



ALLY FINANCIAL INC.

The Boards of Directors of Ally Financial and Residential Capital, LLC

Board Oversight Plan

Prepared for the Boards of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation

Revised December 6, 2011



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Plan Overview for Board Oversight

This Program for Board Oversight (the “Program”) is established in response to the Consent Order dated April 13, 2011 (the “Order”) among the Board of Governors of the Federal Reserve System (the “FRB”), the Federal Deposit Insurance Corporation (the “FDIC”), Ally Bank (the “Bank”), Ally Financial Inc. (“Ally Financial” or “AFI”), and certain of Ally Financial’s direct and indirect subsidiaries including Residential Capital, LLC (“ResCap”) and GMAC Mortgage, LLC (“GMACM” and together with ResCap, the “Mortgage Servicing Companies”). Capitalized terms not defined in the Program shall have the meanings assigned to them in the Order.

The purpose of this Program is to define the activities related to Section 2 of the Order, which states:

Within 60 days of this Order, the boards of directors of Ally Financial and ResCap, for itself and on behalf of the Mortgage Servicing Companies shall submit to the Reserve Bank an acceptable written plan to strengthen the boards' oversight of the Mortgage Servicing Companies, including the boards' oversight of risk management, internal audit, and compliance programs concerning residential mortgage loan servicing, Loss Mitigation, and foreclosure activities conducted by the Mortgage Servicing Companies. The plan shall also describe the actions that the boards of directors will take to improve the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, and a timeline for actions to be taken. The plan shall, at a minimum, address, consider, and include:

- (a) Policies to be adopted by the board of directors of Ally Financial that are designed to ensure that Ally Financial's enterprise-wide risk management ("ERM") program provides proper risk management with respect to the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities particularly with respect to compliance with the Legal Requirements, and supervisory standards and guidance of the Board of Governors as they develop;*
- (b) policies and procedures adopted by Ally Financial to ensure that the ERM program provides proper risk management of independent contractors, consulting firms, law firms, or other third parties who are engaged to support residential mortgage loan servicing, Loss Mitigation, or foreclosure activities or operations, including their compliance with the Legal Requirements and Ally Financial's and GMAC Mortgage's internal policies and procedures, consistent with supervisory guidance of the Board of Governors;*
- (c) steps to ensure that Ally Financial's ERM, audit, and compliance programs have adequate levels and types of officers and staff dedicated to overseeing the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and that these programs have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order;*

- (d) *steps to improve the information and reports that will be regularly reviewed by the board of directors or authorized committee of the board of directors of Ally Financial regarding residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, including, compliance risk assessments, and the status and results of measures taken, or to be taken, to remediate deficiencies in residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and to comply with this Order;*
- (e) *funding for personnel, systems, and other resources as are needed to carry out the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in full compliance with the Legal Requirements and the requirements of this Order, taking into consideration the current and expected volume of past due loans;*
- (f) *funding for personnel, systems, and other resources as are needed to operate risk management and compliance programs that are safe and sound and that are commensurate with the risk profile of the Mortgage Servicing Companies;*
- (g) *steps to ensure that the Mortgage Servicing Companies have adequate levels and types of officers and staff to carry out residential mortgage loan servicing, Loss Mitigation, and foreclosure activities in compliance with Legal Requirements and the requirements of this Order, and taking into account the size and complexity of the Servicing Portfolio; that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order; and a timetable for hiring any necessary additional officers and staff.*
- (h) *periodic reviews of the adequacy of the levels and types of officers and staff to carry out residential mortgage loan servicing, Loss Mitigation, and foreclosure activities in light of changes in the Servicing Portfolio or the Legal Requirements. To conduct this review, the plan shall establish metrics to measure and ensure the adequacy of staffing levels relative to existing and future Loss Mitigation and foreclosure activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including the single point of contact as hereinafter defined, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers;*
- (i) *steps to ensure that the risk management, audit, and compliance programs for the Mortgage Servicing Companies have adequate levels and types of officers and staff and that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order, and a timetable for hiring any necessary additional officers and staff;*
- (j) *workload reviews of residential mortgage loan servicing, Loss Mitigation, and foreclosure personnel who are responsible for handling individual loan issues*

(including single point of contact personnel), including an initial review within 90 days of this Order, and then annual reviews thereafter. Such reviews, at a minimum, shall assess whether the workload levels are appropriate to ensure compliance with the requirements of paragraphs 2(g) and 5 of this Order. Promptly following completion of such reviews, the Mortgage Servicing Companies shall adjust workload levels to ensure compliance with the requirements of paragraphs 2(g) and 5 of this Order;

- (k) policies to ensure that the risk management, audit, and compliance programs have the requisite authorities and status within the organization to effectively operate the programs, and that there is adequate coordination with respect to these programs to ensure that any problems or deficiencies that are identified in the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations are comprehensively reviewed and remedied; and*
- (l) steps to improve the information and reports that will be regularly reviewed by Ally Financial's and ResCap's boards of directors to assess the performance of residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, as well as the risk management and compliance programs and associated functions including, compliance risk assessments, and the status and results of measures taken, or to be taken, to remediate mortgage servicing, Loss Mitigation, and foreclosure deficiencies, and to comply with this Order.*

In response to the Order, the boards of directors of Ally Financial and ResCap (“the Boards”), for themselves and on behalf of the Mortgage Servicing Companies, have prepared this Program in response to Item 2 of the Order and the requirements therein.

Principles Guiding this Plan

This Plan to strengthen Board oversight of the Mortgage Servicing Companies and related risk management, compliance, and audit functions is based upon the requirements of the Order and incorporates guidance set forth in the following:

- Supervision and Regulation Letter SR 08-8 from the Board of Governors of the Federal Reserve System entitled “*Compliance Risk Management Programs and Oversight at Large Banking Organizations with Complex Compliance Profiles*” (October 16, 2008), Section IV of which provides clear guidance related to the responsibilities of boards of directors (and senior management); and
- Basel Committee on Banking Supervision, Principles for Enhancing Corporate Governance (October 2010).

Relevant guiding principles include:

1. **Multiple Lines of Defense:** Responsibility to ensure compliance with applicable rules and standards resides across various business areas – operations (first line of defense), risk management and compliance (second line of defense), and audit (third line of defense).
2. **Key Board Responsibilities:** The Boards are responsible for setting an appropriate culture of control and risk management, for establishing clear policies regarding the management of key risks, and for ensuring that these policies are adhered to in practice.
3. **Boards' Level of Understanding:** The Boards should have an appropriate understanding of the types of risks to which the organization is exposed.
4. **Senior Management:** The Boards should ensure that senior management is fully capable, qualified, and properly motivated to manage the risks arising from the organizations' business activities in a manner that is consistent with the Boards' expectations.
5. **Reviews by the Boards:** The Boards should review and, where appropriate, approve key elements of the overall risk management program and oversight framework, including firm-wide risk management and compliance policies, compliance and risk management standards, and roles and responsibilities of key committees and functions (e.g., risk management, compliance, and audit) providing independent and objective oversight of operations.

