



ALLY FINANCIAL INC.

Ally Financial Enterprise Compliance Program

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

July 13, 2011



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Plan Overview for Enterprise Compliance Program

This Plan for enhancement of the Enterprise Compliance Program (“ECP”) is established in response to Section 7 of 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”.

Accordingly, this Plan sets forth actions and responsibilities necessary for Ally Financial, specific to the oversight responsibilities and expectations described in the ECP, to comply fully with its obligations under Section 7 of the Order. The response to Section 8 of the Order specifically addresses a plan to enhance the Mortgage Compliance Program and provides more specific details on the plan and timeline to implement that program with respect to the operations of residential mortgage loan servicing, Loss Mitigation, and foreclosure.

Section 7 of the Order requires the following:

Within 60 days of this Order, Ally Financial shall submit to the Reserve Bank an acceptable written plan to enhance its enterprise-wide compliance program (“ECP”) with respect to its oversight of residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations. The plan shall be based on an evaluation of the effectiveness of Ally Financial’s current ECP in the areas of residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations, and recommendations to strengthen the ECP in these areas. The plan shall, at a minimum, be designed to:

- (a) ensure that the fundamental elements of the ECP and any enhancements or revisions thereto, including a comprehensive annual risk assessment, encompass residential mortgage loan servicing, Loss Mitigation, and foreclosure activities;*
- (b) ensure compliance with the Legal Requirements and supervisory guidance of the Board of Governors; and*
- (c) ensure that policies, procedures, and processes are updated on an ongoing basis as necessary to incorporate new or changes to the Legal Requirements and supervisory guidance of the Board of Governors.*

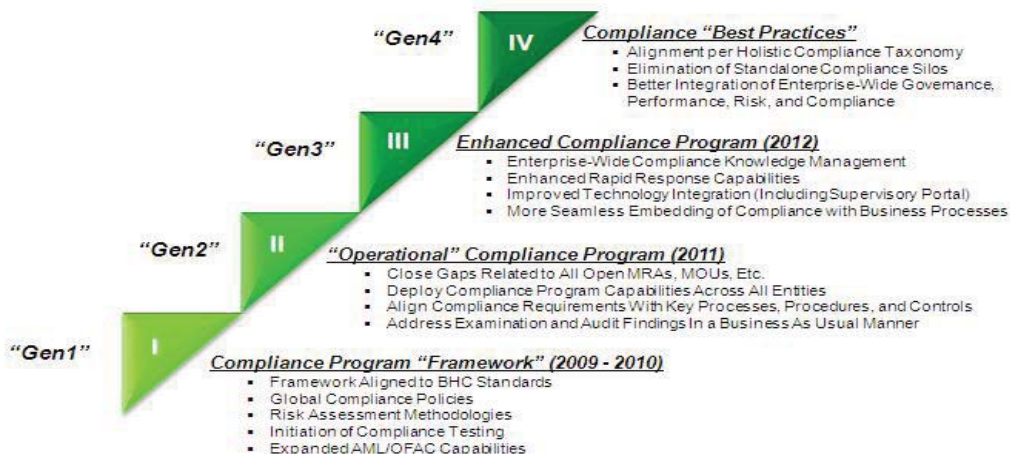
While section 7a of the Order refers to the “fundamental elements of the ECP,” Ally Financial views the program components referred to in sections 7b and 7c as integral factors of section 7a. As a result, one Plan has been developed to address all components of Section 7 of the Order.

Background

Ally Financial became a bank holding company on December 24, 2008. Based on its new status, throughout 2009 and 2010, Ally Financial took steps to address supervisory expectations related to compliance risk management, including, but not limited to:

- (1) establishing a firm-wide approach to compliance risk management and oversight that includes a corporate compliance function with a separate reporting line independent from Lines of Business and global functions; and
- (2) designing a firm-wide compliance risk management framework to manage compliance risk across the organization, both within and across business lines, support units, legal entities, and jurisdictions of operation.

Ally Financial's compliance organization, Global Compliance & Regulatory Affairs ("GCRA") developed a multi-generational roadmap to achieve a compliance program aligned to bank holding company compliance standards and to meet supervisory expectations:



Global Compliance & Regulatory Affairs

Global Compliance & Regulatory Affairs, led by the Ally Financial Inc. Chief Compliance Officer (“CCO”), is a global function responsible for driving Ally Financial’s enterprise-wide culture of compliance with laws, regulations, compliance policies and the highest ethical standards while meeting the expectations of regulators and other stakeholders. GCRA is comprised of two groups of compliance professionals working together to achieve effective oversight and management of compliance risk across Ally Financial: (1) Enterprise Compliance Program Management team (“Enterprise Compliance”); and (2) LoB & Global Function Compliance Officers and their staff (“LoB Compliance”). Both of these groups within GCRA are independent of the businesses and the functions they support.



As the first line of defense, LoB management is accountable for all compliance risks in their business unit, both existing and emerging. In the second line of defense, LoB Compliance, acting independently, works with business units to identify, assess and develop solutions to mitigate or manage risks. Enterprise Compliance established the ECP to provide oversight, support and guidance for LoB Compliance Programs addressing the following:

- (1) Compliance policies and procedures
- (2) Independent risk-based compliance assessments
- (3) Compliance training programs
- (4) Regulatory exam management and issues management
- (5) Monitoring, testing and reporting activities
- (6) Managing the compliance impacts of applicable new laws and regulations and/or changes to existing laws and regulations.

To implement the ECP, beginning in 2011, Enterprise Compliance established and staffed six Centers of Excellence (“CoE”):

- A. Enterprise Compliance Programs, Policies and Governance (“Governance CoE”)
- B. Compliance Risk Assessments
- C. Enterprise Compliance Training
- D. Regulatory Exam and Issues Management
- E. Enterprise Monitoring Testing & Reporting (“EMTR CoE”)
- F. Regulatory Change Management

For detailed descriptions for each COE and related areas for improvement, refer to **Appendix IV**.

