



GMAC, LLC – Issuer Profile

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EXECUTIVE SUMMARY

GMAC, LLC (GMAC), previously known as General Motors Acceptance Corporation, was incorporated in 1919 as a wholly owned subsidiary of General Motors Corporation (GM). In July 2006, the company changed its name to GMAC, LLC and, in November 2006, GM sold a majority (51%) interest in the company to an investment group headed by Cerberus Capital Management, L.P., Citigroup Inc., Aozora Bank, Ltd. and a subsidiary of the PNC Financial Services Group, Inc.

Today, GMAC operates as a global financial services company, with operations in approximately 40 countries. The company operates four main business lines: retail and wholesale automotive financing, residential mortgage and real estate financing, consumer and commercial insurance, and other commercial financing products and services. In the North American operations' automotive financing division, which is the focus of this report, GMAC provides wholesale lines of credit to automobile dealers for floor plan and fleet lease financing and retail loans and leases to individual consumers for the purchase of new and used vehicles.

DBRS currently rates GMAC B and R-5, with a Negative trend. The most recent press release and rating report regarding these ratings are attached in Exhibit I and Exhibit II, respectively. Additional details on GMAC's business activities are also included in the report.

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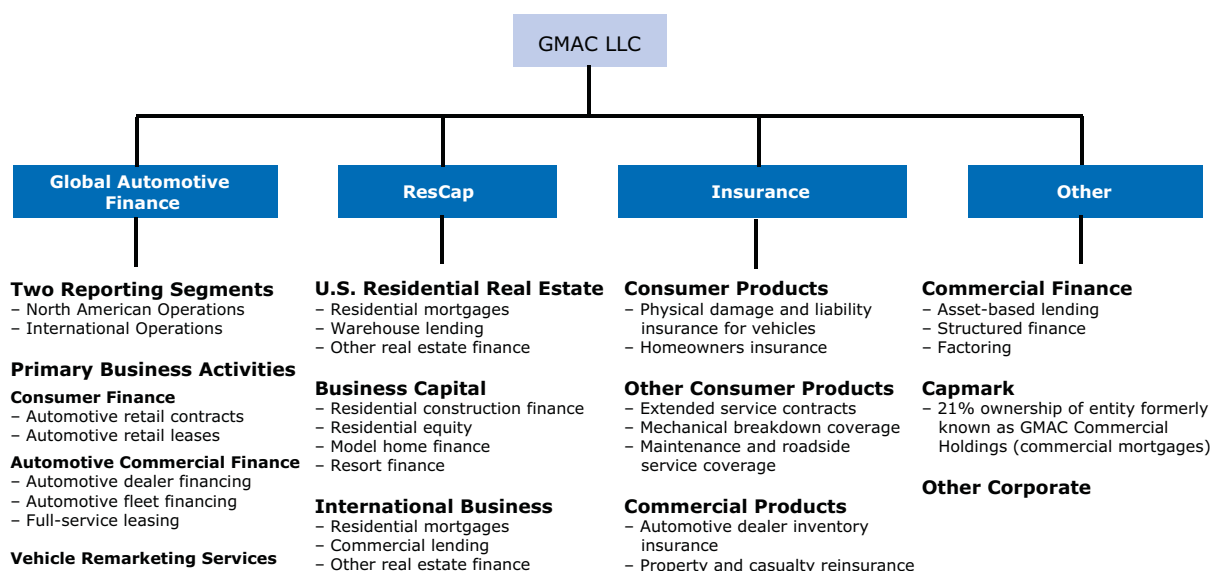


ORGANIZATION OVERVIEW

GMAC is a vertically integrated, highly sophisticated and diverse finance organization that, among others things, sources, originates and, through its wholly owned subsidiary, Semperian, Inc. (Semperian), services retail auto loan and lease products for GM-franchised and other auto dealers and retail customers. GMAC also acts as the servicer for its wholesale portfolio.

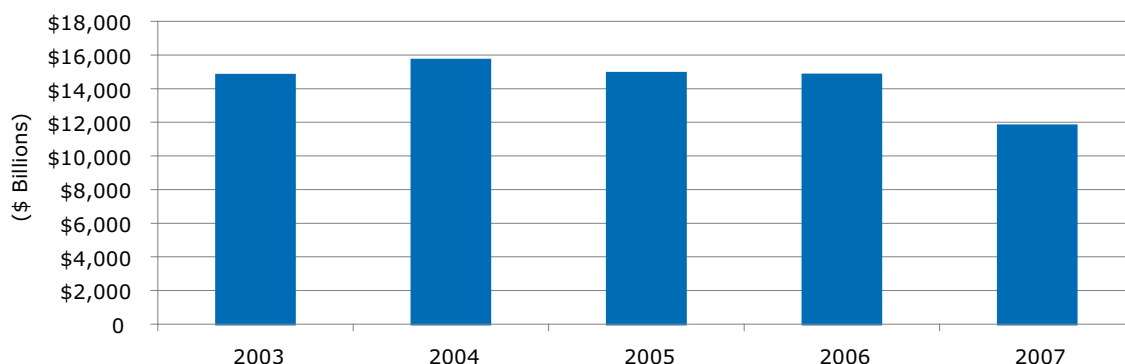
GMAC is separated into distinct broad business lines that reflect the core business operations of the company (see Figure 1 below). As a former subsidiary of GM, GMAC's automotive financing division has been and still is a major contributor to the company's net income. Chart 1 below outlines GMAC's overall net revenue from a historical perspective. The automotive financing business segment represents approximately 42% of the company's net revenue (see Chart 2 below). This division is subdivided into North American Operations and International Operations. Within the North American Operations, the primary business lines are consumer finance products (individual and retail auto loans and leases), commercial finance products (wholesale dealer floor plans), fleet lease financing and vehicle remarketing services.

Figure 1: GMAC Business Lines



Source: GMAC, LLC 2007 10-K filing.

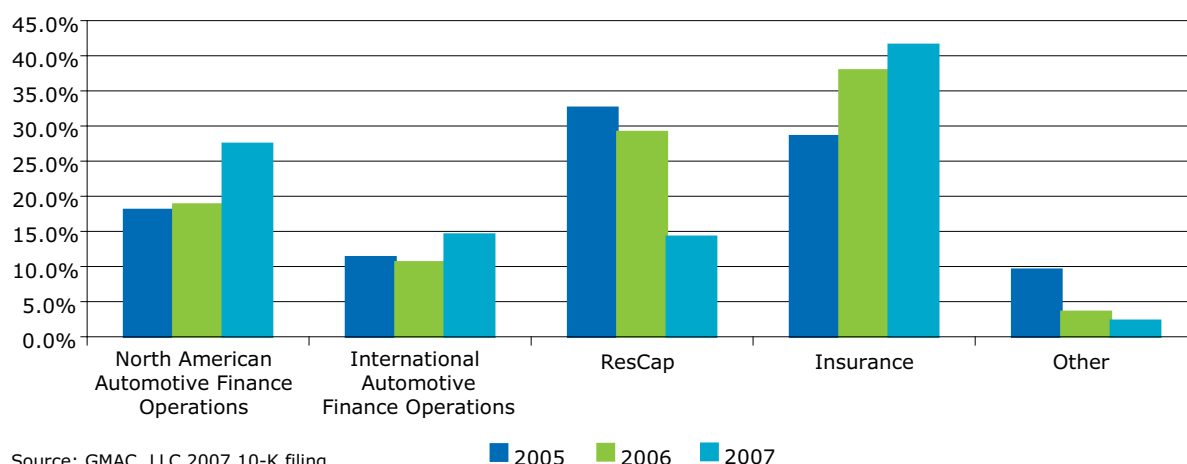
Chart 1: GMAC Total Net Revenue



Source: GMAC, LLC 2007 10-K filing.