Background

The board of directors of Ally Financial (“AFI Board”) is comprised of nine directors, including a non-executive Chairman and one management director, Ally’s Chief Executive Officer, (“CEO”). The AFI Board maintains three standing committees, including: a Risk and Compliance Committee (“RCC”), an Audit Committee, and a Compensation, Nominating and Governance Committee. The AFI Board's duties and responsibilities, membership, and other Board-related governance matters are codified in the “Ally Board of Directors Governance Policy,” which is posted on AFI’s website. ResCap maintains a separate board of directors (“ResCap Board”), comprised of five directors, including two independent directors that serve on the ResCap Audit Committee. The Ally Board and its committees, along with the ResCap Board and its Audit Committee (collectively, “the Boards”) oversee and govern the activities of the Mortgage Servicing Companies and the related risk management, compliance and internal audit activities.

The Boards are aware of their duties and responsibilities for governing and overseeing residential mortgage servicing, Loss Mitigation, and foreclosure activities, including the adoption of adequate policies, procedures, and strategies to prudently conduct Ally’s operations. The Boards discharge their duties and responsibilities in these areas, appropriately delegating authority to Ally and the Mortgage Servicing Companies’ management as well as

to various board and management committees, councils, risk and compliance management, and audit functions.

In addition to this delegation of authority, the AFI and ResCap Boards have each established separate Consent Order Compliance Committees (“COCCs”), comprised of outside directors. The primary purpose of these two new committees is to monitor oversight of the Companies’ compliance with the provisions of the Order. The COCCs have the following responsibilities:

- Monitor oversight of the Companies’ compliance with the provisions of the Order.
- Review progress and developments relating to compliance with the Order.
- Review plans and other documentation developed with respect to the Order, as appropriate.
- Review key reports and trends and monitor the Companies’ progress under the Order, as appropriate.
- Submit progress reports to the applicable regulator with respect to the form and manner of all actions taken to secure compliance with the Order and the results thereof.
- Meet with the Boards in connection with the Order.
- Take action on matters as required by the Order.

The COCCs will work with the Boards to ensure that Board meeting agendas allocate adequate time to discuss Order-related items and properly address issues, as necessary.

Consent Order Response

Ally's response to the Order is comprised of actions to strengthen the Boards' oversight of the Mortgage Servicing Companies, and related risk management, compliance, and audit activities. These actions are organized in this Plan into the following four categories:

1. Governance and Authorities
2. Policies and Procedures
3. Workloads, Staffing, and Funding
4. Information and Reporting

The following table provides a reference to where each Section of the Order is addressed by this Plan.

<i>Consent Order Paragraphs</i>	<i>Board Oversight Plan Response</i>	
	<i>Page</i>	<i>Plan Section</i>
2a	Page 10	2. Policies and Procedures
2b	Page 10	2. Policies and Procedures
2c	Page 17	3. Workloads, Staffing, and Funding
2d	Page 19	4. Information and Reporting
2e	Page 13	3. Workloads, Staffing, and Funding
2f	Page 17	3. Workloads, Staffing, and Funding
2g	Page 13	3. Workloads, Staffing, and Funding
2h	Page 13	3. Workloads, Staffing, and Funding
2i	Page 17	3. Workloads, Staffing, and Funding
2j	Page 13	3. Workloads, Staffing, and Funding
2k	Page 9	1. Governance and Authorities
2l	Page 20	4. Information and Reporting

The Boards and senior management anticipate that additional actions may be required going forward as a result of: (a) implementing other action plans related to the Order; (b) strengthening Board Oversight as determined by the impending ERM Plan (to comply with Section 14 of the order) and Mortgage Servicing Companies' Risk Management Program (to comply with Section 15 of the Order); and/or (c) taking actions beyond the requirements of the Order, as warranted,. Additionally, the Boards are aware of the ongoing risk assessment activities (Sections 12 and 13) and foreclosure review activities (Sections 3 and 4) related to the Order; hence, the findings from these activities may determine that additional Board Oversight actions are warranted and amendments to the Board Oversight Plan are necessary. Finally, the Companies will expand the educational information provided to the Boards in the

normal course of business to increase their awareness of mortgage servicing operations, industry trends, and the changing regulatory landscape, among other potential topics.

In addition to the narrative descriptions that follow, first-level project details are provided in Appendices I and III of this plan.

1. Governance and Authorities

Consent Order section 2k requires:

(k) Policies to ensure that the risk management, audit, and compliance programs have the requisite authorities and status within the organization to effectively operate the programs, and that there is adequate coordination with respect to these programs to ensure that any problems or deficiencies that are identified in the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations are comprehensively reviewed and remedied.

The Boards along with Ally and the Mortgage Servicing Companies' senior management are committed to strengthening the risk management¹, compliance, and audit functions and their respective oversight of the Mortgage Servicing Companies. This Plan includes two key governance and authorities-related actions by the Boards and senior management to improve risk management, compliance, legal, and audit oversight of Ally's residential mortgage servicing, Loss Mitigation, and foreclosure activities.

- ***Review Requisite Authorities and Status:*** Review and approve policies and/or charters² for AFI's risk management program and for compliance, audit³ and legal functions and approve, where appropriate, any needed policy changes to ensure these programs and/or functions have the requisite authorities and status to effectively perform their respective oversight roles and programs related to residential mortgage loan servicing, Loss Mitigation, and foreclosure. The AFI RCC will review and approve policies and/or charters for AFI's risk management and compliance programs no later than June 30, 2012 and January 1, 2012, respectively (Appendix III-Section III, Bullet 1 and Bullet 2 and Section IV, Bullet 1 and Bullet 2, respectively). The AFI and ResCap Audit Committees will review and approve the audit policy and charter by July 1, 2011 and August 1, 2011, respectively (Appendix III-Section II, Bullet 1).

¹ For purposes of this Plan, risk management is defined as the collection of activities across the first line and second line of defense that have a role in the identification, assessment, management, monitoring and reporting of risk.

² Charters are stand-alone documents that outline the mission, scope, accountability and responsibilities, independence as well as objectivity, and authority of a particular function.

³ The Audit Charter, which is required under professional standards for the practice of internal auditing, was substantially modified in July 2010 following a comprehensive benchmarking against industry peers, and reviews by Legal, outside counsel, and Ally's external auditors. The Boards believe the Audit Charter provides sufficient clarity regarding Audit's authority and stature and Audit's need for coordination with other control functions. The Audit Charter and related policies and procedures will continue to be subject to annual review by the Audit Committees and were most recently reviewed by the AFI Audit Committee in June 2011.

