give notice to the other party of the Tax payable and the portion that is the liability of each party, although failure to do so shall not relieve the other party from its liability hereunder except to the extent that it is materially prejudiced by such delay.

(c) After the Closing, Seller and NewCo shall, as reasonably requested by the other, (i) assist the other party in preparing any Tax Returns relating to the Interests, Indirect Interests or Transferred Assets which such other party is responsible for preparing and filing; (ii) cooperate fully in preparing for any audit of, or dispute with taxing authorities regarding, and any judicial or administrative proceeding relating to, liability for Taxes, in the preparation or conduct of litigation or investigation of claims, and in connection with the preparation of financial statements or other documents to be filed with any taxing authority, in each case with respect to the Interests, Indirect Interests or Transferred Assets; (iii) make available to the other and to any taxing authority as reasonably requested all information, records, and documents relating to Taxes relating to the Interests, Indirect Interests or Transferred Assets; (iv) provide timely notice to the other party in writing of any pending or threatened Tax audits or assessments relating to the Interests, Indirect Interests or Transferred Assets for taxable periods for which the other party is responsible under this Section 4.4; and (v) furnish the other party with copies of all correspondence received from any taxing authority in connection with any taxable audit or information request with respect to any Tax periods for which the other is responsible under this Section 4.4. Until the seventh anniversary of the Closing Date, Seller will, to the extent necessary in connection with any Taxes (including the tax basis of any acquired asset) or other matters relating to the Interests, Indirect Interests or Transferred Assets for any period ending at or prior to the Closing, and without charge to NewCo, retain all original books, records and other documents and all electronically archived data not deliverable to NewCo at Closing related to the Interests, Indirect Interests or Transferred Assets. Any information obtained pursuant to this Section 4.4 or pursuant to any other Section hereof providing for the sharing of information or

Source: GMAC LLC, 10-Q, August 08, 2008

review of any Tax Return or other schedule relating to Taxes shall be kept confidential by the Parties, except to the extent such information is required to be disclosed by Law, regulation or judicial order.

(d) Notwithstanding anything in this Section 4.4 or otherwise in this Agreement to the contrary, Seller shall pay, on a timely basis, all applicable transfer, sales, use, recording, registration and other similar Taxes (collectively, the "Transfer Taxes") arising out of (i) the sale of the Interests to NewCo or (ii) the transfer of the Excluded Assets from any Subsidiary to ResCap or any of its controlled Affiliates. Seller shall prepare and file, and NewCo shall cooperate in the preparation and filing of, all Tax Returns regarding any Transfer Taxes that become payable in connection with the transactions contemplated by this Agreement.

ARTICLE V

CONDITIONS TO CLOSING

Section 5.1Conditions to the Obligations of each of the Parties. The obligations of the Parties hereto to effect the Closing are subject to the satisfaction of the following conditions:

(a) No Injunctions or Restraints; Illegality. No judgment, order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the transactions contemplated by this Agreement or the other Transaction Documents shall be in effect and no statute, rule, regulation, order, injunction or decree shall have been enacted, promulgated or enforced by any Governmental Entity that prohibits or makes illegal the consummation of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 5.2Conditions to the Obligations of ResCap and Seller. The obligations of ResCap and Seller to effect the Closing are subject to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties of NewCo contained in this Agreement shall be true and correct in all material respects as of the date hereof and at and as of the Closing, as if made at and as of such time (or if made as of a specific date, at and as of such date);provided, that the representations and warranties set forth in Sections 3.2(a), 3.2(b) and 3.2(e) shall be true and correct in all respects.

(b) Covenants. NewCo shall have performed in all material respects all of its obligations hereunder required to be performed by NewCo at or prior to the Closing Date.

(c) Certificate. NewCo shall have delivered to ResCap a certificate, signed by a duly authorized representative of NewCo and dated the Closing Date, to the effect that the conditions set forth in Sections 5.2(a) and (b) have been satisfied.