Principles Guiding this Plan

The cornerstone of the ECP and this enhancement Plan is grounded in the supervisory guidance entitled “Compliance Risk Management Programs and Oversight at Large Banking Organizations with Complex Compliance Profiles” dated October 16, 2008 (“SR 08-08”). Specifically, the four key areas included in the guidance are:

- (1) Firm-wide approach to compliance risk management/oversight;
- (2) Independence of compliance staff;
- (3) Sound practices for compliance monitoring and testing; and
- (4) Responsibility of Board and senior management for risk management and oversight.

Ally Financial has taken steps to design its ECP and compliance organization to reflect the principles of this guidance.

Evaluation of ECP Oversight Effectiveness

In response to the Order, GCRA engaged Ernst & Young LLP (“E & Y”) to support the evaluation of the effectiveness of Ally Financial’s current ECP oversight role related to the Mortgage Compliance Program for residential mortgage loan servicing, loss mitigation, and foreclosure activities and operations. Specifically, the scope of the evaluation included the following areas: policies, procedures, governance, compliance training, compliance risk assessments, monitoring, testing, reporting, including senior management and board reporting, regulatory exam management, regulatory change management, and issues management. The evaluation included a review of existing regulatory examination findings, applicable internal audit findings, and twelve interviews with six functions over a period of three weeks, including those responsible for the Program Management function, the recently created Centers of Excellence (“CoEs”), and senior compliance executives.





Twenty one project summaries and detailed actions plans with tasks, responsible parties, timelines and deliverables [REDACTED] are included in **Appendices I, II and III**, respectively.

Appendix I - Project Summaries

Below is a summary of the projects that comprise our plan to strengthen the Enterprise Compliance Program as it pertains to residential mortgage servicing, loss mitigation and foreclosure activities and operations.

A. Enterprise Compliance Programs, Policies and Governance Action Plans:

1. Enhancements to ECP documentation

[REDACTED]

Accordingly, the Governance CoE will update the Global Compliance Policy to frame the overall mandate of the ECP, specifically to drive a consistent and unified approach to compliance across Ally Financial's operations. The ECP will also be formalized in a program document ("ECP Document") that will describe the global compliance organizational structure (CoE and governance), roles and responsibilities and reporting lines. The ECP Document will also feature Ally Financial's vision of how to manage the ECP, including oversight, coordination, issue escalation protocols and reporting. Lastly, each CoE will have procedural documentation that further defines the responsibilities and functions of the CoE, including standards and requirements for the escalation of issues. The ECP will establish a formal process to establish and support effective two-way communication channels between the Enterprise Compliance, LoB Compliance and LoB management including formal reporting of results and escalation of issues to senior management and Board or Board Committees. This tiered documentation will illustrate Ally Financial's commitment to a cohesive ECP and to effective compliance reporting. Moreover, the process of documenting ECP and CoE policies and procedures will ensure the thoughtful design and execution of all roles and responsibilities within Ally Financial's compliance structure. Additionally, this documentation will be used by ECP, LoB Compliance, and other LoB staff as a reference tool that clearly states the delineated responsibilities of each party. The project will be led by the Governance CoE process owner. An enhanced ECP Document, an updated Global Compliance Policy and CoE procedural documentation will be published by October 1, 2011.

2. Enhancements to Communication Plan

[REDACTED]

convey ECP requirements [REDACTED] The communication plan will also

include guidance on compliance governance structures to support regular communication of compliance matters. The project will be led by the Governance CoE process owner. The communication plan will be designed by October 1, 2011.

3. Complete inventory of all LoB compliance policies

[REDACTED]

The Governance CoE will work with LoB Compliance to create and maintain a complete inventory of LoB compliance policies. Specifically, the Governance CoE will finalize its compilation of a comprehensive list of all LoB compliance policies, particularly those related to residential mortgage loan servicing, loss mitigation, and foreclosure activities and operations. In addition, roles and responsibilities between the Governance CoE, LoB Compliance and LoB management related to the maintenance of the compliance policy inventory will be defined and included in the ECP Document. The project will be led by the Governance CoE process owner. The inventory of LoB compliance policies will be compiled by October 1, 2011.

4. Enhancements to Enterprise Compliance oversight of LoB compliance policy approval, review, communication and reporting processes

[REDACTED]

Specifically, Ally Financial will define roles and responsibilities between Enterprise Compliance and LoB Compliance related to these processes and will formally communicate to all stakeholders. Additionally, the Governance CoE will work with LoB Compliance to establish reporting requirements so Enterprise Compliance will have adequate oversight into actions taken such as the review, writing, approval and amendments to LoB compliance policies. Reporting requirements will, at a minimum, include reporting frequency, responsible parties, and actions taken. The project will be led by Governance CoE process owner. Updated compliance policy review processes and reporting templates will be instituted by October 1, 2011.

5. Enhancements to Board Reporting – Compliance Staffing

[REDACTED]

Reporting will be developed and reviewed at least annually with the Board(s)/Board-

designated Committee(s) that will include information sufficient to enable the evaluation of the adequacy of compliance staff qualifications and compliance staffing levels. Board reporting content and frequency will be defined and included in the ECP Document. This project, which will be completed in accordance with the requirements in Section 2 of the Order, will be led by the Governance CoE process owner. The first annual report on staffing will be provided to the Board(s)/Board-designated Committees by January 1, 2012.

B. Compliance Risk Assessments Action Plans:

6. Use of compliance risk assessment results in identification of areas of critical focus (e.g. compliance training, compliance testing) and compliance resource allocation

[REDACTED]

The CoE will develop and formalize a process to identify issues impacting multiple LoBs, for analysis and consolidation of these issues, and for dissemination of the results to relevant stakeholders. This will include identification of appropriate stakeholders and the development of a results report. The project will be led by the Compliance Risk Assessments CoE process owner. A compliance risk assessment results report template will be developed by October 1, 2011 and will be effective for the results of the 2011 annual Compliance Risk Assessment cycle.