Chart 2: GMAC Net Revenue and Other Income by Business Segment



The majority of GMAC's automotive financing business focuses on the prime segment of vehicle purchasers. GMAC's Nuvel Financial Services LLC is a wholly owned subsidiary that focuses on the non-prime space.

Because of the long and productive relationship between GMAC and GM, strong ties remain between the two companies despite the sale of 51% of GMAC by GM in 2006. The interdependence that has existed between GM's manufacturing productivity and the availability of GMAC's financing options remains and has been secured by long-term operating agreements put in place at the time of the sale. These agreements include, among other things, exclusivity arrangements for GMAC to offer certain purchase and lease incentives on GM vehicles through 2016.

As further evidence of the strong GM-GMAC ties, in the wholesale dealer floor plan business almost 100% of GMAC's penetration is currently represented by GM-franchised dealers. Among GM's North American vehicle sales in 2007, approximately 77% of GM retail sales were initially financed through GMAC wholesale loans to dealers. On the retail front in 2007, 45% of GM's North American retail sales were financed through GMAC. (See the Wholesale Dealer Floor Plan Financing and the Consumer Automotive Financing sections below for more details on volume breakdown.)

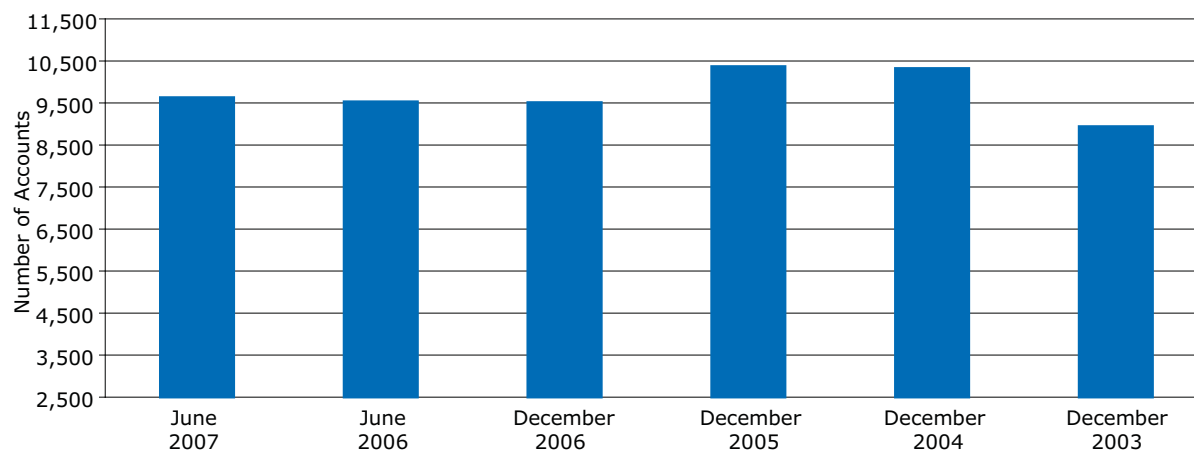
Although the relationship between the companies exists, it is not exclusive. GMAC is not restricted from offering its products and services to other automobile dealers that sell cars manufactured by companies other than GM. Similarly, GM-franchised dealers are not prohibited from obtaining wholesale and retail financing from companies other than GMAC. The benefits of the sale of GMAC by GM include affording GMAC the opportunity to leverage its reputation beyond GM-affiliated dealers to help diversify revenue streams and bolster its capital base to foster growth.



WHOLESALE DEALER FLOOR PLAN FINANCING

As of December 2007, GMAC provided wholesale financing for approximately 5,000 GM dealerships, out of approximately 6,800 GM dealerships in the United States. (approximately 74% of GM dealerships). Additionally, GMAC finances about 900 non-GM dealers.

Chart 3: GMAC U.S. Wholesale Portfolio – Dealer Accounts



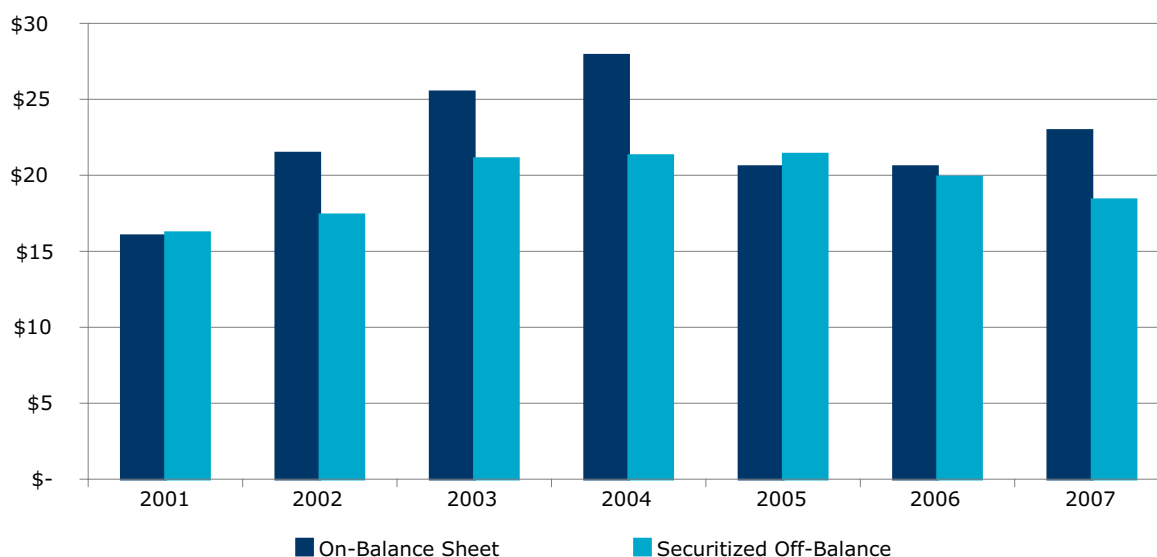
Source: SWIFT Master Auto Receivables Trust, Series 2007-2 prospectus supplement, 10/10/07.

Note: The dealer chart above represents accounts, not true dealerships. The dealers have different accounts for new and used wholesale lines.

Historical Volume

As of June 30, 2007, GMAC's U.S. portfolio of wholesale automotive financing included 9,631 lines of credit, with an aggregate principal balance of \$28.2 billion.

Chart 4: GMAC Wholesale Portfolio – Global



Source: GMAC, LLC.



GMAC provides wholesale lines of credit to auto dealers¹ for the purpose of purchasing inventory of new and used vehicles from the manufacturers. The financings are generally repaid when the vehicles are sold or leased to retail customers.