Section 5.3Conditions to the Obligations of NewCo. The obligations of NewCo to effect the Closing are subject to the satisfaction of the following conditions:

Source: GMAC LLC, 10-Q, August 08, 2008

(a) Representations and Warranties. The representations and warranties of ResCap contained in this Agreement shall be true in all material respects as of the date hereof and at and as of the Closing, as if made at and as of such time (or if made as of a specific date, at and as of such date);provided, that the representations and warranties set forth in Sections 3.1(a), 3.1(b) and 3.1(e)(i) through (iv) shall be true and correct in all respects.

(b) Covenants. ResCap shall have, and shall have caused each of its controlled Affiliates to have, performed in all material respects all of their respective obligations hereunder required to be performed by such Person at or prior to the Closing Date.

(c) Consents and Approvals. All material consents, approvals and authorizations required to be obtained by ResCap or any of its Affiliates to consummate the sale of the Interests to NewCo (and thereby the transfer of the control of the Indirect Interests and Transferred Assets) pursuant to this Agreement shall have been obtained or made (without the imposition of any limitations, restrictions or conditions applicable to NewCo, the Interests, Indirect Interests, the Transferred Assets, the Investor or any of the Investor's Affiliates).

(d) Exchange Offer. ResCap and its Affiliates shall have consummated the offers to exchange and offers to purchase for cash made by ResCap pursuant to the confidential offering memorandum and consent solicitation statement dated as of May 5, 2008 (the "OM"), including the issuance of the "new notes" (as defined in the OM), on the terms and conditions set forth in the OM.

(e) Certificate. ResCap shall have delivered to NewCo a certificate, signed by a duly authorized officer of ResCap and dated the Closing Date, to the effect that the conditions set forth in Sections 5.3(a) through (d) and (f) have been satisfied.

(f) Employee Separation. ResCap and its controlled Affiliates shall have consummated the Employee Separation.

ARTICLE VI

TERMINATION

Section 6.1Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by written agreement of ResCap and NewCo;

(b) by any Party, upon written notice to the other Parties, in the event that the Closing does not occur on or before 5:00 p.m. (New York City Time) on June 9, 2008; or

(c) by any Party, upon written notice to the other Parties, in the event that any Law shall be enacted or any Governmental Entity shall have issued any order, decree or injunction or taken any other action restraining, enjoining or prohibiting any of the transactions contemplated by this Agreement or the other Transaction Documents, and such order, decree, injunction or other action shall have become final and nonappealable.

Source: GMAC LLC, 10-Q, August 08, 2008

Section 6.2 Effect of Termination. In the event of any termination of this Agreement as provided in Section 6.1, this Agreement (other than this Section 6.2 and Article VII, which shall remain in full force and effect) shall forthwith become wholly void and of no further force and effect.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by overnight courier or by facsimile (with confirmation copies delivered personally or by courier on or before the third Business Day after such facsimile delivery) to the respective parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to ResCap:

GMAC Model Home Finance I, LLC
c/o Residential Funding Company, LLC
One Meridian Crossings
Suite 100
Minneapolis, MN 55423
Attention: President
Business Capital Group
Telephone No.: (952) 857-6958
Telecopier No.: (952) 857-6943

With a copy to:

Residential Funding Company, LLC
One Meridian Crossings
Suite 100
Minneapolis, MN 55423
Attention: Chief Counsel
Business Capital Group
Telephone No.: (952) 857-6911
Telecopier No.: (952) 857-6949

and

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
Wilmington, DE 19801
Attention: Allison Land
Facsimile: 888-329-3021

Source: GMAC LLC, 10-Q, August 08, 2008

If to NewCo:	CMH Holdings LLC c/o Cerberus Capital Management, L.P. 299 Park Avenue New York, NY 10171 Attention: Mark A. Neporent Facsimile: (212) 891-1540
With a copy to:	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: John M. Pollack Facsimile: (212) 593-5955

Copies to be sent as indicated above shall be courtesy copies and failure to deliver any such courtesy copies shall not invalidate any notice properly delivered to ResCap or NewCo as set forth above.

Section 7.2Amendment; Waiver. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by ResCap and NewCo, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 7.3No Assignment or Benefit to Third Parties. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, legal representatives and permitted assigns. No Party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement, by operation of Law or otherwise, without the prior written consent of the other Parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than ResCap, Seller, NewCo and the Subsidiaries and each of their respective successors, legal representatives and permitted assigns, any rights or remedies under or by reason of this Agreement;provided,that, the NewCo Indemnified Parties (solely with respect to their indemnification rights pursuant to this Agreement) and the ResCap Indemnified Parties (solely with respect to their indemnification rights pursuant to this Agreement) shall be third party beneficiaries of such Sections of this Agreement, entitled to enforce those specified provisions hereof.