7. Identification of trigger events that would result in compliance risk reassessment

[REDACTED]

The CoE will identify triggers that would lead to reassessment of compliance risks based on events occurring subsequent to the last annual assessment process and develop a formalized process outlining timing and incorporation of the compliance risk reassessment results to compliance training, compliance policies, and EMTR/LoB MTR and compliance reporting. This will be performed in conjunction with enhancements to the Compliance Risk Assessment process to ensure the same processes are followed to disseminate compliance risk assessment results to the appropriate CoE (Enterprise Compliance Training, EMTR, etc.). The project will be led by the Compliance Risk Assessments CoE process owner. Updated compliance risk assessment procedures will be published by September 1, 2011 and will be effective for the launch of the 2011 annual Compliance Risk Assessment cycle.

8. Inclusion of state laws in compliance risk assessments

[REDACTED]

The CoE will expand the regulatory applicability matrix (RAM) to include relevant state laws and regulations as identified and risk-rated by Legal which will allow management to have a complete view of risk, resulting in a more robust assessment process.

The RAM update portion of this project will be led by the Compliance Risk Assessments CoE process owner. The RAM will be updated by September 1, 2011.

C. Enterprise Compliance Training Action Plans:

9. Enhancements to core and line of business curriculum development

[REDACTED]

Specifically, the CoE will define roles and responsibilities between the Enterprise Compliance, LoB Compliance, LoB training resources, Human Resources and Legal in connection with the development of core Enterprise Compliance and LoB compliance training curriculum and will formally communicate the agreed upon roles and responsibilities to all applicable stakeholders. Additionally, the CoE will establish a process by which LoB compliance curriculum is customized to job families, establish monthly LoB Compliance training reporting requirements related to training curriculum development, and monitor these reports. The ECP Document will be updated to include agreed upon roles and responsibilities, process for compliance curriculum customization, and LoB compliance training reporting requirements, a list of courses in the LoB Compliance curriculum will be maintained by the CoE and will be communicated to all stakeholders no less than quarterly. The project will be led by the Enterprise Compliance Training CoE process owners. Curriculum development processes and templates will be implemented by January 1, 2012.

10. Enhancements to identification and tracking of training participants

[REDACTED]

Specifically, the CoE will define and communicate the roles and responsibilities of Enterprise Compliance and LoB Compliance in connection with identification and tracking of compliance training participants. Upon establishing roles and responsibilities, Ally Financial will formalize the process by which compliance training participants will be identified and tracked. Tracking will be accomplished through the Ally Financial Inc. Learning Management System tool, through which Enterprise Compliance training will be delivered to participants. This will also enable effective implementation of Ally Financial's escalation process for non-compliance with compliance training requirements. The project will be led by the Enterprise Compliance Training CoE process owners. Processes to track training participants will be implemented by January 1, 2012.

11. Development of an escalation process for non-compliance with training requirements

[REDACTED]

Ally Financial's Human Resources will first establish an Enterprise Training Policy which will set standards for relevant authority, accountability, approvals, escalations and reporting in connection with enterprise training. This policy will

be published in 3Q 2011. Upon establishment of such standards, the Enterprise Compliance Training CoE will define, clarify and communicate roles and responsibilities in connection with an escalation process for non-compliance with compliance training, and update the ECP Document as necessary. The compliance-related aspect of this project will be led by the Enterprise Compliance Training CoE process owners. Training policies and procedures will be published by November 1, 2011.

12. Enhancements to enterprise compliance training Needs Assessment

[REDACTED]

Specifically, the CoE will take steps to define and communicate the roles and responsibilities between Enterprise Compliance and LoB Compliance as it relates to the annual compliance training needs assessment process. The CoE will enhance the current process by formally considering factors such as the latest risk assessment results, changes in laws and regulations, supervisory guidance, examination issues, and the latest testing results, including internal audit findings. This process will be formalized through the use of a template. The project will be led by the Enterprise Compliance Training CoE process owners. Needs Assessment templates will be developed and deployed by the CoE by January 1, 2012 for training to be delivered in 2012.

13. Enhancements to enterprise compliance training effectiveness assessment

[REDACTED]

Specifically, the CoE will define and communicate the roles and responsibilities between Enterprise Compliance and LoB Compliance as it relates to compliance training effectiveness assessment process. The CoE will enhance the current process by incorporating the assessment results to core compliance curriculum and LoB Compliance curriculum development process. The project will be led by the Enterprise Compliance Training CoE process owners. Training effectiveness procedures will be implemented by November 1, 2011.

D. Regulatory Exam and Issues Management Action Plans:

14. Clarification of roles and responsibilities of Enterprise Compliance and LoB Compliance with respect to Regulatory Exam and Issues Management

[REDACTED]

The CoE will define these roles and responsibilities and formally communicate them through compliance governance routines. This project will be led by the Regulatory Exam and Issues Management CoE process owner. This project will be completed by August 1, 2011.

15. Enhancements to Board Reporting – Compliance Issues Reporting

[REDACTED]

The CoE will assess current compliance issues reporting and develop a plan for enhancing the reporting of compliance issues and key metrics including the institution of a standardized reporting template. This project will be led by the Regulatory Exam and Issues Management CoE process owner. The assessment and plan will be completed by October 1, 2011. Enhanced reporting will be provided to the Board(s)/Board-designated Committee(s) by January 1, 2012.