For GM, having its dealers obtain wholesale financing through GMAC is attractive because of the following: (1) it enhances GM's overall "franchise value" by enabling GM to more efficiently manage the "initial point of entry" to the secondary, or consumer, market for the company's vehicles; (2) it enables GM to more precisely control the distribution and allocation of the vehicles it produces; and (3) GMAC's knowledge of dealer inventory levels and the time frame that various vehicles are on dealers' lots make it easier for GM to offer various rate support or subvention tools to make it easier to close vehicle sales.

For dealers, obtaining wholesale financing through GMAC is advantageous because GM provides training to dealer sales, finance and insurance personnel and subvented financing to dealers and GMAC provides faster funding to retail auto customers than third-party finance companies may provide.

GM and GMAC monitor the performance and financial condition of each dealer directly on a continuous basis. In examining a dealer, GMAC takes into consideration the relationship and history the dealer has with GM, the amount of capital GMAC has extended the dealer and the historical financial performance of the dealer. In this process, GMAC assigns internal ratings to dealers to whom it has extended wholesale vehicle financing based on the dealer's size and financial condition, including quality of earnings, cash flow, liquidity and payment performance. (A more complete discussion of GMAC's dealer credit rating criteria is below.)

Dealers execute financing agreements with GMAC, which establishes a security interest in the vehicles to be financed. The financing agreement also defines the criteria necessary to maintain the relationship between the dealer and GMAC. GM confirms dealer financing capacity with GMAC prior to issuing invoices when new dealers place new vehicle inventory orders.

Nearly all of the receivables in the wholesale portfolio are charged interest based on a floating rate. Dealers are charged interest based on a rate indexed to the prime rate or LIBOR plus or minus a margin. The receivable is created when new vehicles leave the factory. Interest begins to accrue on a new vehicle receivable on or following the estimated delivery date of the vehicle to the dealer. For a used vehicle receivable, interest begins to accrue on the date that funds are actually advanced to a dealer. Dealers are advanced 100% of the wholesale invoice price of new vehicles and up to 100% of the purchase price for auctioned or used vehicles. Advances to finance used vehicles are typically approved on a dealer-by-dealer basis according to GMAC's credit guidelines.

GM subsidizes dealer profitability through dealer holdback payments, which are intended to compensate the dealer for financing fees and carrying costs incurred on unsold inventory. The dealer holdback amount is a percentage of invoice prices of a new vehicle, which is paid to the dealer by GM. Dealer holdback payments are typically paid on a monthly or quarterly basis. In addition, subvention, or financial assistance, such as low or 0% interest periods or cash-back programs for certain models, is also used to subsidize dealer interest payments and encourage them to purchase adequate supplies of inventory. In 2007, GMAC received wholesale subvention and servicing fees from GM of \$269 million. While subvention encourages dealers to carry inventory, it also ties the dealer to the manufacturer, and any floor plan incentive amounts offered by GM are paid directly to the dealer and cannot be offset against the dealers' principal or interest obligations to GMAC.

1. GM awards dealers a franchise, or nameplate, to establish a dealership to sell cars and trucks manufactured by GM under the Buick, Cadillac, Chevrolet, Oldsmobile (no longer in production), Pontiac, GMC, Hummer, Saab and Saturn trademarks.



While GMAC may demand payment of principal and interest at any time, GMAC's wholesale finance business is generally a pay-as-sold business. Interest payments are due on a monthly basis, but principal payments are not. Typically, principal payments on the line of credit are required once the dealer has sold or leased the vehicle to the customer. Depending on the dealer's risk profile, it will have between one and five days to make the principal payments to GMAC on the line of credit after the vehicle is sold. In general, this lag exists because dealers need time to get paid by third-party financiers if they opt to finance the retail loans outside of GMAC.

Underwriting and Credit Risk Management in the Wholesale Portfolio

Underwriting standards are determined centrally in GMAC's headquarters in Detroit. These standards are applied locally through GMAC's branch office network. GMAC has begun to restructure its automotive financing operations in North America. The intended result of the announced restructuring will consolidate 20 offices into five regional centers in the United States (four) and Canada (one). A dealer requesting a new credit line must apply to a GMAC branch office. The local branch office performs the credit evaluation of the dealership and decides if GMAC will establish a credit line, up to prescribed criteria limits.

The credit line is generally sized to an amount that is sufficient to finance approximately a 90-day supply of new vehicles and a 30- to 60-day supply of used vehicles. The size of a credit line offered to a dealer takes into consideration the dealer's sales record and net worth and represents a guideline, not necessarily a limit, that dealers may exceed from time to time and GMAC may limit from time to time.

Various factors, such as capital sufficiency, operating performance, financial outlook, credit history, retail and wholesale performance, financial outlook and capital sufficiency, are used to assign dealers to a credit category (see the table below). The dealer's credit category and performance history have an impact on further advances and the management of the account.

Dealer Credit Categories for the U.S. Wholesale Portfolio

Dealer Category	As of June 30,				As of December 31,							
	#	2007	#	2006	#	2006	#	2005	#	2004	#	2003
		\$000		\$000		\$000		\$000		\$000		\$000
S	5,831	\$19,339,955	6,078	\$21,647,889	5,902	\$20,403,778	6,771	\$22,461,485	7,053	\$27,766,837	6,081	\$27,194,538
L	3,487	\$8,424,067	3,184	\$8,537,872	3,325	\$8,511,787	3,248	\$7,681,257	2,917	\$7,869,559	2,496	\$7,146,757
P	301	\$436,535	259	\$432,525	275	\$428,453	335	\$418,868	335	\$415,899	333	\$508,886
N	12	\$1,940	9	\$2,449	11	\$551	13	\$0	20	\$0	29	\$175
Total	9,631	\$28,202,497	9,530	\$30,620,735	9,513	\$29,344,569	10,367	\$30,561,610	10,325	\$36,052,295	8,939	\$34,850,356

Source: SWIFT Master Auto Receivables Trust, Series 2007-2 prospectus supplement, October 10, 2007.

S = satisfactory. L = limited. P = programmed. N = no credit.

GMAC assigns each dealer one of the following credit categories:

- **Satisfactory** status dealers represent minimal risk, as determined by GMAC. These dealers typically have consistently profitable operations, positive cash flow, an adequate credit base and satisfactory GMAC performance history.
- **Limited** status dealers represent moderate risk. Dealers may have unprofitable operating results, non-optimum cash flow, marginal credit base or less-than-satisfactory experience. In spite of the Limited dealers' risks, GMAC believes that the survival of the account is not in jeopardy.
- **Programmed** status dealers represent significant risk and are facing imminent danger of financial failure and loss exposure to GMAC. Such dealers may have demonstrated a weakness in character, capacity or capital or been the cause of an unsatisfactory experience.
- **No Credit** status dealers have had accounts and credit lines withdrawn as a result of an unacceptable degree of risk. Such dealers may have failed to remit principal or interest payments when due; had notifications of liens, levies or attachments; or experienced a significant deterioration of their financial condition. GMAC generally does not make further advances to dealers that have been assigned a No Credit status.



Wholesale Servicing and Monitoring

GMAC services all of the wholesale credit lines in its portfolio as well as those that have been securitized. The servicing function is a critical link the company maintains with its dealers. Principal functions of the servicer include tracking the balances of accounts, notifying dealers of the amounts and due dates of their required payments, communicating with dealers regarding their accounts, seeking to collect overdue payments if necessary and physically auditing the dealerships inventory.