Section 7.4Entire Agreement. This Agreement (including the Exhibits and the ResCap Disclosure Letter hereto) and the other Transaction Documents contain the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters;provided,however, that the commitment letter entered into on June 2, 2008 (the "Commitment Letter") between ResCap and the Investors (as defined in the Commitment Letter) shall remain in full force and effect until the Closing when it shall automatically terminate and become null and void;provided,further, the obligation of ResCap to reimburse the Investors for all reasonable fees and expenses incurred by or on behalf of such Investors or any of their Affiliates

in connection with the negotiation, preparation, execution and delivery of the Commitment Letter, this Agreement, the Purchase Agreement and the other Transaction Documents (other than the fees and expenses of Schulte Roth & Zabel LLP incurred by such Investors in connection therewith, which shall be borne by such Investors) shall remain in full force and effect.

Section 7.5Fulfillment of Obligations. Any obligation of any Party to any other Party under this Agreement, which obligation is performed, satisfied or fulfilled completely by an Affiliate of such Party, shall be deemed to have been performed, satisfied or fulfilled by such Party.

Section 7.6Expenses. Except as otherwise specified in this Agreement, in the Commitment Letter or in any other Transaction Document, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby and thereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 7.7Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. Any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contained in or contemplated hereby against any Party hereto shall be brought in the Chancery Court of the State of Delaware, any other state court of the State of Delaware or the United States District Court for the District of Delaware (the "Chosen Courts"), and solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, each party: (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto and (iv) agrees that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 7.1 of this Agreement. Each Party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 7.8Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement. Executed signature pages to this Agreement may be delivered by facsimile and such facsimiles will be deemed as sufficient as if actual signature pages had been delivered.

Section 7.9Headings. The heading references herein and the table of contents hereof are for convenience purposes only, and shall not be deemed to limit or affect any of the provisions hereof.

Section 7.10Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable

Source: GMAC LLC, 10-Q, August 08, 2008

and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 7.11Survival of Representations, Warranties and Covenants. The representations and warranties set forth in Article III of this Agreement shall survive the Closing until the second anniversary of the Closing Date, except that the representations and warranties set forth in Sections 3.1(a) through 3.1(e)(i), 3.1(g), and 3.2(a) through 3.2(e) shall survive the Closing until the expiration of the applicable statute of limitations. The covenants in this Agreement shall survive the Closing indefinitely.

Section 7.12Commitment Regarding Actions of Controlled Affiliates. With respect to any covenant requiring any controlled Party or controlled Affiliate of a Party to take an action or omit to take an action, such Party shall cause such controlled Affiliate to comply with such covenant. Any failure by any Party's controlled Affiliates to do so shall also constitute a breach of such covenant by such Party.

Section 7.13Specific Performance. Each Party acknowledges that money damages would be both incalculable and an insufficient remedy for any breach of this Agreement by such party and that any such breach would cause the other Party hereto irreparable harm. Accordingly, each Party hereto also agrees that, in the event of any breach or threatened breach of the provisions of this Agreement by such Party, the other Party hereto shall be entitled to equitable relief without the requirement of posting a bond or other security, including in the form of injunctions and orders for specific performance.

[Signature Page Follows**]**

Source: GMAC LLC, 10-Q, August 08, 2008

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the date first written above.

RESIDENTIAL CAPITAL, LLC

By: /s/ James N. Young
Name: James N. Young
Title: Chief Financial Officer

GMAC MODEL HOME FINANCE I, LLC

By: /s/ Michael J. Franta
Name: Michael J. Franta
Title: President

CMH HOLDINGS LLC

By: Cerberus Capital Management, L.P.,
its Manager

By: /s/ Jeffrey Lomasky
Name: Jeffrey Lomasky
Title: Senior Managing Director

Source: GMAC LLC, 10-Q, August 08, 2008

EXHIBIT D

Servicing Agreement Term Sheet

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement, dated as of June 6, 2008, among Residential Capital, LLC ("ResCap"), GMAC Model Home Finance I, LLC ("Seller") and CMH Holdings LLC ("NewCo") (the "Purchase Agreement"). The terms and conditions set forth in this Servicing Agreement Term Sheet (this "Term Sheet") shall be deemed to be operative covenants under the Purchase Agreement.