E. Enterprise Monitoring, Testing and Reporting Action Plans:

16. Development of EMTR policy and procedures to support the EMTR framework

[REDACTED]

The EMTR CoE will establish and document baseline procedures for testing processes, including determination of test planning and scoping, EMTR field work, EMTR reporting, EMTR post-test, and EMTR record retention, which will become the standard for LoB MTR procedures and processes. The project will be led by the EMTR CoE process owner. EMTR policy and procedures will be documented by October 1, 2011.

17. Development of consolidated (EMTR and LoB MTR) annual testing schedule

[REDACTED]

To enhance enterprise oversight of LoB MTR, the EMTR CoE will establish a process for development of an annual testing schedule. The schedule will include both enterprise testing to be conducted by the EMTR team and compliance testing to be conducted by LoB Compliance teams. A combined schedule will address the need for compliance testing of high risk laws and regulations. The development of the annual schedule will be led by the EMTR CoE process owner. The consolidated annual testing schedule process will be implemented by October 1, 2011.

18. Implementation of EMTR monitoring plan and enhancements to reporting of actionable monitoring metrics

[REDACTED]

The CoE and LoB Compliance will define roles and responsibilities related to enterprise and LoB Compliance monitoring, and will update the ECP Document accordingly. The EMTR CoE will continue to require consistent completion of standardized monitoring documentation by LoB Compliance, which will include results of LoB Compliance monitoring activities. This

standardized compliance monitoring documentation was implemented in early 2011. This standardized template is included as Appendix V.

Additionally, common metrics to monitor and report on compliance matters across the enterprise are being developed. Once these common metrics have been identified and standardized reporting on them is instituted, the EMTR CoE will monitor these targeted compliance metrics across the enterprise. This is a multi-phased project and Ally Financial is currently in the first phase, which will include residential mortgage loan servicing, loss mitigation, and foreclosure activities and operations. The project will be led by the EMTR CoE process owner. Phase 1 monitoring will be implemented by October 1, 2011.

19. Implementation of EMTR testing

[REDACTED]

The EMTR CoE and LoB Compliance will further define roles and responsibilities related to enterprise testing and LoB testing, and update the ECP Document accordingly. The EMTR CoE has selected key laws and regulations to test across the enterprise including HMDA, UDAP, Regulation B, Regulation Z and FCRA. The CoE has developed a schedule for comprehensive end-to-end testing of this selected subset of regulations. The criteria for the initial selection of key laws and regulations included: LoB Compliance input, regulatory exam findings, potential for reputational risk, Legal risk ratings, Audit Services input, and emerging legislation. The EMTR CoE is in the first phase of a multi-phased plan. In later phases, EMTR will expand the keys laws and regulations upon which enterprise testing will be conducted. The EMTR CoE will develop testing requirements and begin implementation of testing in June 2011. As testing is implemented, the EMTR CoE will establish scheduled aggregated reporting, including test results, copies of which will be sent to LoB management, GCRA, senior management and others as appropriate. The project will be led by the EMTR CoE process owner. Initial test results will be available October 1, 2011.

F. Regulatory Change Management Action Plans:

20. Enhancements to regulatory change management oversight of residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations

[REDACTED]

Currently Mortgage Compliance has established regular meeting routines to review new laws or updates to existing laws which include representatives from Mortgage Compliance, Legal and Mortgage LoB. To strengthen the link between these groups and the Regulatory Change Management CoE, Mortgage LoB Compliance will expand the attendance for these meetings to include a representative from the Regulatory Change Management CoE who will be responsible for communicating any issues to relevant CoE stakeholders, including compliance training, compliance risk assessments and compliance monitoring and testing. The project will be led by the Regulatory Change

Management CoE process owner. These meetings will include CoE participation by July 1, 2011.

G. Customer Complaint Action Plans:

21. Enhance Enterprise Customer Complaint Oversight



Enterprise Compliance will leverage the Ally Bank Complaint Management Policy (covering, among others, residential mortgage loan servicing, loss mitigation and foreclosure activities) scheduled for deployment by June 30, 2011 to develop and implement an enterprise-wide Global Complaint Management Policy. This policy will establish the framework addressing enhancements to multiple complaint management program components including governance, procedures, monitoring, testing, training, and reporting. Systems that support the capture, aggregation, and reporting of customer complaint data are in the process of being enhanced. In addition, through the use of appropriate escalation protocols, corrective action plans will be managed and/or monitored to completion; deeper levels of compliance support will be engaged to perform targeted monitoring and testing; and root cause analysis will be performed to identify issues that need to be addressed through corrective action or other remediation activities. The project will be led by Consumer Practices/Customer Relations Compliance. The policy and framework will be implemented by January 1, 2012.

Appendix II - Board Level Deliverables and Due Dates

Board Level Deliverable	Due Date
Enhanced Board/Board Committee Compliance Reporting on Staffing (Task A.5.1)	1/1/2012
Enhanced Board/Board Committee Compliance Issues Reporting (Task D.15.2)	1/1/2012
Global Compliance Policy (RCC) (Task A.1.2)	9/1/2011