- **Coordination of Oversight Programs:** The RCC will continue to support and monitor the ongoing Risk Convergence¹ activities to promote continued effectiveness of communication and coordination among the various risk management, compliance, legal and audit functions. Additionally, risk management, compliance and audit leadership will continue to attend and participate in Audit Committee and RCC meetings and in the various management committees and councils (such as Global Risk Management Committee, Compliance Risk Committee, etc.) at the AFI level. Risk management, compliance and audit personnel that are focused on the Mortgage Servicing Companies will continue to attend and participate in mortgage business-related committees and councils, such as the Mortgage Operational Risk and Compliance Committee (“MORCC”). These forums and routines help to promote effective coordination among the various risk and control functions and, coupled with the sharing of issues tracking and reporting routines among these groups, helps ensure that any problems or deficiencies that are identified are comprehensively reviewed and remedied in a prompt and effective manner. These activities are already operating in practice; therefore, additional measures are not required to be taken to comply with the Order.

We expect that these actions will further strengthen the company’s oversight and governance and will ensure adequate coordination with respect to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and the related risk, compliance, and audit programs in full compliance with the requirements of the Order Section 2k.

2. Policies and Procedures

Consent Order sections 2a and 2b require:

- (a) Policies to be adopted by the board of directors of Ally Financial that are designed to ensure that Ally Financial's enterprise-wide risk management ("ERM") program provides proper risk management with respect to the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities particularly with respect to compliance with the Legal Requirements, and supervisory standards and guidance of the Board of Governors as they develop; and*
- (b) Policies and procedures adopted by Ally Financial to ensure that the ERM program provides proper risk management of independent contractors, consulting firms, law firms, or other third parties who are engaged to support residential mortgage loan servicing, Loss Mitigation, or foreclosure activities or operations, including their compliance with the Legal Requirements and Ally Financial's and GMAC Mortgage's internal policies and procedures, consistent with supervisory guidance of the Board of Governors.*

¹ Risk Convergence was initiated in the first quarter of 2011 and includes ongoing activities facilitated by the Risk Practices Council under the Risk and Compliance Committee (RCC). The goals of Risk Convergence are to enhance efficiency and improve transparency around the management of operational risks, and to promote effective communication and coordination across risk, compliance, audit, and other “control” functions.

Global policies are formulated within AFI and adopted throughout the company. Primary responsibilities for policies and procedures (“P&Ps”) related to Ally’s residential mortgage loan servicing, Loss Mitigation, and foreclosure activities are developed within the Mortgage Servicing Companies. It is expected that numerous new and/or modified P&Ps will be required to comply with the changes resulting from the Order. These changes (including, for example, support for the new Single Point of Contact requirements) will result in significant incremental work by Ally’s and the Mortgage Servicing Companies’ resources to: (a) ensure the P&Ps are kept current, (b) effectively communicate the changes throughout the organization in a timely manner, and (c) consistently ensure compliance with the new P&Ps.

The Boards and senior management understand the importance of adopting a robust set of policies to properly govern residential mortgage loan servicing, Loss Mitigation, and foreclosure activities. In order to ensure compliance with the Legal Requirements, and supervisory standards and guidance of the Board of Governors as they develop related to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, the Boards and senior management are taking the following two key actions:

- **Adopt Adequate ERM Policies:** The RCC will review changes and/or enhancements to existing risk policies¹ as well as new and/or modified policies resulting from: (a) the comprehensive risk assessment underway (that addresses, among other things, Consent Order Sections 12 and 13), and (b) the impending program to review risk management activities (that addresses Consent Order Sections 14 and 15) to ensure such policies have been adequately designed and adopted to address risk management with respect to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities. The RCC will review any changes or enhancements to existing policies and/or new risk policies by July 30, 2012, respectively (Appendix III-Section III, Bullets 1 and 3).
- **Adopt Third-Party Provider² Policies and Procedures:** The RCC will monitor and oversee the implementation of policies and procedures (“P&Ps”) that address proper risk management of Third-Party Providers engaged to support residential mortgage loan servicing, Loss Mitigation, and foreclosure activities (as documented in the Third-Party Management Plan that addresses Consent Order Section 6) , including their compliance with the Legal Requirements and Ally's and GMACM's P&Ps are consistent with supervisory guidance of the Board of Governors, and have been adequately adopted. Global Supply Chain and Mortgage Supplier Office management will present to the RCC the enhanced process, policies and procedures for addressing risk management of Third Party Providers no later than July 30, 2012(Appendix III-Section III, Bullet 6).

We expect that these actions will strengthen the company’s P&Ps needed to ensure adequate and proper ERM, and that ERM incorporates Third-Party Management with respect to

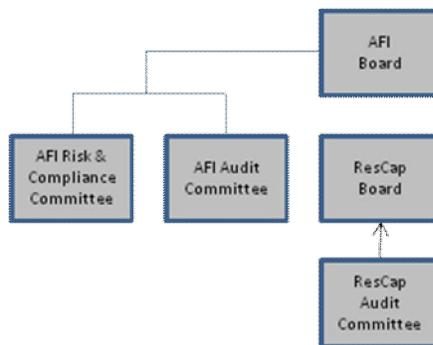
¹ Existing risk policies include, for example, the Global Operational Risk Management Policy and the Global Enterprise Governance and Risk Management Policy.

² Third Party Providers include independent contractors, consulting firms, law firms, or other third parties who are engaged to support residential mortgage loan servicing, loss Mitigation, or foreclosure activities or operations.

residential mortgage loan servicing, Loss Mitigation, and foreclosure activities on an ongoing basis and in full compliance with the requirements of Order Sections 2a and 2b, and in compliance with the Legal Requirements, and supervisory standards and guidance of the Board of Governors as they develop.

3. Workloads, Staffing, and Funding

The Boards will address the Order's requirements relating to oversight of staffing and funding by focusing action items on the Mortgage Servicing Companies (e.g., oversight of the first line of defense) distinctly from action items for the risk management, audit, and compliance programs (e.g., oversight of the second and third lines of defense). This approach will allow the Boards to be more responsive to the differing maturity levels of these areas, as well as to leverage existing oversight mechanisms, which are depicted in the diagram below:



Staffing and training needs to support the servicing of loans and end-to-end mortgage servicing operations is within the purview of the ResCap and AFI Boards. Accordingly, the action items described below in sub-section 3.1 of this plan will be overseen by the Boards. The Boards will also oversee the Order requirements relating to workload reviews as well as on ensuring that sufficient funding is allocated to the personnel, systems, and other resources needed to support the Mortgage Servicing Companies and its support functions in compliance with this Order.

The Boards will strengthen their oversight of existing processes that are in place to ensure the adequacy of funding and staffing for the Mortgage Servicing Companies. Further, they will oversee the implementation and the ongoing monitoring of results of the Single Point of Contact (“SPOC”) Consent Order Action Plan (in connection with Consent Order Paragraph 5), and accordingly will address the workload, staffing, and funding requirements needed by the SPOC program.