Parties: ResCap, on behalf of itself and its controlled Affiliates, and NewCo, on behalf of itself and the Subsidiaries.

Services: ResCap agrees to provide, or cause its controlled Affiliates to provide, to NewCo and the Subsidiaries, the Services (as described below). ResCap shall, or shall cause its controlled Affiliates to, provide the Services with the same degree of care, skill, and diligence and in substantially the same manner as such services are currently obtained by the Subsidiaries (from the Excluded Employees, ResCap or its controlled Affiliates or by virtue of third party services made available by ResCap or its controlled Affiliates) as of the Closing Date. The Parties agree that ResCap may use third parties to satisfy ResCap's obligation to provide any such Services so long as such third parties (or similar third parties) currently provide such Services (directly or indirectly) to the Subsidiaries as of the Closing Date. ResCap shall provide NewCo advance written notice of any significant change in the manner in which the Services are provided, including any change in the employees or third parties providing such Services.

The Services shall include all services currently obtained by the Subsidiaries (from the Excluded Employees, ResCap or its controlled Affiliates or by virtue of third party services made available by ResCap or its controlled Affiliates) that are necessary or advisable, in the reasonable judgment of NewCo, to conduct NewCo's business (including the ownership, operation, maintenance, sale and disposition of the Transferred Assets as contemplated by the LLC Agreement), including, without limitation:

- Employees, including support of asset managers from ResCap's Special Assets Group and internal ResCap legal counsel;
- Third party professional service providers, including legal;
- Cash management services;
- IT services;
- Accounting services;
- Insurance;

Source: GMAC LLC, 10-Q, August 08, 2008

- Use of the Richmond, Virginia headquarters facility, and any other location or facility providing services relating to the Transferred Assets as of the Closing Date;

- Use of the names of the Subsidiaries (including GMAC) and any derivatives thereof to the extent necessary or advisable to conduct NewCo's business; and

- Such other Services as may be necessary or incidental to the operations of NewCo and the Subsidiaries in the ordinary course of business relating to the Transferred Assets.

Costs: In consideration for each Service, NewCo shall reimburse ResCap on a dollar-for-dollar basis for the actual, reasonably documented out-of-pocket costs (if any) incurred by ResCap and its controlled Affiliates to provide such Service (each such out-of-pocket cost, taking into account the subsequent proviso, the "Applicable Service Cost"),provided that (i) no premium, corporate overhead allocation or other internal costs shall be charged or applied, (ii) ResCap shall solely bear all direct and indirect compensation (including fringe benefits of any sort) for the employees of ResCap and any of its controlled Affiliates (including the Excluded Employees) in respect of the Services, and shall be responsible for workers' compensation insurance, unemployment insurance, employment taxes, and all other employer liabilities relating to such persons and such costs shall not be charged or applied to NewCo, (iii) to the extent any third parties (including advisors, contractors or other agents) are engaged by ResCap or any of its controlled Affiliates to perform any Services that, in the ordinary course of business, have been performed by employees of ResCap or any of its controlled Affiliates for the benefit of the Subsidiaries, then, with respect to such service providers, ResCap shall solely bear all out-of-pocket costs incurred in respect of the use of such third parties to satisfy any such Services and such costs shall not be charged or applied to NewCo, and (iv) ResCap shall, at its sole expense (and without subsequent charge to NewCo), obtain all consents, approvals, licenses and authorizations, necessary or advisable for ResCap and its controlled Affiliates to provide such Service. Notwithstanding the foregoing, in no event shall the Applicable Service Cost for any Service for any month be greater than the average monthly actual cost incurred by the Subsidiaries for such Service during the five-month period ended May 31, 2008.