Appendix III - First Level Project Details

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
A. Enterprise Compliance Programs, Policies and Governance					
1. Enhancements to ECP Documentation					
Updated Global Compliance Policy	7	A.1.1 Enterprise Compliance Programs, Policies and Governance CoE Enhance the Global Compliance Policy to include ECP CoE and ECP mandate	[REDACTED]	5/15/11	9/01/11
Updated ECP Document	7	A.1.2 Enterprise Compliance Programs, Policies and Governance CoE Enhance ECP Document to include the ECP's organizational structure (including CoE), and reporting lines. Include Ally Financial's vision of how to manage the ECP including oversight, coordination, reporting.	[REDACTED]	5/15/11	10/01/11
Updated ECP Document	7	A.1.3 Enterprise Compliance Programs, Policies and Governance COE Update ECP Document to reflect program enhancements finalized after 9/30.	[REDACTED]	9/01/11	1/01/12
2. Enhancements to Communication Plan					
Formal communication plan with an implementation roadmap	7	A.2.1 Enterprise Compliance Programs, Policies and Governance CoE Develop a formal communication plan at the enterprise level to outline the delivery of the overall ECP requirements to LoB Compliance and LoB management and for receiving information from LoB Compliance and LoB management.	[REDACTED]	7/15/11	10/01/11
3. Complete inventory of all global compliance and LoB compliance policies					
Updated ECP Document	7	A.3.1 Enterprise Compliance Programs, Policies and Governance CoE Define roles and responsibilities between Enterprise Compliance and LoB Compliance related to maintenance of inventory of LoB compliance policies.	[REDACTED]	5/15/11	10/01/11
Inventory of LoB compliance policies	7	A.3.2 Enterprise Compliance Programs, Policies and Governance CoE Compile all LoB compliance policies into a complete inventory.	[REDACTED]	5/15/11	10/01/11

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
4. Enhancements to Enterprise Compliance oversight of LoB compliance policy approval, review, communication and reporting processes					
Updated Policy on Policies document	7	A.4.1 Enterprise Compliance Programs, Policies and Governance CoE Enhance Policy on Policies document to include requirements for LoB compliance policies	[REDACTED]	7/15/11	10/01/11
Process flow for LoB compliance policy review	7	A.4.2 Enterprise Compliance Programs, Policies and Governance CoE Define roles and responsibilities, leveraging the Policy on Policies document, between Enterprise Compliance, LoB Compliance, and LoB management related to the approval, review, communication and reporting for LoB compliance policies. Communicate the agreed upon roles and responsibilities.	[REDACTED]	7/15/11	10/01/11
LoB monthly reporting template	7	A.4.3 Enterprise Compliance Programs, Policies and Governance CoE Establish LoB Compliance reporting routines so that review and publishing of compliance policies can be monitored at the enterprise level.	[REDACTED]	7/15/11	10/01/11
Updated ECP Document	7	A.4.4 Enterprise Compliance Programs, Policies and Governance CoE Update ECP Document to include roles and responsibilities related to LoB Compliance policies and established processes.	[REDACTED]	7/15/11	10/01/11
5. Enhancements to Board Reporting – Compliance Staffing					
Board Reporting on Compliance staff adequacy/qualifications	7	A.5.1 Enterprise Compliance Programs, Policies and Governance CoE At least annually provide reporting to Board(s)/Board-designated Committee(s) on adequacy of compliance staff qualifications and compliance staffing levels.	[REDACTED]	7/15/11	1/01/12

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
B. Compliance Risk Assessments					
6. Use of compliance risk assessment results in identification of areas of critical focus (e.g. compliance training, compliance testing) and compliance resource allocation					
List of stakeholders	7	B.6.1 Compliance Risk Assessments CoE Identify stakeholders of compliance risk assessment results, for example Compliance Training and EMTR.		5/15/11	6/15/11
Results report/template	7	B.6.2 Compliance Risk Assessments CoE Establish a process to disseminate compliance risk assessment results to stakeholders.		7/01/11	10/01/11
Revised compliance risk assessment framework/procedures	7	B.6.3 Compliance Risk Assessments CoE Update compliance risk assessment framework/procedures.		7/01/11	9/01/11
7. Identification of trigger events that would result in compliance risk reassessment					
Identified triggers that would potentially lead to reassessment of compliance risk	7	B.7.1 Compliance Risk Assessments CoE Identify triggers that would potentially lead to the reassessment of compliance risk based on events occurring subsequent to the last annual revision process.		7/01/11	9/01/11
Updated compliance risk assessment framework/procedures	7	B.7.2 Compliance Risk Assessments CoE Update compliance risk assessment framework/procedures to include triggers and the process for incorporating compliance risk reassessment results to training, policies and testing.		7/01/11	9/01/11
8. Utilization of state laws in compliance risk assessments					
Updated RAM	7	B.8.1 Compliance Risk Assessments CoE Update RAM with applicable state laws.		7/15/11	9/01/11
C. Enterprise Compliance Training					
9. Enhancements to core and line of business curriculum development					
	7	C.9.1 Enterprise Compliance Training CoE Define roles and responsibilities between Enterprise, LoB Compliance, LoB management, HR and Legal in connection with the development of core and LoB compliance training curriculum. Communicate the agreed upon roles and responsibilities.		5/01/11	8/01/11

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
Process for training curriculum customization to job families	7	C.9.2 Enterprise Compliance Training CoE Establish a process by which LoB compliance curriculum is customized to job families.	[REDACTED]	5/01/11	10/01/11
Monthly LoB reporting template for training curriculum	7	C.9.3 Enterprise Compliance Training CoE Establish and monitor monthly LoB reports related to compliance training curriculum development.	[REDACTED]	10/01/11	1/01/12
	7	C.9.4 Enterprise Compliance Training CoE Establish agreed upon roles and responsibilities, customization of compliance training curriculum and LoB compliance training curriculum reporting requirements.	[REDACTED]	7/01/11	11/01/11
10. Enhancements to identification and tracking of training participants					
	7	C.10.1 Enterprise Compliance Training CoE Define roles and responsibilities between Enterprise and LoB Compliance with respect to identification and tracking of training participants. Communicate the identified roles and responsibilities.	[REDACTED]	7/01/11	10/01/11
Curriculum, ECP oversight process map, identification process map, mapping of job analysis to curriculum	7	C.10.2 Enterprise Compliance Training CoE Enhance the current process where all mortgage LoB employees can be accurately identified if it is decided that Enterprise Compliance Training CoE will continue to identify the training participants.	[REDACTED]	9/01/11	1/01/12
	7	C.10.3 Enterprise Compliance Training CoE Develop reporting requirements with respect to the identification and tracking of training participants.	[REDACTED]	7/01/11	10/01/11
11. Development of an escalation process for non-compliance with training requirements					
Enterprise Training Policy	7	C.11.1 Enterprise Compliance Training CoE Develop Enterprise Training Policy	[REDACTED]	4/15/11	9/01/11
Updated Training Policy and Updated ECP	7	C.11.2 Enterprise Compliance Training CoE Define roles and responsibilities between Enterprise Compliance HR, LoB Compliance and LoB management related to escalation of non-compliance with training. Communicate the agreed upon roles and responsibilities.	[REDACTED]	7/01/11	8/01/11