The adequacy of Compliance and Risk staffing levels and related funding is the responsibility of the RCC. Audit staffing levels and funding needs are overseen by the Audit Committees. These areas are addressed in the action items presented in sub-section 3.2 of this plan.

3.1 Workloads, Staffing, and Funding for Mortgage Servicing Operations

Consent Order sections 2e, 2g, 2h, and 2j require:

Funding for personnel, systems, and other resources as are needed to carry out the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in full compliance with the Legal Requirements and

- (e) the requirements of this Order, taking into consideration the current and expected volume of past due Funding for personnel, systems, and other resources as are needed to carry out the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations in full compliance with the Legal Requirements and the requirements of this Order, taking into consideration the current and expected volume of past due loans;*
- (g) Steps to ensure that the Mortgage Servicing Companies have adequate levels and types of officers and staff to carry out residential mortgage loan servicing, Loss Mitigation, and foreclosure activities in compliance with Legal Requirements and the requirements of this Order, and taking into account the size and complexity of the Servicing Portfolio; that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order; and a timetable for hiring any necessary additional officers and staff;*
- (h) Periodic reviews of the adequacy of the levels and types of officers and staff to carry out residential mortgage loan servicing, Loss Mitigation, and foreclosure activities in light of changes in the Servicing Portfolio or the Legal Requirements. To conduct this review, the plan shall establish metrics to measure and ensure the adequacy of staffing levels relative to existing and future Loss Mitigation and foreclosure activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including the single point of contact as hereinafter defined, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers; and*
- (j) Workload reviews of residential mortgage loan servicing, Loss Mitigation, and foreclosure personnel who are responsible for handling individual loan issues (including single point of contact personnel), including an initial review within 90 days of this Order, and then annual reviews thereafter. Such reviews, at a minimum, shall assess whether the workload levels are appropriate to ensure compliance with the requirements of paragraphs 2(g) and 5 of this Order. Promptly following completion of such reviews, the Mortgage Servicing Companies shall adjust workload levels to ensure compliance with the requirements of paragraphs 2(g) and 5 of this Order.*

Currently, Ally Financial and its Mortgage Servicing Companies perform periodic workload reviews at the business unit and support function levels. These reviews include a gap analysis to determine where adjustments or improvements are needed in terms of the skills of existing staff performing specific mortgage servicing functions, their training and

development needs, and the qualifications needed for new hires. Each business unit and staff function is responsible for determining and supporting the expected workloads and personnel levels needed.

The AFI Board will continue to monitor and leverage the results of current staffing and training processes. These include the annual CEO Talent Review/Assessment of the top several hundred positions, which includes more than two dozen employees of the Mortgage Servicing Companies. The review covers such key areas as performance reviews, flight risk reviews, succession planning/bench strengths, and an analysis of various levels of authority. This review process is performed in each business unit, and results in the identification of gaps and issues, including training and development needs for existing staff. The Boards will also oversee completion of staffing-related process improvements currently underway (in particular those arising out of prior supervisory actions), including, for example, risk management-related training for all employees, updates to position descriptions and hiring qualifications, as well as training for new hires.

The Boards will oversee results of these current processes to ensure that staffing needs are being met. In addition, as part of this action plan, the Boards will ensure that improvements will be made to the process by which the mortgage servicing, Loss Mitigation, and foreclosure functions perform workforce capacity planning activities. Changes being made in policies and procedures (to meet new and emerging regulatory and business requirements) are, in turn, driving changes in roles and responsibilities. As a result, a current and clear understanding of the activities related to these new roles will be assessed as part of the staff plans being prepared by the business and reviewed by senior management and the Boards.

In addition to utilizing existing volume-based ratios projected by the business units within Mortgage Servicing Operations (which take into consideration the size and complexity of the Servicing Portfolio), the workload/capacity analyses conducted by the businesses will be enhanced to include a consideration of qualitative factors (e.g., allowing for more thorough legal documentation reviews, etc.) in order to better determine resource levels in the future. The workload analyses will directly incorporate factors such as: limits for the number of loans assigned to a Loss Mitigation employee, including the SPOC, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers. The analyses will include an assessment of workload changes across interdependent functions (e.g., assessing the impact on the Legal group's needs if business transaction volumes increase or more SPOCs are required).

Establishing quantitative, company-wide metrics or reporting as to the qualifications, skills and ability of officers and staff is not practicable. However, the Mortgage Servicing Companies maintain job descriptions that outline the requirements for each position. The Mortgage Servicing Companies also maintain a comprehensive performance management process that incorporates individual goal setting, development objectives, interim reviews, and year-end performance evaluations. This process, along with monitoring of individual performance and quality metrics for many of the volume-sensitive positions, helps to ensure individual employees' skills, experience, qualifications and performance is commensurate with the requirements of his or her position. While reporting on these activities in a meaningful way is not practicable, the Mortgage Servicing Companies will incorporate some

high-level demographic statistics (overall experience, credentials, etc.), along with information on learning and development activities, into the proposed quarterly staffing reporting to be provided to the ResCap board of directors.

Funding requirements and forecast updates are driven from business management, and are reviewed at quarterly CEO business meetings with senior management team members, including weekly meetings with the CEO's direct reports, and monthly business reviews with each mortgage-related business area to address funding needs, decisions, and approvals. This information and analysis form a baseline of information to be considered for review by the Boards. The Boards will review workload, staffing, and funding requirements across Ally's end-to-end mortgage servicing operations as well as in the support functions. Actions taken will result in providing the Boards with timely reports that highlight workloads and staffing information for their review.

Appendix IV includes an overview of the components anticipated to be included in the enhanced management analysis and board oversight of workload review and staffing adequacy for the Mortgage Servicing Companies.

The Boards, along with management's advice and leadership, will be taking two key actions related to addressing "Workloads, Staffing, and Funding for Mortgage Servicing Operations:"

- ***Adequate Staffing of Mortgage Servicing Operations:*** This includes:
 - The ResCap Board will oversee and review the results of management's process for reviews of the Mortgage Servicing Companies' workload requirements, staff forecasts, and gaps, including a timetable for hiring any necessary additional officers and staff which will, in part, be informed by such reviews. Management of the Mortgage Servicing Companies will present to the ResCap Board the results of the initial workload review and staffing adequacy analysis no later than July 12, 2011 (Appendix III-Section V, Bullets 3 and 4), and at least quarterly thereafter (with monthly updates on key staffing and workload issues, as necessary).
 - The ResCap Board will review the results of other initiatives relating to the Order (including SPOC requirements) to help ensure appropriate levels and types of officers and staff required to oversee mortgage servicing processes. This will be accomplished through the work of the COCC (Appendix III-Section VI) and the COCC's updates to the ResCap Board of Directors (Appendix III-Section V, Bullet 6) as needed.
 - The Boards will oversee and review the results of management's assessment of staffing levels and whether the staff has requisite qualifications, skills, and related requirements, including demographic data about the staff and information regarding the extent of learning and development programs. Management of the Mortgage Servicing Companies will present to the ResCap Board the results of the initial workload review and staffing adequacy analysis no later than July 12,

2011 (Appendix III-Section V, Bullets 3 and 4), and at least quarterly thereafter (with monthly updates on key staffing and workload issues, as necessary).