During the applicable term of each Service, ResCap shall invoice NewCo for the Applicable Service Cost promptly after the end of each calendar month during such term. ResCap shall include with each invoice a reasonably detailed description of the Services performed, the costs charged, and such other details as may be necessary to support the invoice. All undisputed invoices shall be paid by NewCo (or the Subsidiaries) to ResCap by wire transfer of immediately available funds

Source: GMAC LLC, 10-Q, August 08, 2008

	not later than sixty (60) calendar days after receipt by NewCo of ResCap's invoice, in accordance with the wiring instructions provided by ResCap to NewCo.
Term:	Each Service shall be provided until the earlier to occur of (i) the date on which NewCo notifies ResCap in writing to terminate such Service,provided that NewCo provides ResCap with at least 30 days' prior written notice of such termination, and (ii) the dissolution of NewCo.
Indemnification:	ResCap shall indemnify, defend and hold harmless NewCo and its Affiliates from and against all Losses arising out of (i) the gross negligence or willful misconduct of ResCap or any of its controlled Affiliates in the performance of its obligations under the Servicing Agreement, or (ii) any claim that any of the Services violates or infringes on any intellectual property rights of any third party. NewCo shall indemnify, defend and hold harmless ResCap and its controlled Affiliates from and against all Losses arising out of any third party claims in connection with or arising from the performance of the obligations of ResCap and its controlled Affiliates under the Servicing Agreement, except to the extent such Losses arise out of (i) the gross negligence or willful misconduct of ResCap or any of its controlled Affiliates in the performance of its obligations under the Servicing Agreement, or (ii) any claim that any of the Services violates or infringes on any intellectual property rights of any third party. Neither ResCap nor NewCo shall be required to indemnify the other or the other's Affiliates for exemplary, punitive, treble, special, indirect, consequential, remote or speculative damages, lost profits or internal costs, provided, that, if any indemnified party is held liable pursuant to a third-party claim for any of such damages and the indemnifying party is obligated to indemnify such indemnified party under the indemnity above, then the indemnifying party shall be liable for and obligated to reimburse the indemnified party for such damages.
Relationship of the Parties:	ResCap and its controlled Affiliates, in the performance of the Services, shall be acting as independent contractors to NewCo and the Subsidiaries, and not as partners, joint venturers or agents of NewCo. Neither ResCap nor NewCo intend to create by the Servicing Agreement an employer-employee relationship. Each of ResCap and its controlled Affiliates, on the one hand, and NewCo and the Subsidiaries, on the other hand, shall retain control over their respective personnel, and their respective employees shall not be considered employees of the other. Neither ResCap nor any of its controlled Affiliates, on the one hand, nor NewCo or any of the Subsidiaries, on the other hand, shall have any right, power or authority to create any obligation, express or implied, on

Source: GMAC LLC, 10-Q, August 08, 2008

behalf of the other pursuant to this Term Sheet.

Records and Inspection: During the term of the Servicing Agreement, ResCap shall maintain complete and accurate records of the Services provided, costs invoiced to NewCo, payments made thereunder and all costs incurred that are intended to constitute “Class B Junior Preferred Member Reimbursable Costs” under the LLC Agreement. All such records shall be available for inspection by NewCo or its representative. Upon any termination or expiration of any Service or of the Servicing Agreement, ResCap shall cooperate, and cause its controlled Affiliates to cooperate, with all reasonable requests by NewCo in connection with the transition of the Services, including the transfer and retention of records and data pertaining to the Services or the Subsidiaries to NewCo or its designees (in a mutually agreed industry standard electronic format).

Cooperation: ResCap shall, and shall cause its controlled Affiliates, employees, agents, representatives and subcontractors to, cooperate fully with NewCo, the Subsidiaries and their respective employees, agents and representatives to facilitate, in all respects, the provision of Services to NewCo and the Subsidiaries. NewCo shall, and shall cause the Subsidiaries and their respective employees, agents, representatives and subcontractors to, cooperate fully with ResCap, its controlled Affiliates and their respective employees, agents and representatives to facilitate, in all respects, the provision of Services to NewCo and the Subsidiaries.