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
Standards for non-compliance with core curriculum and LoB training participation	7	C.11.3 Enterprise Compliance Training CoE Establish consequences for non-compliance with core curriculum training as well as LoB compliance training.	[REDACTED]	7/01/11	10/01/11
Updated LoB compliance Training Policy documents	7	C.11.4 Enterprise Compliance Training CoE Update relevant LoB compliance Training policy/procedure to include the new process.	[REDACTED]	7/01/11	11/01/11
	7	C.11.5 Enterprise Compliance Training CoE Implement the escalation process for non-compliance with compliance training	[REDACTED]	7/01/11	11/01/11
12. Enhancements to enterprise compliance training Needs Assessment					
	7	C.12.1 Enterprise Compliance Training CoE Define roles and responsibilities between Enterprise Compliance and LoB Compliance related to annual training Needs Assessment process. Communicate the agreed upon roles and responsibilities.	[REDACTED]	5/01/11	10/01/11
Process for enhanced annual training Needs Assessment and a template	7	C.12.2 Enterprise Compliance Training CoE Enhance the current Needs Assessment process to include factors such as latest risk assessment results, any changes in laws and regulations, and latest testing results.	[REDACTED]	5/15/11	10/01/11
Updated LoB compliance Training Policy	7	C.12.3 Enterprise Compliance Training CoE Update relevant LoB compliance Training policy to include the enhanced annual Needs Assessment process.	[REDACTED]	7/01/11	1/01/12
13. Enhancements to enterprise compliance training effectiveness assessment					
	7	C.13.1 Enterprise Compliance Training CoE Define roles and responsibilities between Enterprise Compliance and LoB Compliance related to training assessment effectiveness. Communicate the agreed upon roles and responsibilities.	[REDACTED]	7/01/11	11/01/11
Process to incorporate survey results into curriculum development	7	C.13.2 Enterprise Compliance Training CoE Enhance training effectiveness process by incorporating survey results into the improvement of core and LoB curriculum development.	[REDACTED]	7/01/11	1/01/12

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
Updated Training policy	7	C.13.3 Enterprise Compliance Training CoE Update relevant LoB compliance Training policy to include training effectiveness assessment requirements.		7/01/11	11/01/11
D. Regulatory Exam and Issues Management					
14. Clarification of roles and responsibilities of Enterprise Compliance and LoB Compliance with respect to Regulatory Exam and Issues Management					
Updated Regulatory Exam Management procedures	7	D.14.1 Regulatory Exam and Issues Management CoE Clarify roles and responsibilities of Enterprise Compliance and LoB Compliance related to exam management. Communicate the agreed upon roles and responsibilities.		7/01/11	8/01/11
15. Enhance Board Reporting – Compliance Issues Reporting					
Current State Assessment	7	D.15.1 Regulatory Exam and Issues Management CoE Perform assessment of current state of issues management across Enterprise and LoB Compliance		6/15/11	10/01/11
Enhanced Compliance Board Reporting	7	D.15.2 Regulatory Exam and Issues Management CoE Enhance reporting to Board(s)/Board-designated Committee(s) to include compliance issues and key metrics		10/01/11	1/01/12
E. Enterprise Monitoring, Testing and Reporting					
16. Development of EMTR policies and procedures to support the EMTR framework					
Procedure documents	7	E.16.1 Enterprise Monitoring, Testing and Reporting CoE Establish and document testing procedures in support of testing processes, including sample selection process, information gathering and preparation process, issue identification and action plan development, work paper retention process.		5/01/11	10/01/11
17. Development of consolidated (EMTR and LoB MTR) annual testing schedule					
Procedure documents and schedule template	7	E.17.1 Enterprise Monitoring, Testing and Reporting CoE Establish and document consolidated annual testing schedule process		5/01/11	10/01/11
18. Implementation of EMTR monitoring plan and enhancements to reporting of actionable monitoring metrics					
Global EMTR Policy	7	E.18.1 Enterprise Monitoring, Testing and Reporting CoE Define and document roles and responsibilities between Enterprise Compliance and LoB Compliance related to EMTR and MTR monitoring		5/01/11	10/01/11

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
Implement standardized monitoring documentation	7	E.18.2 Enterprise Monitoring, Testing and Reporting CoE Require completion of standardized monitoring documentation for residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations	[REDACTED]	5/01/11	6/15/11
	7	E.18.3 Enterprise Monitoring, Testing and Reporting CoE Implement EMTR project plan for phase 1 monitoring based on determination of appropriate metrics across the enterprise.	[REDACTED]	10/01/11	1/01/12
19. Implementation of EMTR testing					
Global EMTR Policy	7	E.19.1 Enterprise Monitoring, Testing and Reporting CoE Define and document roles and responsibilities between Enterprise Compliance and LoB Compliance related to EMTR and MTR testing	[REDACTED]	5/01/11	10/01/11
List of key laws and regulations	7	E.19.2 Enterprise Monitoring, Testing and Reporting CoE Identify key laws and regulations for testing	[REDACTED]	2/01/11	7/01/11
Test scripts	7	E.19.3 Enterprise Monitoring, Testing and Reporting CoE Develop testing scripts and requirements	[REDACTED]	4/01/11	7/01/11
Test results	7	E.19.4 Enterprise Monitoring, Testing and Reporting CoE Initial report of testing results	[REDACTED]	8/01/11	10/01/11
20. Enhancements to regulatory change management oversight of residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations					
Document roles and responsibilities	7	F.20.1 Regulatory Change Management CoE Define roles and responsibilities between Enterprise Compliance and LoB Compliance related to monitoring of new or changes to legal requirements and supervisory guidance and incorporation of such additions or changes into policies, procedures, and processes.	[REDACTED]	5/15/11	9/01/11
Meeting calendar	7	F.20.2 Regulatory Change Management CoE Expand LoB Compliance led meeting routines to include CoE who will provide oversight and communicate any relevant changes to appropriate CoE stakeholders.	[REDACTED]	5/01/11	7/01/11