- The Boards will review the results of the workload review of mortgage servicing (including SPOC) personnel and authorize, as appropriate, adjustments to workload levels as needed; the Boards will ensure such reviews occur at least annually and the initial review will occur no later than August 11, 2011. Management of the Mortgage Servicing Companies will present to the ResCap Board the results of the initial workload review and staffing adequacy analysis no later than July 12, 2011 (Appendix III-Section V, Bullets 3 and 4), and at least quarterly thereafter (with monthly updates on key staffing and workload issues, as necessary). The Boards will oversee progress on the Mortgage Servicing Companies' staffing plans (including training, hiring and internal reassignment actions) as appropriate. Management of the Mortgage Servicing Companies will present to the ResCap Board the results of the initial workload review and staffing adequacy analysis no later than July 12, 2011 (Appendix III-Section V, Bullets 3 and 4), and at least quarterly thereafter (with monthly updates on key staffing and workload issues, as necessary).
- ***Adequate Funding of Mortgage Servicing Operations:*** This encompasses:
 - The ResCap Board will oversee and approve as necessary requests by the Mortgage Servicing Companies' for additional funding for systems, personnel or other resources to meet the requirements of the Order, taking into consideration, among other things, the current and expected volumes of past due loans. The ResCap Board will oversee and approve requests by the Mortgage Servicing Companies' for necessary funding no later than January 1, 2012 as part of the creation of the 2012 business plan (Appendix III-Section V, Bullet 2). Additional investments required during 2011 to ensure compliance with the requirements of the Order will be approved by the COCCs (Appendix III-Section VI, Bullet 3).
 - Mortgage Servicing Companies' management will provide the ResCap and AFI Boards reports on the Mortgage Servicing Companies' business plans and forecasts to assist the Boards in their monitoring of progress on business plans and the adequacy of resources (systems, personnel, and other) relative to the Mortgage Servicing Companies' risk profile and requirements of the Order. The ResCap Board will oversee and approve requests by the Mortgage Servicing Companies' for necessary funding no later than January 1, 2012 as part of the creation of the 2012 business plan (Appendix III-Section V, Bullets 2 and 3). Additional investments required during 2011 to ensure compliance with the requirements of the Order will be approved by the COCCs (Appendix III-Section VI, Bullet 3). The AFI Board will establish a process, by December 1, 2011 for its oversight of the Mortgage Servicing Companies' business plans and resource adequacy, taking into consideration the efforts of the ResCap Board and the RCC (Appendix III-Section I, Bullet 4).

In carrying out the above actions, the COCC's will work with management to review the proposed metrics to measure and ensure the adequacy of staffing levels relative to existing and future Loss Mitigation and foreclosure activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including the single point of contact, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers.

3.2 Staffing and Funding for the Risk Management, Audit, and Compliance Programs

Consent Order sections 2c, 2f, and 2i require:

- (c) Steps to ensure that Ally Financial's ERM, audit, and compliance programs have adequate levels and types of officers and staff dedicated to overseeing the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and that these programs have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order;*
- (f) Funding for personnel, systems, and other resources as are needed to operate risk management and compliance programs that are safe and sound and that are commensurate with the risk profile of the Mortgage Servicing Companies; and*
- (i) Steps to ensure that the risk management, audit, and compliance programs for the Mortgage Servicing Companies have adequate levels and types of officers and staff and that they have officers and staff with the requisite qualifications, skills, and ability to comply with the requirements of this Order, and a timetable for hiring any necessary additional officers and staff.*

The company's Audit program is relatively mature in terms of addressing audit staffing requirements, and is supported through quarterly reporting to the Audit Committees, providing updates on metrics and audit plans which highlight staffing levels and skills needed to implement the audit plans, and which are tied into the annual audit plan.

Recently, Audit Services engaged a third party to help it conduct a detailed organizational effectiveness study to identify any key talent gaps and necessary training. This work included an independent assessment of key leaders on the team and their requisite industry expertise. The results of this review were favorable.

Audit Services, as part of its Action Plan in response to Paragraphs 16 and 17 of the Order, created a Servicing Center of Excellence (CoE) that brings together a cross-functional team within Audit from various disciplines and business lines. Among other things, the CoE will: review and discuss emerging risks in servicing, review scoping of servicing-related audits, review progress and potential issues arising from audit work, and review and discuss servicing audit results to evaluate cross-firm risks. Finally, CoE members will actively participate on servicing audits and relevant training, helping to staffing for audits of the Mortgage Servicing Companies includes individuals with requisite qualifications, skills and ability.

The Audit Committees (reporting into the Boards) will continue to monitor the Audit program, which is further described and addressed in the “Ally Audit Services Consent Order Action Plan” (in connection with Consent Order Sections 16 and 17). For further detail, please reference Audit Action Plan Section under Plan Overview for Audit Services section c.

Compliance will, as necessary, enhance reporting and monitoring of staffing needs/gaps, training, hiring, and related issues (including supporting legal resources as appropriate), while enhancement of staffing needs/gaps relating to the risk management program will be separately considered in connection with Consent Order Sections 14 and 15. The RCC will oversee the initiatives described in the Compliance Program Consent Order Action Plan (in connection with Consent Order Sections 7 and 8), and the Risk Management Consent Order Action Plan (in connection with Consent Order Sections 14 and 15) to increase the transparency of staffing-related needs to the Boards for these programs. The ResCap Board will increase its oversight of the line of business compliance and risk staffing dedicated to the mortgage business through at least annual reporting by those groups on their plans and results of their work. For further detail, please reference Enterprise Compliance Program Action Plan Appendix I, item B.6 and Mortgage Compliance Program Section k. first bullet, and Risk Management Action Plan Section 15 of the Order, bullet (b).