Payment Process

Every month, a billing and account statement is prepared and distributed to each dealer. Interest and other non-principal charges are billed in arrears and are required to be paid immediately upon receipt of the monthly billing statement. Generally, dealers remit payments to GMAC branch offices through a wire transfer initiated by the dealer through a secured web application.

Audits and Controls

Auditing provides GMAC with a powerful tool to check up on a dealer's obligation. Typically, dealers with lower credit categories or inconsistent payment histories are audited more frequently than highly rated dealers. The audit also gives the dealer incentive to conform to the terms of the financing agreements. The timing of the audits varies and no advance notice is given to the audited dealer. During the audit process, GMAC reconciles a dealer's physical inventory with its records of financed vehicles. Audits are intended to determine whether a dealer has sold or leased vehicles without repaying the related loans as required under the floor plan financing agreements and to confirm the status of the collateral.

GMAC monitors the level of borrowing under each dealer's account daily. When a dealer's balance exceeds the credit line, GMAC may temporarily suspend the granting of additional credit or increase the dealer's credit line or take other actions.

Wholesale Securitization

GMAC started to fund wholesale asset-backed securities (ABS) debt in the securitization market in 1994. At that time, it utilized discrete owner trust structures and issued notes periodically up until 2007, when the company elected to issue notes through a master trust, SWIFT Master Auto Receivables Trust. As of September 30, 2007, GMAC had originated 16 dealer floor plan securitizations, 15 of which were sold to the public under registered transactions and one of which was privately placed. Through those securitizations, GMAC has sponsored the issuance of securities with an aggregate initial principal balance of approximately \$51.3 billion.

In wholesale securitization transactions, GMAC traditionally included both a Chapter 7 and Chapter 11 bankruptcy of GM as automatic early amortization events. Beginning with SWIFT 2007-AE-1, GMAC excluded Chapter 11 bankruptcy of GM as an automatic early amortization event. A Chapter 11 bankruptcy filing by GM could have a negative impact on vehicle valuations, increase the probability that GM subvention payments will decrease and result in considerable stress at the dealer level. However, if GM were to enter bankruptcy, it is likely that GM would make all efforts to preserve the integrity of its dealer network since the dealers are key to GM's ability to sell cars and provide significant revenues to GM.



CONSUMER AUTOMOTIVE FINANCING

In the retail auto sector, GMAC is an indirect lender that provides two basic types of financing for new and used vehicles: auto loans and auto leases. Generally, GMAC purchases these contracts on a non-recourse basis from GM-affiliated dealers after the vehicles are sold to consumers. With non-recourse purchases, GMAC assumes full responsibility for the retail loan.

Sales levels and penetration rates are key metrics for GMAC and GM. GMAC's earnings face a serious potential of declining if GM loses market share (see Chart 5 and Chart 6 below). Penetration rates mean how often GM-franchised dealers finance vehicles with GMAC (measured on a unit basis). The penetration rate is a critical figure for the overall company franchise. Lower penetration rates mean lower revenue for GMAC. Currently, GMAC's penetration rate is 45% of GM retail sales in North America and 35% globally.

Chart 5: GM Global Sales Breakdown

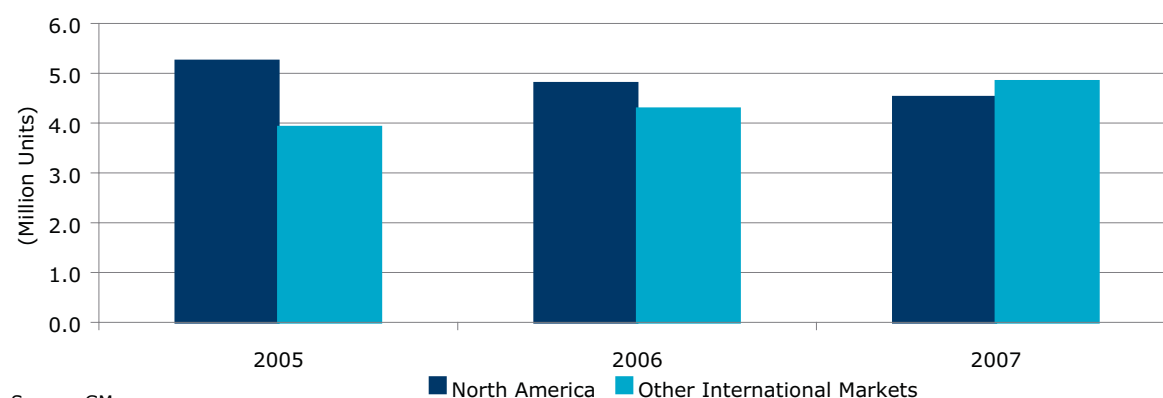
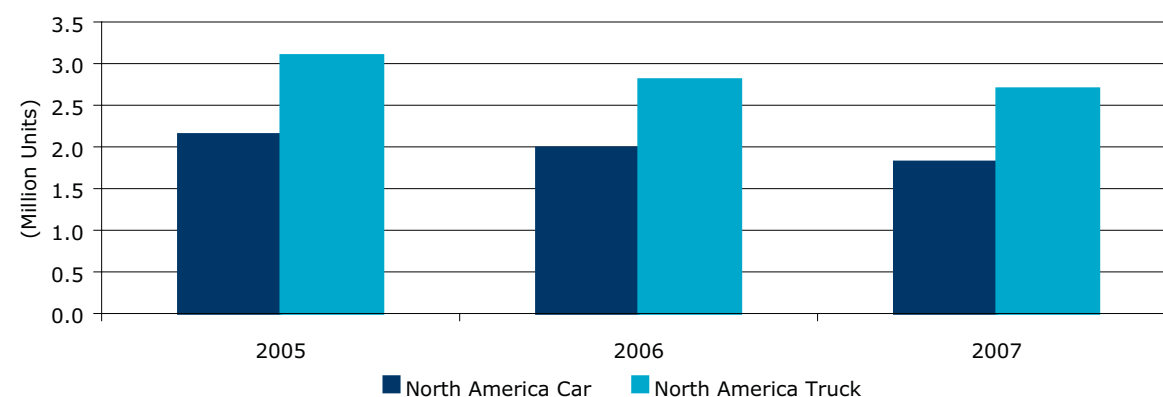


Chart 6: GM North American Sales Breakdown



Penetration rates are normally high for captive finance companies. Even though GMAC competes with banks and other finance companies for retail and lease business, the company has a strategic advantage when it comes to winning auto business because it is a captive finance company of an automobile manufacturer, GM. This advantage is evidenced by an exclusive agreement to provide subvented loans and leases. If consumers are offered subvented loans or leases, it is virtually impossible for banks and other finance companies to match those offers and still maintain profitable operations. Since the ownership change, GMAC has still operated as a captive finance company for GM; therefore, this report refers to GMAC as a captive finance company.