Steering Committee: On the Closing Date, ResCap and NewCo shall form a steering committee (the “Steering Committee”), which shall consist of two individuals, one of whom shall be nominated by ResCap and one of whom shall be nominated by NewCo. The initial member of the Steering Committee nominated by ResCap shall be a person to be identified by ResCap prior to the Closing (the “ResCap Nominee”), and the initial member of the Steering Committee nominated by NewCo shall be a person to be identified by NewCo prior to the Closing (the “NewCo Nominee”, and collectively with the ResCap Nominee, the “Steering Committee Members”). To the fullest extent practicable, ResCap shall keep the Steering Committee reasonably informed on all proposed changes to the provision of Services and consult with the Steering Committee prior to taking any action that would reasonably be expected to adversely affect, in any material respect, the provision of Services hereunder.

Disputes: In the event that NewCo has a good faith dispute with regard to any costs invoiced by ResCap, NewCo shall provide ResCap with written notice of such dispute, together with a reasonably detailed explanation of such dispute, at or prior to the time payment is due, and NewCo may withhold payment of any disputed amounts pending resolution of the dispute. NewCo’s failure to pay amounts disputed in accordance with the

Source: GMAC LLC, 10-Q, August 08, 2008

preceding sentence shall not be grounds for a claim of breach or suspension of the provision of Services by ResCap or its controlled Affiliates.

Any controversy or dispute arising out of the Servicing Agreement (each, a "Dispute") shall be submitted to the Steering Committee.

If the Steering Committee fails to reach unanimous agreement on the resolution of such Dispute within 20 Business Days, then either ResCap or NewCo may seek remedies under New York law, and in connection therewith, such Dispute shall be brought in the United States District Court for the Southern District of New York or any New York State court sitting in New York City (the "Chosen Courts"), and solely in connection with such claims arising under the Servicing Agreement each Party (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto and (iv) agrees that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 7.1 of the Purchase Agreement. Each Party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to the Servicing Agreement.

Confidential Information:	The Servicing Agreement shall include a customary covenant regarding the confidential use and non-disclosure of non-public information concerning NewCo or any of its Affiliates or the Transferred Assets.

Source: GMAC LLC, 10-Q, August 08, 2008

Exhibit 12
GMAC LLC

RATIO OF EARNINGS TO FIXED CHARGES

($ in millions)	Six Months Ended June 30, **2008**	2007
Earnings		
Consolidated net loss	**($3,071)**	($12)
Provision for income taxes	**192**	309
Equity-method investee distribution	**60**	31
Equity-method investee earnings	**53**	(84)
Minority interest expense	**1**	1
Consolidated loss before income taxes, minority interest and income or loss from equity investees	**(2,765)**	245
Fixed charges	**6,099**	7,409
Earnings available for fixed charges	**3,334**	7,654
Fixed charges		
Interest, discount, and issuance expense on debt	**6,064**	7,368
Portion of rentals representative of the interest factor	**35**	41
Total fixed charges	**$6,099**	$7,409
Ratio of earnings to fixed charges (a)	**0.55**	1.03

(a) The ratio calculation indicates a less than one-to-one coverage for the six months ended June 30, 2008. Earnings available for fixed charges for the six months ended June 30, 2008, were inadequate to cover total fixed charges. The deficit amount for the ratio was $2,765 million for the six months ended June 30, 2008.

Source: GMAC LLC, 10-Q, August 08, 2008

Exhibit 31.1
GMAC LLC

I, Alvaro G. de Molina, certify that:

1. I have reviewed this report on Form 10-Q of GMAC LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

/s/ ALVARO G. DE MOLINA

Alvaro G. de Molina
Chief Executive Officer

Exhibit 31.2
GMAC LLC

I, Robert S. Hull certify that:

1. I have reviewed this report on Form 10-Q of GMAC LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

/s/ ROBERT S. HULL

Robert S. Hull
Executive Vice President and
Chief Financial Officer

Exhibit 32
GMAC LLC

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350

In connection with the Quarterly Report of GMAC LLC (the Company) on Form 10-Q for the period ending June 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the Report), each of the undersigned officers of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ALVARO G. DE MOLINA

Alvaro G. de Molina
Chief Executive Officer
August 7, 2008

/s/ ROBERT S. HULL

Robert S. Hull
Executive Vice President and
Chief Financial Officer
August 7, 2008

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to GMAC LLC and will be furnished to the Securities and Exchange Commission or its staff upon request.

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