The RCC and Audit Committees are taking the following two key actions:

- ***Adequate Staffing of the Risk Management, Audit, and Compliance Programs:***
This includes the following activities that, for Audit, are already in process (Appendix III-Section II, Bullet 3) for the risk and compliance functions will be in place by June 30, 2012 (Appendix III-Section III, Bullet 4) and January 1, 2012 (Appendix III-Section IV, Bullet 4), respectively.
 - Continue to monitor the Audit program and its staffing plans and updates thereto on at least a quarterly basis (Audit Committees), including timetables for hiring any necessary additional officers and staff.
 - Oversee the ongoing process for reviews of staff forecasts and gaps in the Risk Management and Compliance programs, including legal support staff needs (RCC) and timetables for hiring any necessary additional officers and staff.
 - Understand key metrics, thresholds, and board-level workload and staff reporting requirements for these support functions such as quarterly staffing analysis reports to the RCC (similar to the Audit program’s quarterly reporting to the Audit Committee) and a summary report on risk management and compliance’s assessments of skills gaps (RCC).
 - Review results of other relevant Order action plan initiatives to help analyze appropriate levels and types of officers and staff required to oversee the Risk Management, Audit, and Compliance programs (RCC and Audit Committees). Oversee staff counts and requisite qualifications, skills, and related requirements for key positions in Risk Management and Compliance programs and address

required staffing, leveraging the results of the talent reviews and skills gap assessments currently performed by Human Resources and the support functions, as applicable (RCC).

- Monitor Risk Management and Compliance (RCC) and Audit (Audit Committees) staffing plans and reporting.
- ***Adequate Funding of the Risk Management, Audit, and Compliance Programs:*** This encompasses the following activities that are already in place for Audit (Appendix III-Section II, Bullet 4) and that will be implemented for risk and compliance functions by June 30, 2012 (Appendix III-Section III, Bullet 5) and January 1, 2012 (Appendix III-Section IV, Bullet 5), respectively:
 - Continue to monitor the existing Audit program and its funding requirements and updates (Audit Committees).
 - Monitor results of the Risk Management and Compliance Order action plans as a basis for confirming the ongoing process for assessing the appropriateness of funding requests for these functions (RCC).
 - Review the process for assessing funding with senior management and the Boards (including the Audit Committee and the Risk and Compliance Committee), as appropriate.
 - Conduct annual management and Board evaluations of the Risk Management (per Order Sections 14 and 15) and Compliance Management (per Order Sections 7 and 8) program plans and forecasts to ensure investment adequacy in line with Mortgage’s risk profile.

We expect that these actions will strengthen the Boards’ oversight to ensure that adequate levels and types of officers and staff are dedicated and trained in the appropriate mortgage servicing and support functions, with the requisite qualifications, skills, and ability, and that adequate funding is provided to the mortgage servicing and support functions, to comply with the requirements of the Order.

4. Information and Reporting

Consent Order sections 2d and 2l require:

- (d) Steps to improve the information and reports that will be regularly reviewed by the board of directors or authorized committee of the board of directors of Ally Financial regarding residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, including, compliance risk assessments, and the status and results of measures taken, or to be taken, to remediate deficiencies in residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and to comply with this Order; and*

- (l) *Steps to improve the information and reports that will be regularly reviewed by Ally Financial's and ResCap's boards of directors to assess the performance of residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, as well as the risk management and compliance programs and associated functions including, compliance risk assessments, and the status and results of measures taken, or to be taken, to remediate mortgage servicing, Loss Mitigation, and foreclosure deficiencies, and to comply with this Order.*

Given the size, complexity, and geographic dispersion of the Mortgage Servicing Companies' residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, improved information and reporting will be invaluable in proactively overseeing the business. The COCCs will work with the Mortgage Servicing Companies' management to identify for the Boards the appropriate operational performance metrics, and to design and implement appropriate Board-level reports, including metrics on loan modifications and foreclosure activities, workload levels, staffing, and funding needs, as well as progress related to the SPOC function. Management of the Mortgage Servicing Companies will work with the COCCs to develop and/or enhance reports, which will ultimately be provided to the Boards for their review.

Similarly, enhanced reporting related to the support functions' (e.g., Risk Management, Compliance, and Audit) monitoring and assisting the mortgage servicing operations are essential, and will be a primary part of this action plan. Audit reporting, which is part of a relatively more mature Audit program, will continue to be reviewed and assessed by the Audit Committees, including clear identification in such reports of audit results regarding mortgage servicing. Compliance and Risk Management reporting will be further developed to ensure transparency around these groups' activities related to residential mortgage loan servicing, loss mitigation and foreclosure activities. The Boards will also require management to incorporate the results of initiatives described in the Compliance Program Consent Order Action Plan (in connection with Consent Order Paragraphs 7 and 8), and the Risk Management Consent Order Action Plan (in connection with Consent Order Paragraphs 14 and 15) to ensure discussion of key risks and compliance issues, as well as to inform the Boards' review and decisions related to staffing and funding needs of the Mortgage Servicing Companies' operations. The RCC and the ResCap Board will also receive timely reporting on the results of compliance risk assessments and measures taken, or to be taken, to assess the performance of and to remediate deficiencies in residential mortgage loan servicing, Loss Mitigation, and foreclosure activities.

Status reporting for the various Action Plans related to the Consent Order is also essential, and will be monitored by the COCCs, which will also provide committee reports to the respective Boards.

While Ally's current management reports are similar to those of many peer organizations, management believes there is an opportunity to improve upon the quality of information regularly reviewed by senior management and provided in support of board oversight. Examples of opportunities for improvement may include: (a) better approaches to using a common framework to help indicate the relative magnitude of various risk exposures, (b) enhanced visibility into the relative priorities of remedial actions in foreclosure activities, (c)

greater use of benchmark data, peer group comparisons, etc. to help identify issues, (d) increased visibility regarding external industry data and macro-level information, and (e) more robust approaches and the identification of specific industry-related indicators relevant to identifying and reporting on emerging risks. This action plan will also confirm the appropriate depth of information and the frequency of reporting to be provided to the Boards, including key metrics/indicators to highlight top risks, alternative scenarios, results, and trends across all key areas of mortgage servicing and support functions, on a monthly and quarterly basis, as needed, and as summarized in Appendix III.

Understanding the importance of “asking the right questions, getting the right answers, and taking the right actions” as they pertain to mortgage servicing performance, workloads, staffing, funding, risks, compliance, and audit, Ally’s Boards and senior management are planning two key actions:

- **Enhanced Mortgage Servicing Reporting:** Review existing mortgage servicing reporting, identify appropriate operational performance metrics (both internal and external), design enhanced reports, and oversee a sustainable process and tools to support the needs of senior management and the Boards. Mortgage Servicing Companies’ management will create an enhanced suite of reporting to facilitate improved oversight by the Boards. A draft of the proposed reporting will be presented to the COCCs by November 1, 2011 (Appendix III-Section VI, Bullet 5) and will subsequently be implemented for at least quarterly reporting to the ResCap Board of Directors by December 16, 2011 (Appendix III-Section V, Bullet 5.) The AFI Board, as previously noted, will establish processes by which it will leverage the work of the ResCap Board and the RCC (Appendix III-Section 1, Bullet 4) and will also require a review of the mortgage servicing operations at least annually, commencing in 2012 (Appendix III-Section I, Bullet 2).
- **Enhanced Risk Management, Compliance, and Audit Reporting:** As above, but for: (a) support functions including risk management, compliance, and internal audit (leveraging existing audit reports) as well as for (b) status reports and dashboards related to the Order, as coordinated by the COCCs. Reporting for risk and compliance functions will be provided to the RCC by June 30, 2012 (Appendix III-Section III, Bullet 7) and February 29, 2012 (Appendix III-Section IV, Bullet 6), respectively. Audit reporting to the Audit Committees already exists and will be continued (Appendix III-Section II, Bullet 5). The COCC’s will receive at least quarterly updates related to the Order starting October 28, 2011 (Appendix III-Section VI, Bullet 3).