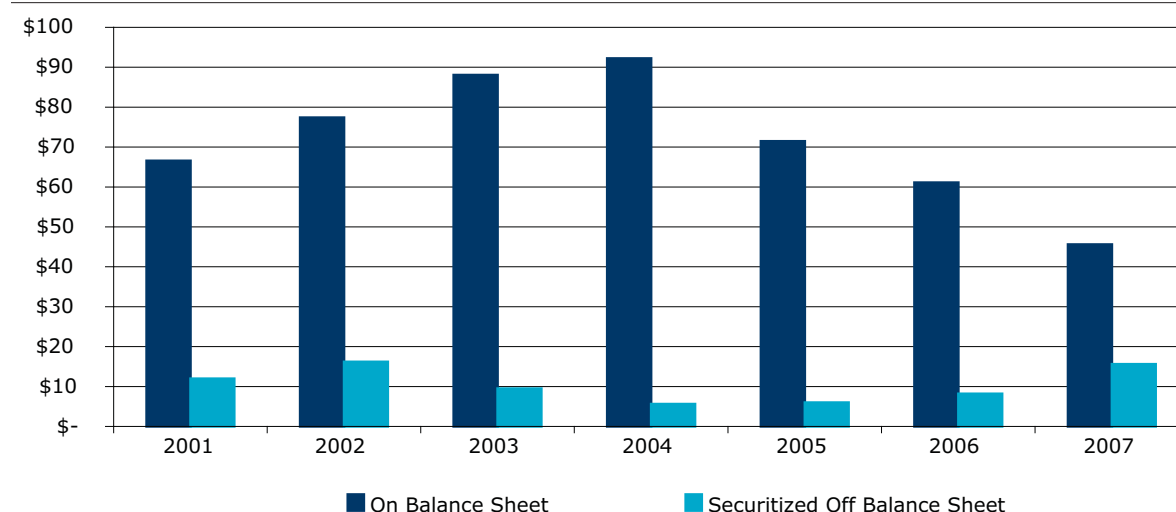


Please note, the following Auto Loan and Auto Lease sections involve many similar topics. We have not repeated the topics that are similar. The Auto Lease section outlines items that are unique to that sector.

Consumer Auto Loans

As of December 31, 2007 and 2006, the total consumer automotive serviced portfolios were \$126.5 billion and \$123 billion, respectively, and the consumer automotive managed portfolios were \$100.7 billion and \$91.9 billion, respectively. The consumer automotive portfolio data cited in the previous sentence include auto loans and auto leases.

Chart 7: GMAC Retail Portfolio – Global



Source: GMAC, LLC.

Consumer Credit: Sourcing and Origination

Underwriting standards are determined centrally at GMAC's Detroit headquarters. These standards are applied locally through GMAC's regional and branch office network.

When a retail customer purchases a vehicle from the dealership, the dealer submits the customer's application to a GMAC branch office through RouteOne.com or through GMACcreditapp.com. RouteOne.com allows the dealer to submit the application to GMAC and other finance companies. GMACcreditapp.com is a proprietary GMAC website. The dealer provides the potential borrower's credit information, the value of the vehicle and the amount of down payment to GMAC. GMAC reviews each application via automatic scoring and decisioning systems, supplemented by credit analyst review when appropriate.

GMAC uses the Online Scoring and Credit Application Review (OSCAR) system, which differentiates the expected bad rates of credit applicants and allows GMAC to tailor the pricing and structure based on the credit risk. OSCAR performs many functions, including credit bureau reports, used vehicle valuation, credit scoring, dealer notification and adverse action letters. OSCAR generates a GMAC score, which is translated into an "odds" quote. The odds quote result predicts the statistical likelihood that a serious delinquency or a loss will occur with respect to that receivable at some point during its term. The odds are used internally to assign credit tiers, which are then associated with dealer buy rates. The factors that have the greatest impact on the score are utilization of available credit, loan-to-value ratio and payment-to-income ratio.

Every quarter, the odds calculated by the various scorecards are compared with actual performance. This facilitates the evaluation of the accuracy of the odds projections. Periodically, the scorecards are updated to account for changes in the perceived impact of specific inputs on creditworthiness.



Setting Interest Rates

Once an application is approved, a contractual interest rate is determined. This rate is known as the buy rate (e.g., 6.0%). The buy rate is assigned on the basis of the odds, according to pricing tiers that are managed by the regional vice presidents of GMAC. The regional management takes market conditions, competition and the general level of interest rates into account in order to determine these rates. When selling vehicles to customers of the dealership, the buy rate is typically marked up. In this example, if the dealer marks up the buy rate more than 6.0% (a market rate), the dealer is then paid for this increase by GMAC and the higher market rate is sold into a securitization or whole loan transaction.

Some receivables are originated under incentive programs sponsored by GM. If GM markets financing rates that are below the standard market rates, those receivables are referred to as being rate supported or subvented. Subvention programs are run in order to make it more economically feasible for a consumer to purchase a vehicle. When GM utilizes these marketing incentives at contract inception, GM pays GMAC an amount equal to the present value of the difference between the lower-than-market subvented rate and the market rate. GMAC defers this amount and recognizes it as a yield adjustment over the life of the contract. These payment amounts cut into GM's profit margins so they are seriously considered prior to launching subvention programs.

SERVICING

GMAC services all retail contracts and leases in the managed portfolio. GMAC also retains the servicing rights on contracts sold on a whole loan basis and receives a servicing fee. Retail servicing requires collecting and processing customer payments, responding to customer inquiries, processing customer requests for account revisions, maintaining a perfected security interest in the financed vehicle, monitoring vehicle insurance coverage and disposing of off-lease vehicles.

GMAC conducts the functions in connection with the front end of the consumer finance process (e.g., originations and underwriting) for retail products. Semperian, its wholly owned subsidiary, performs subsequent servicing activities up to and including repossession. For wholesale products, GMAC performs all front- and back-end servicing, including collections.

Semperian

Semperian performs most servicing activities for U.S. retail contracts and consumer automotive leases on behalf of GMAC. Semperian was originally incorporated as AccuTel, Inc. on April 8, 1999. On July 21, 2005, AccuTel changed its name to Semperian. Currently, Semperian acts as a sub-servicer for the entire U.S. portfolio of retail installment sales contracts and leases serviced by GMAC. Similar to GMAC, Semperian has local servicing operations throughout the United States.

The strategic reason for the investment in the Semperian subsidiary was to distance the operations side of GMAC from GM. As this report indicates, there are ties between GM and GMAC, but the sale of a controlling interest in GMAC to FIM Holdings LLC in 2006 effectively de-linked the ratings of GMAC from those of GM. Although GMAC's balance sheet exposure to GM has been materially reduced, GM-related products continue to generate substantial revenues and GMAC continues to be dependent on the financing of GM products. As such, GMAC continues to rely on the volume, pricing and ongoing asset value of GM automobiles.

Payment Process

Monthly statements are mailed to consumers 20 days prior to payment due date. Payments are received either through an automatic clearing house (ACH; approximately 25%) or by check. Borrowers who pay by check receive either coupon books or monthly statements. Customer payments are processed by regional third-party processing centers that electronically transfer payment data to customers' accounts.



Collection Procedures

If the payment remains outstanding, the servicer mails an initial notice of overdue payment to the obligor on or about the eighth day following the due date and again on or about the 27th day following the due date. Authority for determining the precise schedule on which those notices are sent resides with the regional vice presidents and is also dependent on the timing of weekends and holidays.

Obligors whose payment remains delinquent for a specified period following the second notice are assigned to a collection group. The determinations as to the timing of that assignment and the identity of the group to which the assignment is made are both based on the application of an algorithm to the payment history of that obligor with respect to the relevant account. Customers assessed to represent a lower risk of non-payment are assigned to ICT Group Inc., which contacts obligors using a computerized dialing system and has an account-to-collector ratio of approximately 400 to 1. ICT has been providing this service to GMAC since 2007.