Deliverable	CO Section	Task	Owner	Projected Start Date	Projected Finish Date
G. Customer Complaint Oversight					
21. Enhancements to Customer Compliant Oversight					
Global Customer Complaint Management Policy	7	21.1 Enterprise Customer Complaints Develop Ally Financial Inc. Global Customer Complaint Management Policy; secure approval (CRC and RCC); communicate. Scope: Ally Financial Customer-facing units including non-Bank entities and non-U.S. jurisdictions.	[REDACTED]	6/01/11	10/01/11
Implement Customer Complaint Management plan	7	21.2 Enterprise Customer Complaints Develop implementation plan and fully execute on the approved framework, which will be applicable to customer-facing LoBs. Execution will be staged according to primary businesses in the U.S.; e.g., Deposits, Mortgage, and Automotive, followed by primary businesses in Canada and other non-U.S. jurisdictions, followed by secondary business units in the U.S. and globally.	[REDACTED]	7/01/11	12/15/11

Appendix IV – Detailed descriptions of CoE and evaluation results

Given the particular focus of the Order, LoB will refer to residential mortgage loan servicing, loss mitigation, and foreclosure activities and operations in the project summaries and action plans.

A. Enterprise Compliance Programs, Policies and Governance Center of Excellence

The Enterprise Compliance Programs, Policies and Governance Center of Excellence was established in April 2011 to support the development, maintenance and communication of compliance program documentation, global compliance policies and LoB-specific compliance policies as necessary to drive compliance with applicable laws and regulations. This CoE is staffed with two senior policy writers who report directly to the ECP Manager. This CoE is an integral component of the ECP as it supports the overall compliance risk governance structure.

A number of areas have been identified as requiring improvement to strengthen the Enterprise Compliance Programs, Policies and Governance CoE oversight role, specifically in relation to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations:

- a. ECP documentation
- b. Communication plan

- c. Enterprise oversight of LoB compliance policy approval, review, communication and reporting
- d. Inventory of LoB compliance policies
- e. Board reporting on compliance staffing

B. Compliance Risk Assessments Center of Excellence

The Compliance Risk Assessments Center of Excellence was established in January, 2011 to provide a framework for identification of compliance risks, controls, processes, and procedures designed to promote compliance with laws, regulations and evolving regulatory expectations. The CoE supports the development of an effective monitoring and testing program, as well as the allocation of compliance resources, and identification of areas of critical focus. The CoE consists of a senior compliance risk assessment expert and an assistant who report to the ECP Manager. LoBs also have their own compliance staff to conduct risk assessments and monitor action plans.

Ally Financial's Compliance Risk Assessment process is designed to provide accurate and timely information regarding Ally Financial's compliance risks to senior management and the board of directors. The completion of Compliance Risk Assessments is a dynamic process and updated periodically. The frequency with which LoB Compliance chooses to update a Compliance Risk Assessment and schedule follow-up risk reviews may depend on the nature of the business, changes to the profile or activities conducted and / or significant regulatory changes. An annual Compliance Risk Assessment is considered a minimum requirement of the ECP to confirm that business units are adequately operating in the current environment, and that senior management has developed a compliance program consistent with the risk profile for the business unit / legal entity from a compliance risk perspective.

A number of areas have been identified as requiring improvement to strengthen the Compliance Risk Assessments CoE oversight role, specifically in relation to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations:

- a. Use of compliance risk assessment results in identification of critical focus areas (e.g. compliance training, compliance testing) and allocation of compliance resources
- b. Identification of trigger events resulting in the reassessment of compliance risk
- c. Utilization of state laws in compliance risk assessments

C. Enterprise Compliance Training Center of Excellence

The Enterprise Compliance Training Center of Excellence, established in January 2010, consists of a manager and assistant who report to the ECP Manager. The purpose of the CoE is to guide and monitor the development of compliance training programs in line with applicable regulations for Ally Financial at the enterprise and LoB Compliance level. Currently, the CoE also analyzes training metrics assessing program effectiveness and determining required enhancements. The goals of the enterprise compliance training program are to perform the following:

- a. Educate on applicable laws and regulatory requirements to promote compliance therewith and prevent violations thereof;
- b. Promote compliance with internal policies and procedures;
- c. Reduce risk of Ally Financial being subject to adverse actions by regulators or other stakeholders; and
- d. Protect the employees, assets, capital and reputation of Ally Financial.

A number of areas have been identified as requiring improvement to strengthen the Enterprise Compliance Training CoE oversight role, specifically in relation to residential mortgage loan servicing, loss mitigation, foreclosure activities and operations:

- a. Development of core compliance curriculum and providing guidance on the development of LoB compliance curriculum and framework, including training frequency.
- b. Identification and tracking of training recipients.
- c. Escalation process for non-compliance with training requirements.
- d. Assessment of training needs, to formally include compliance risk assessments results, changes in laws and regulations, and testing results.
- e. Assessment of training effectiveness.