We expect that these actions will improve the information and reporting reviewed regularly by the Boards and will strengthen their ability to assess performance and related remediation initiatives on an ongoing basis, in full compliance with the requirements of the Order.

* * *

Project summaries and more-detailed Action Plans with tasks, responsible parties, timelines, and deliverables to address each identified area for improvement are included in Appendices I, III and IV, respectively.

Summary/Conclusion

The action items and supporting information provided in this plan are the result of discussions with key Ally stakeholders, a review of relevant materials/reports provided to the Boards (e.g., at board meetings), and other relevant reference documentation, plus input related to relevant corporate governance and industry best practices.

The Board Oversight team conducted discussions with numerous key stakeholders including members of the Boards, and senior management personnel in the areas of Mortgage Servicing, Risk Management, Compliance, Legal, Finance, Human Resources, Public Policy & Government Affairs, and other functional areas pertinent to the Order.

We expect that these actions will strengthen the Boards' ability to provide the oversight of the company's residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, and the risk management, audit, and compliance programs for the Mortgage Servicing Companies, in full compliance with the requirements of the Order.

Appendix I - Project Summaries

Below is a summary of the projects that support the Board Oversight Action Plan.

Action Plans:

1. Governance and Authorities

- 1.1 Review Requisite Authorities and Status:** review policies and/or charters for the Risk Management Compliance, Audit and Legal functions to ensure these functions have the requisite authorities and status, and are appropriately communicating and coordinating activities, to effectively perform their respective oversight roles and programs related to residential mortgage loan servicing, Loss Mitigation, and foreclosure.
- 1.2 Coordination of Oversight Programs:** Continue to support and monitor ongoing Risk Convergence activities related to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities, which promote effective communication and coordination across oversight programs (i.e., risk management, compliance, and audit programs) and other control functions, and ensure deficiencies identified are comprehensively reviewed and remedied.

2. Policies and Procedures

- 2.1. Adopt Adequate ERM Policies:** Review existing ERM policies as well as new and/or modified policies resulting from (a) the comprehensive risk assessment underway (that addresses Consent Order Sections 12 and 13) and (b) the impending program to review risk management activities (that addresses Consent Order Sections 14 and 15) to ensure policies have been adequately designed and adopted to address risk management (the second line of defense) with respect to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities.
- 2.2. Adopt Third-Party Provider Policies and Procedures:** Monitor the implementation of the proposed ERM policies and procedures (“P&Ps”) that address proper risk management of Third-Party Providers engaged to support residential mortgage loan servicing, Loss Mitigation, and foreclosure activities (as documented in the Third-Party Management Plan that addresses Consent Order Section 6) to ensure all related P&Ps have been adequately adopted.

3. Workloads, Staffing, and Funding

- 3.1a Adequate Staffing of Mortgage Servicing Operations:** Review management’s mortgage servicing workload and staffing forecasts/plans. Establish a process for reviewing, at least annually, workload requirements, staff forecasts, and gaps. Confirm that the initial workload review of mortgage servicing (including SPOC) personnel is conducted by August 11, 2011 (per the required 90-day period of the Order), and adjust workload levels as needed.

3.1b Adequate Funding of Mortgage Servicing Operations: Critically review mortgage servicing expenditure requests. Monitor an ongoing process for assessing the appropriateness of mortgage servicing funding requests, and conduct, at least annually, management and board evaluations of mortgage servicing business plans and forecasts to ensure investment adequacy in line with mortgage's risk profile and to meet the requirements of the Order.

3.2a Adequate Staffing of Risk Management, Audit, and Compliance Programs: Review existing risk, compliance, and audit staffing forecasts/plans. Oversee the ongoing process for reviewing staff forecasts and gaps in the Risk Management, Compliance and Audit programs, and continue to monitor each function's staffing needs and plans for addressing gaps. Monitor staffing levels and needs for the risk management, compliance and audit functions, and review results of the risk, compliance, and audit action plans relating to the Order.

3.2b Adequate Funding of the Risk Management, Audit, and Compliance Programs: Review risk, audit, and compliance expenditure requests. Establish a process for assessing, at least annually, the appropriateness of audit, risk and compliance funding, conduct at least annual management and board committee evaluations of each function's plans and forecasts to ensure adequate funding levels.

4. Information and Reporting

4.1 Enhanced Mortgage Servicing Reporting: Review existing mortgage servicing reporting, and work with management to identify appropriate operational performance metrics (both internal and external) and enhanced reports.

4.2 Enhanced Risk Management, Compliance, and Audit Reporting: As above, but for (a) support functions such as risk management, compliance, and internal audit as well as for (b) status reports and dashboards related to the Order, as coordinated by the Consent Order Compliance Committees.

Appendix II - Board Level Deliverables and Due Dates

Board Level Deliverable	Due Date
Approval of this Board Oversight Plan by the AFI Board and ResCap Board.	6/09/11
Each deliverable described in Appendix III will be reviewed and/or approved by the Boards and/or COCCs, as appropriate.	In accordance with Appendix III.

Appendix III - First Level Project Details

I. Ally Financial Board of Directors

Action	Order Section	New or Existing	Due
1. Establish a Consent Order Compliance Committee	n/a	New	5/16/11
2. Receive and review annual reporting by management regarding residential mortgage loan servicing, loss mitigation and foreclosure, including related risk assessments	2(d) 2(l)	New	12/16/11 Annual
3. Receive updates from the Consent Order Compliance Committee so as to monitor progress on the requirements of the Order	21	New	10/28/11 As Needed
4. Establish a process for overseeing activities undertaken by the ResCap board with regard to: a) funding for personnel, systems and other resources; and b) workload reviews of servicing personnel	n/a ¹	New	12/16/11

II. Ally Financial and ResCap Audit Committees

Action	Order Section	New or Existing	Due²
1. Review the Internal Audit Charter and Policy to ensure: a) it conveys appropriate authority and stature; and b) the policy requires appropriate communication and coordination with risk management and compliance	2(k)	Existing	7/01/11 8/01/11
2. Review and, as appropriate, approve changes to Internal Audit's program, plans, resource requirements and/or budget for matters required under the Order	n/a	New	7/01/11 8/01/11
3. Review and, as appropriate, approve Internal Audit's staffing plans and ensure Internal Audit has adequate staff and officers with sufficient skills and qualifications	2(c) 2(i)	Existing	10/06/11 Quarterly
4. Review and approve Internal Audit's budget and plans	n/a	Existing	10/06/11 Annual
5. Quarterly review of audit results and audit plan progress	n/a	Existing	7/28/11 Quarterly

¹ Establishing such a process will enable AFI Board to leverage the activities of the ResCap Board and eliminate duplication, where appropriate (effectively delegating certain activities to the ResCap Board subject to monitoring/oversight by the AFI Board).