Customers assessed to represent a higher risk of non-payment are assigned to GC Services (GS), which contacts obligors using a computerized dialing system and has an account-to-collector ratio of approximately 400 to 1. GS has been providing this service to GMAC since 1989. Based on the algorithm, accounts progress to Semperian at differing times but at no later than 49 days past due. That team attempts to establish contact with the obligor by telephone and continues to attempt to obtain payment. Semperian has a high account-to-collector ratio of approximately 60 to 1.

Payment Extensions

As of December 31, 2007, 5.8% of the total amount outstanding in the portfolio had been granted an extension or rewritten. Contracts are considered current after an extension is effective. GMAC may offer a payment extension to customers experiencing temporary financial difficulty. The extension would also defer the maturity date of the contract by the same amount of time as the delay. Generally, extensions do not exceed 90 days in the aggregate over any 12-month period or 180 days in aggregate over the life of the contract. If the customer's financial difficulty is not perceived to be temporary and the customer could continue to make payments at a lower amount, GMAC may offer to rewrite the remaining obligation by extending the term and lowering the monthly payment obligation. Collection personnel are responsible for evaluating the ability of the customer to meet the revised payment terms. A payment extension would allow for a delay in monthly payments of up to 30, 60 or 90 days.

Repossession

Repossession activity normally begins once an account becomes 60 days past due, depending on the legal requirements in an individual state. Repossession may occur earlier if management determines the customer is unwilling to pay, the vehicle is in danger of being damaged or hidden or the customer voluntarily surrenders the vehicle. After the car is repossessed, a reclamation letter is sent to the obligor to inform the obligor of the repossession, an affidavit of repossession is produced and title is obtained. Normally, the customer is given a period of time to redeem the vehicle by paying off the account or bringing the account current. Currently, vehicles are repossessed within approximately 27 days once the account is 60 days past due. Following repossession, the servicer's average time to disposal during the same period was approximately 43 days.

Once the servicer has reclaimed legal ownership as outlined above, the vehicle is then sold at auction. The net sale proceeds from the auction are applied to reduce the balance owing by the obligor. Excess proceeds, if any, are remitted to the obligor. Deficiency balances, if any, are charged off. Following charge-off, the account is assigned to one of two GMAC asset collection centers, located in Detroit and Dallas, for evaluation and possible further attempts to collect amounts owed by the obligor. Accounts in bankruptcy are not charged off until the conclusion of the bankruptcy case.



Systems

Semperian uses a centralized accounts receivable system to maintain borrower account information. The servicer also maintains title records with respect to vehicles securing serviced contracts. These records are maintained by a third-party vendor. Images of those documents are maintained on systems maintained at and accessible from locations different from the locations of physical documents.

CONSUMER AUTO LEASING

Leasing is an effective way for retail consumers to finance vehicles and for GM to increase vehicle sales levels, generate more consumer loyalty and create repeat customers who often have shorter periods between new vehicles. GMAC plays an integral role in the auto leasing process by providing an efficient leasing platform for lessees, the dealers and the auto manufacturer. The various leasing products offered by GMAC include SmartLease, which is a standard leasing plan that requires monthly payments from customers; SmartLease Plus, which requires one upfront payment of all lease amounts at the time the customer takes possession of the vehicle; and SmartBuy, which offers consumers a combination lease and retail contract.

As discussed in the wholesale and retail loan sections above, having GMAC as a captive finance company, GM is able to more easily utilize subvention to create a competitive advantage over third-party finance companies and banks. Similar to the wholesale and retail loan products, GM offers subvention programs on leases, as well. However, for an auto company, a pitfall of leasing can exist when interest rate and residual value subvention are too carelessly employed because ultimate losses on leased vehicles are not realized until 3.5 to 4.5 years after the leases are entered into (assuming 36- to 48-month leases).

Much of the same underwriting standards that are used when customers apply for retail auto loans are applied when customers apply for a lease. In addition to basic retail loan underwriting variables, lease transactions take into consideration the net capitalized cost on the lease agreement and the dealer invoice price of the leased vehicle, as well as the term of the lease.

GMAC uses seven different leasing scorecards to assign an “odds” score to a leasing applicant. The specific scorecard used for an application is determined by segmentation logic based on each consumer’s credit profile. The drivers of this logic are credit bureau scores, severity and aging of delinquency on an applicant’s other consumer debt, the percentage utilization of available credit, the net capitalized cost-to-vehicle value ratio of the lease being applied for and the lease payment-to-income ratio.

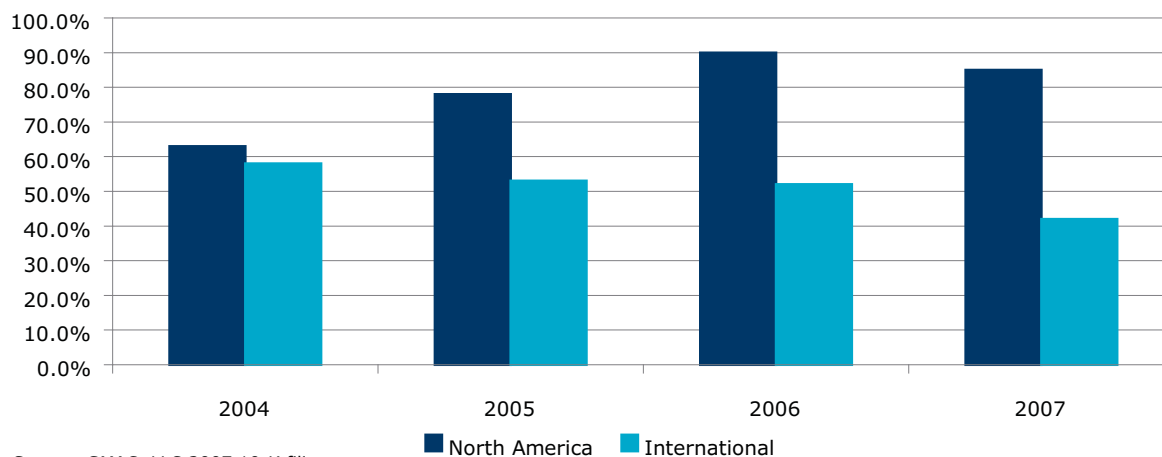
GMAC uses residual values from the Automotive Lease Guide (ALG) to set residual values on GM vehicles. GMAC independently calculates the residual value stated in each lease. These values are projections of expected future values based on current assumptions for the respective make and model. In general, the percentage of manufacturer suggested retail price (MSRP) added to the ALG residual varies according to the level of lease payments desired by GM and GMAC, as well as other factors such as the vehicle model and the mileage level per year specified in the lease. Ultimately, the residual value relied upon for a lease in an ABS transaction is the lesser of the GMAC determined residual value and the ALG residual value.

GM has entered into various operating and financing arrangements with GMAC pertaining to lease programs. Such arrangements include a capitalized cost-reduction program, a residual value support program, a risk-sharing program for new leases and a lease pull-ahead program. Each program is designed to provide incentive for a customer to lease a new vehicle or encourage lessees to terminate their leases early in conjunction with the acquisition of a new GM vehicle.