D. Regulatory Exam and Issues Management Center of Excellence

The Regulatory Exam and Issues Management Center of Excellence, established in January 2010, consists of two managers who are accountable to the ECP Manager. The purpose of the CoE is to manage and report regulatory exam issues to Ally Financial senior management and the Board(s). Additionally, responsibilities of this CoE include the management of regulatory inquiries, exams, response tracking and reporting.

The CoE manages regulatory exams, tracks remediation efforts against regulatory exam findings, and provides appropriate reporting to senior management and the board of directors on the status of the remediation of regulatory issues. The CoE is responsible for working with LoB Compliance to coordinate with LoB contacts ultimately responsible for analyzing, designing, building, testing, and eventually deploying solutions to identified regulatory issues. After the solution for each issue is implemented and management asserts that the issue is closed, Audit Services in coordination with regulators will determine the appropriate method to validate that the issue has been closed. The CoE conducts monthly meetings with Audit Services to identify those issues that require validation and to update the issue tracking documentation. If Audit Services validation work is required, Audit assigns resources to conduct the post-implementation validation testing. At the completion of the validation testing, Audit will issue a memorandum indicating its findings. Once Audit has validated that an issue is closed, regulators may utilize that validation work and/or conduct their own validation work to determine issue closure. The issue is tracked until the regulator has formally indicated the issue is closed.

Several areas have been identified as requiring improvement to strengthen the Regulatory Exam and Issues Management CoE oversight role, specifically in relation to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations:

- a. Roles and responsibilities of Enterprise Compliance and LoB Compliance with respect to exam management
- b. Current state of compliance issues management
- c. Board reporting of compliance issues

E. Enterprise Monitoring, Testing, and Reporting Center of Excellence

The EMTR Center of Excellence was established in January, 2011 to provide a consistent approach to compliance monitoring, testing, and reporting within and across Ally Financial's LoB/Global Functions. Providing oversight on a global level, it is responsible for the development of standardized monitoring and testing frameworks, processes and procedures for LoB Compliance Programs. In addition to LoB Compliance Monitoring and Testing Programs, EMTR will perform risk-based independent end to end monitoring and testing of certain laws and regulations across LoBs. The CoE is led by a senior compliance monitoring, testing and reporting expert who reports to the ECP Manager. The CoE also consists of a team of four Testers and a Testing Manager. In addition, the LoBs have their own staff to test and monitor key regulations and metrics.

With this purpose in mind, the EMTR CoE has established a framework to:

- a. Develop a top-down, compliance monitoring, testing and reporting program that addresses roles and responsibilities, risk based compliance monitoring and testing, monitoring routines, issue management, and escalation and reporting / results / dashboards
- b. Support Ally Financial's Enterprise Compliance Program
- c. Be flexible to adapt to Ally Financial's business mix, product set, and geographic footprint
- d. Meet the Federal Reserve's expectations as expressed in "Supervisory Guidance: Compliance Risk Management Programs and Oversight at Large Banking Organizations with Complex Compliance Profiles" (SR 08-08)

Currently, the EMTR team is in the process of developing and executing end-to-end regulatory testing of targeted, high-risk laws and regulations focused on Mortgage, Auto and Deposits as well as building out monitoring and reporting of key compliance metrics common across those areas based upon the aforementioned EMTR framework. This effort is in its initial stages of phase 1 implementation based on a controlled subset of regulations and has a three-phased project plan. Ally Financial is tracking this project plan and has provided the project timeline to the Chicago Fed, with regular updates anticipated.

A number of areas have been identified as requiring improvement to strengthen the EMTR CoE oversight role, specifically in relation to residential mortgage loan servicing, loss mitigation, and foreclosure activities and operations:

- a. Development of an EMTR Policy and procedures to support EMTR framework
- b. Development of consolidated (EMTR and LoB MTR) annual testing schedule and implementation of an EMTR testing plan
- c. Implementation of an EMTR monitoring plan, including reporting of actionable monitoring metrics

F. Regulatory Change Management Center of Excellence

The Regulatory Change Management Center of Excellence was established in January 2011 to support the development of an enterprise approach to manage and monitor legislative changes applicable to Ally Financial LoB/Global Functions utilizing the following components: Identification, Analysis, Implementation, and Integration. This CoE is led by a senior regulatory change management expert who reports directly to the ECP Manager.

Regulatory change management processes currently exist within the Mortgage LoB Compliance Program, which includes residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations. While the LoB and its legal and compliance support partners have been engaged in this process and best understand the laws, rules and regulations most relevant to its business, Ally Financial recognizes that an enterprise regulatory change management function is needed to provide a broader level of support to the efforts of each LoB and ensure consistency across the entire organization. To centralize and standardize efforts to monitor changes in laws, rules and regulations, Ally Financial has created the Regulatory Change Management CoE.

Mortgage LoB Compliance team has a long history of conducting its own sourcing and analysis of new or updated laws, rules and regulations. It currently uses a proprietary Regulatory Compliance database (██████████) which allows the LoB to keep an inventory of applicable laws, rules and regulations, and determines necessary corrective actions in response to any regulatory changes.

The Regulatory Change Management CoE has an in-flight initiative to expand the use of ██████████ to serve the entire enterprise in the future. This enhancement will also drive the maintenance of an updated inventory of laws, rules and regulations, which will feed into the operations of Compliance Risk Assessments, Compliance Training, and Compliance Monitoring and Testing. The enhancement project will include the development of broader regular meeting routines to include additional impacted parties and formalize communication across the enterprise.

While the regulatory change management process within residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations is functioning well, a number of areas have been identified as requiring improvement to strengthen the Regulatory Change Management CoE oversight role in the near-term:

- a. Monitoring of changes in laws, rules and regulations applicable to residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations as identified by the legal department through participation in established Mortgage LoB Compliance routines

- b. Incorporation of any such changes in laws and regulations into impacted CoE including Compliance Risk Assessments, Compliance Training and EMTR