² Items 1 and 2 will be provided to the AFI Audit Committee by July 1, 2011 and to the ResCap Audit Committee by August 1, 2011

III. Ally Financial Risk and Compliance Committee—Risk Management¹

Action	Order Section	New or Existing	Due
1. Review and, as appropriate, approve Risk Management Policies to ensure: a) they convey appropriate authority and stature; b) such policies require appropriate communication and coordination with audit and compliance; and c) such policies ensure adequate risk management with regard to residential mortgage loan servicing, loss mitigation and Foreclosure.	a-2(k) b-2(k) c-2(a)	Existing	6/30/12
2. If appropriate, approve a Charter or Framework for the Risk Management functions to aid in communication and awareness of their authority and stature across the organization	2(k)	New	6/30/12
3. Review and, as appropriate, approve changes to Risk Management programs, plans, resource requirements and/or budget for matters required under the Order	n/a	New	6/30/12
4. Review and, as appropriate, approve Risk Management staffing plans and ensure risk management program has adequate staff and officers with sufficient skills and qualifications	2(c) 2(i)	New	6/30/12
5. Review and, as appropriate, approve budgets/funding to ensure a risk management program that is commensurate with the Mortgage Servicing Companies' risk profile	2(f)	New	6/30/12
6. Obtain an update from Management on Policies and Procedures to be adopted by Ally Financial to ensure proper risk management of Third Party Suppliers who are engaged to support residential mortgage loan servicing, loss mitigation and Foreclosure	2(b)	New	6/30/12
7. Review risk assessments and results of any monitoring and/or testing conducted and/or facilitated by risk management	n/a	Existing	8/26/11 6/30/12

¹ Timing for Risk Management actions are pending completion of the plans required under Sections 14 and 15 of the Order.

IV. Ally Financial Risk and Compliance Committee - Compliance

Action	Order Section	New or Existing	Due
1. Review and, as appropriate, approve Compliance Policies, to ensure: a) they convey appropriate authority and stature; and b) such policies require appropriate communication and coordination with risk management and compliance.	2(k)	Existing	7/01/11
2. If appropriate, approve a Charter for the Compliance function to aid in communication and awareness of Compliance's authority and stature across the organization	2(k)	New	1/01/12
3. Review and, as appropriate, approve changes to Compliance's program, plans, resource requirements and/or budget for matters required under the Order	n/a	New	10/06/11
4. Review and, as appropriate, approve Compliance's staffing plans and ensure Compliance has adequate staff and officers with sufficient skills and qualifications	2(c) 2(i)	New	1/01/12
5. Review and, as appropriate, approve Compliance's budget to ensure adequate funding to ensure a compliance program that is commensurate with the Mortgage Servicing Companies' risk profile	2(f)	New	1/01/12
6. Review compliance risk assessments and results of enterprise monitoring and testing conducted by Compliance	n/a	Existing	2/29/12

V. ResCap Board of Directors

Action	Order Section	New or Existing	Due
1. Establish a Consent Order Compliance Committee	n/a	New	5/06/11
2. Authorize appropriate funding for personnel, systems and other resources necessary to carry out residential mortgage loan servicing, loss mitigation and foreclosure activities in compliance with Legal Requirements, including adequate staffing and officers.	2(e)	New	1/01/12 Annual ¹
3. Review and, as appropriate, approve staffing plans and ensure the Mortgage Servicing Companies have adequate staff and officers with sufficient skills and qualifications	2(g) 2(h)	New	7/12/11 Quarterly
4. Establish a process for reviews of workload levels that incorporate appropriate metrics and limits on loans assigned to servicing personnel, with the first such review to occur before July 12, 2011	2(h) 2(j)	New	7/12/11 Quarterly
5. Receive and review quarterly reporting by management regarding residential mortgage loan servicing, loss mitigation and foreclosure, including related risk assessments	2(d) 2(l)	New	12/16/11 Quarterly
6. Receive updates from the Consent Order Compliance Committee so as to monitor progress on the requirements of the Order	n/a	New	10/28/11 As Needed

¹ Timed with the approval of the annual business plan for Mortgage.

VI. Consent Order Compliance Committees

Action	Order Section	New or Existing	Due
1. Approve Committee Charters	n/a	New	7/12/11
2. Approve Board Oversight Plan	2	New	7/12/11
3. Receive at least quarterly updates from management on progress towards compliance with the Consent Order and authorize funding and resources sufficient to achieve compliance	n/a	New	10/28/11 Ongoing
4. Approve quarterly reports to Fed on progress towards compliance with the Consent Order	21	New	8/01/11 Quarterly
5. Review management's proposed enhancements to board reporting by management regarding residential mortgage loan servicing, loss mitigation and foreclosure, including related risk assessments ¹	2(d) 2(l)	New	11/01/11

¹ The COCC's will review the proposed enhanced board reporting prior to it being presented to the boards on an ongoing basis.

Appendix IV - Mortgage Servicing Staffing Adequacy and Workload Review

The Mortgage Servicing Companies intend to develop a comprehensive Mortgage Servicing Staffing Adequacy and Workload Review (“Review”), which will be executed at least quarterly and discussed with the ResCap Board of Directors. In addition to this quarterly comprehensive analysis, any areas with significant staffing shortfalls or issues will require a monthly update to the ResCap Board of Directors. The following summarizes the content of the proposed “Review”:

- Executive Summary delineating overall market conditions and key matters outlined in the remainder of the Review
- Overview of key statistics, historical and forecasted, impacting staffing capacity drivers overall, including portfolio size, composition, delinquency, number of foreclosures and bankruptcies, and level of REO, and a separate analysis of key capacity drivers and assumptions for each functional area within Mortgage Servicing
- Overview of learning and development activity for Mortgage Servicing employees
- A summary analysis of existing capacity, by functional area within Mortgage Servicing, highlighting any deficiencies and the impact of a 10% adverse increase in the applicable volume driver
- Highlights, Staffing Adequacy Indicators, and Capacity Planning detail for each functional area within Mortgage Servicing:
 - Customer Care
 - Default Call Center
 - SPOC
 - Loss Mitigation
 - Foreclosure
 - Bankruptcy
 - REO
 - Investor Operations
 - Servicing Quality Management
 - Loan Administration and Customer Operations
 - HOPE
- Recommendations for staffing changes based on capacity indicators to ensure quality and accurate service within industry-specified timelines