Most leases of GM vehicles financed by GMAC include some form of incentive program sponsored by GM for which the implied lease rates are below current market rates or for which the stated residual value is higher than the ALG residual value. The Chart 8 summarizes the percentages of annual retail contracts and lease volume that includes GM-sponsored rate and residual incentives:



Chart 8: GM Sponsored Rate and Residual Incentives



Source: GMAC, LLC 2007 10-K filing.

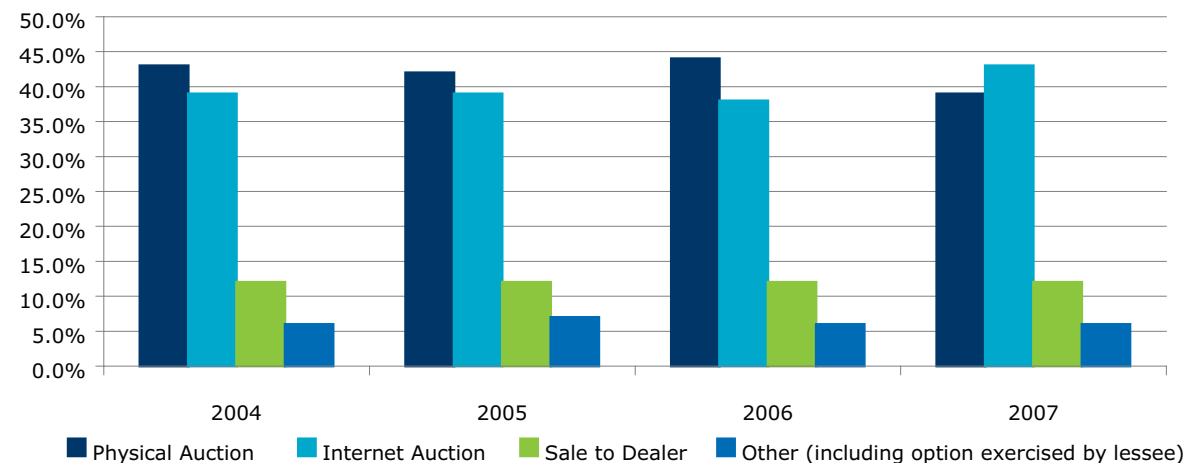
Remarketing and Sales of Leased Vehicles

At the termination of a lease contract, if the vehicle is not purchased by the customer or the receiving dealer, GMAC regains possession of the leased vehicle. Operationally, vehicles are returned to dealers and they are prepared and conditioned for sale. Semperian takes photographs of the vehicles and lists them on GMAC's Smart Auction website, a proprietary Internet site designed specifically to remarket off-lease vehicles. The vehicles are maintained on Smart Auction for a short period of time and, if no local dealers choose to retain the vehicles and sell them off of their own lots, the vehicles are then sent to physical auction.

The Smart Auction Internet sales program was established in 2000 to increase the net sales proceeds from off-lease vehicles. The objective of the initiative is to maximize vehicle dispossession proceeds by reducing the time between vehicle return and ultimate dispossession, which in turn reduces holding costs and broadens the number of prospective buyers. GMAC maintains the Internet auction site, sets the pricing floors on vehicles and administers the auction process. A service fee is earned for each third-party sale.

Chart 9 summarizes the methods of vehicle sales at lease termination (stated as total lease vehicle disposals by units).

Chart 9: Total Lease Vehicle Disposal Methods (Measured by Units)



Source: GMAC, LLC 2007 10-K filing.



Approximately half of GMAC's off-lease vehicles that are not purchased at termination are disposed through traditional official GM-sponsored auctions. At these auctions, GMAC takes responsibility for arranging for inspections, authorizing repairs, reconditioning and determining whether bids received at auction should be accepted.

CARAT AUTO LOAN AND LEASE (OR SECURED NOTES) SECURITIZATION PROGRAMS

Presently, GMAC securitizes retail installment sale contracts and leases through the Capital Auto Receivables Asset Trust (CARAT) platform, which is an owner trust structure that offers securities via both the public and private markets. GMAC has issued more than 65 securitizations of retail vehicle installment sale contracts through a combination of public market and privately placed transactions. The aggregate initial principal balance of issued securities backed by auto loans was more than \$120 billion.

To date, GMAC has executed more than 15 lease-backed transactions, through a combination of public market and privately placed transactions. The aggregate initial principal balance of lease-backed issuances is more than \$20 billion.

In the two-tier securitization structure that ensures a true sale of receivables in a securitization transaction, retail auto loans and leases are sold to the CARAT platform through the same special-purpose vehicle, or depositor, Capital Auto Receivables LLC. This multi-use special-purpose vehicle transfers auto loans in exchange for notes and certificates when GMAC finances a pool of auto loans through CARAT and transfers secured notes through the special-purpose vehicle, rather than the actual leases, in lease-backed transactions.



EXHIBIT I: MOST RECENT DBRS PRESS RELEASE FOR GMAC, LLC

Date of Release: June 20, 2008

DBRS Downgrades GMAC, LLC to B, Trend Remains Negative

DBRS has today downgraded the long-term ratings of GMAC, LLC (GMAC or the Company) and its related entities, including its Issuer and Long-Term Debt rating to B from BB (low). The trend on the ratings remains Negative. This rating action considers GMAC's increased exposure to Residential Capital, LLC (ResCap), its increasingly encumbered balance sheet and the overall earnings pressures facing its core automotive business.

Through a series of recent transactions which were designed to address the short-term liquidity needs of ResCap, GMAC has significantly increased its exposure to its weaker subsidiary, ResCap. In addition to the \$3.5 billion secured credit facility it provided to ResCap, GMAC has increased the MSR facility that was entered into during the first quarter of 2008 from \$750 million to \$1.2 billion and significantly increased the advance rate from 50% to 85%. Additionally, GMAC Commercial Finance has agreed to provide ResCap a receivables factoring facility which will purchase from ResCap \$600 million of servicing advances on a non-recourse basis. GMAC also contributed \$250 million of ResCap debt for preferred units of IB Finance Holdings, LLC, the owner of GMAC Bank. Furthermore GMAC has agreed to acquire 100% of ResCap's resort finance business for an initial cash purchase price equal to 90% of the net book value of the business. In DBRS's opinion, these transactions continue the trend of ResCap drawing capital from GMAC at a time when GMAC's core automotive finance business is being pressured. Given the current level of exposure to ResCap, DBRS has increased the rating linkage between the two companies. Further, DBRS would consider additional financial support of ResCap, to the extent that it impairs GMAC's ability to support or fund its core automotive financing segment, as a significant negative rating factor. DBRS has today lowered ResCap's Issuer rating to CCC, (see separate press release).

DBRS acknowledges the significant debt refinancing GMAC has recently achieved. Notably, GMAC has obtained a new, globally syndicated \$11.4 billion senior secured revolving credit facility with a three-year maturity (the size of the facility decreases to \$7.9 billion at the conclusion of the second year). In DBRS' opinion, this refinancing along with the renewal of the \$10 billion syndicated commercial paper back-up facility, New Center Asset Trust (NCAT), significantly improves GMAC's near-term liquidity position. However, a notable consequence of these transactions is a more encumbered balance sheet, thereby reducing future funding flexibility and decreasing the credit protection of the unsecured creditor.

Further, this rating action reflects the escalating pressures to GMAC's core automotive financing business. Profitability measures have been negatively impacted by increased credit costs, elevated funding costs, the reduced industry wide liquidity and the overall weakened economic environment. Moreover, the declines in GM automotive sales will likely lead to a reduction in new auto loan originations volume and may also add stress to the wholesale portfolio, both of which will likely reduce GMAC's core auto business profitability.



The Negative trend reflects DBRS's expectations that, given the aforementioned factors, including continued losses at ResCap, GMAC's earning and balance sheet will be under intensified pressure in the near term.

Issuer	Debt Rated	Rating Action	Rating	Trend
GMAC, LLC	Issuer and Long-Term Debt	Downgraded	B	Negative
GMAC, LLC	Commercial Paper	Downgraded	R-5	Negative
General Motors Acceptance Corporation (N.Z.) Limited	Commercial Paper	Downgraded	R-5	Negative
General Motors Acceptance Corporation (U.K.) plc	Commercial Paper	Downgraded	R-5	Negative
General Motors Acceptance Corporation of Canada, Limited	Commercial Paper (guar. by GMAC)	Downgraded	R-5	Negative
General Motors Acceptance Corporation, Australia	Commercial Paper	Downgraded	R-5	Negative
GMAC Bank GmbH	Commercial Paper	Downgraded	R-5	Negative
GMAC International Finance B.V.	Commercial Paper	Downgraded	R-5	Negative
GMAC, Australia (Finance) Limited	Commercial Paper	Downgraded	R-5	Negative
General Motors Acceptance Corporation (N.Z.) Limited	Medium & Long-Term Debt	Downgraded	B	Negative
General Motors Acceptance Corporation of Canada, Limited	Long-Term Debt (guar. by GMAC)	Downgraded	B	Negative
General Motors Acceptance Corporation, Australia	Medium & Long-Term Debt	Downgraded	B	Negative
GMAC Bank GmbH	Medium & Long-Term Debt	Downgraded	B	Negative
GMAC International Finance B.V.	Medium & Long-Term Debt	Downgraded	B	Negative

For more information on this credit or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.

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Note:
All figures are in U.S. dollars unless otherwise noted.



EXHIBIT II: MOST RECENT DBRS RATING REPORT FOR GMAC, LLC

Rating Report

Report Date:
October 29, 2007
Previous Report:
September 21, 2006

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The Company

GMAC, LLC offers financing to GM dealerships and their customers. ResCap, its residential mortgage unit, originates, invests in and services residential real estate loans. GMAC Insurance offers service contracts, as well as commercial and personal auto insurance. The Company has roughly 700 branches in 40 countries.

Recent Actions

October 17, 2007
Placed Under Review
- Negative

May 2, 2007
Confirmed

GMAC, LLC and Related Entities

Rating

Debt	Issuing Entity	Rating Action	Rating	Trend
Issuer and Long-Term Debt	GMAC, LLC	Under Review-Negative	BBB (low)	--
Commercial Paper	GMAC, LLC	Under Review-Negative	R-3	

Rating Rationale

The ratings of GMAC, LLC (GMAC or the Company) and its related entities, including its BBB (low) long-term debt rating, reflect continued strong performance in the Company's global Automotive Finance and Insurance businesses, its solid franchise in automotive lending and its adequate capitalization. Offsetting factors include the mounting losses at Residential Capital, LLC (ResCap), GMAC's real estate finance business, which continue to reduce the otherwise strong earnings and may threaten its capital.

DBRS expects that consolidated earnings at GMAC will be pressured for the near term as the steady industry-wide weakening of the performance of mortgages to sub-prime borrowers, depressed loan valuations, higher loss severities and reduced home-price appreciation will likely continue to pressure ResCap's earnings in the near term, thereby pressuring GMAC's earnings.

The ratings have been placed on Under Review with Negative Implications following GMAC's announcement that it is undertaking a massive restructuring of ResCap. DBRS views this restructuring, which follows the elimination of 2,000 positions in the first half of 2007, as evidence that the ResCap business model and overall franchise continue to be under significant stress. (Continued on page 2.)

Rating Considerations

Strengths

- (1) Solid business franchise in vehicle-financing market
- (2) Respectable earnings power in the Company's non-mortgage businesses
- (3) Acceptable liquidity despite limited access to unsecured debt markets

Challenges

- (1) Managing losses at ResCap and ultimately returning this unit to profitability
- (2) Restoring ResCap's liquidity and business model
- (3) Limiting consolidated balance sheet deterioration
- (4) Diversifying its funding profile without a strong deposit franchise

Financial Information

	For the 6 months ended June 30		For the year ended December 31			
(USD millions)	2007	2006	2005	2004	2003	
Revenue net of interest expense	8,509	20,163	20,161	20,534	20,297	
Net income	(116)	1,830	2,282	2,894	2,793	
Total assets	279,278	287,439	320,557	324,139	288,163	
Total liabilities	261,465	270,875	298,872	301,722	267,927	
Total debt	224,454	236,985	254,698	268,960	238,862	
Total equity	15,587	14,369	21,685	22,417	20,236	
Profitability (%)						
Net interest margin	0.5	0.4	0.9	2.0	2.2	
Net income margin	NM	10.5	11.3	14.1	13.9	
Return on average assets	NM	0.7	0.7	1.0	1.1	
Return on average equity	NM	11.8	10.4	13.3	14.4	
Tangible equity/tangible assets	n.a.	4.4	6.0	6.0	6.0	
Debt/equity	14.4	16.5	11.7	12.0	11.8	

Source: Company Earnings Release, SNL Financial, DBRS. NM: Not Meaningful

¹ Financial Institutions: Consumer & Commercial Finance



GMAC, LLC

Report Date:
October 29, 2007

Rating Rationale (Continued from Page 1)

Furthermore, in the opinion of DBRS, the continuing downturn in the U.S. residential real estate markets and the global dislocation of the mortgage finance and credit markets does not bode well for a quick transformation of ResCap's business model. Accordingly, given the adverse environment, DBRS's review will focus on GMAC's ability to manage the impact of the deterioration in ResCap's prospects on its financial profile.

GMAC's limited access to unsecured funding, increased funding costs and its weakened balance sheet (mainly due to assets held on ResCap's balance sheet) are significant negative rating factors. DBRS believes that the November 2006 sale of 51% of GMAC to FIM Holdings, an investment consortium led by Cerberus, effectively de-linked the ratings of GMAC from those of General Motors (GM) so that the ratings of GMAC are not directly tied to the ratings of GM. Although GMAC's balance sheet exposure to GM has been materially reduced, GM-related products continue to generate a noteworthy amount of revenues and GMAC continues to be dependent on the financing of GM products. As such, it will continue to be reliant on the volume, pricing and ongoing asset value of GM automobiles. Consequently, additional stress at GM may impact GMAC's profitability and could potentially threaten GMAC's ratings.

DBRS considers Cerberus a strategic investor. This opinion is supported by the large financial commitment, close involvement of its experienced and knowledgeable staff and the five-year equity commitment of the consortium. DBRS views the dividend restrictions and Cerberus's commitment to reinvest its portion of any dividends in a preferred security for the next three years (2009 through 2011) as further support for the strategic investor postulation.

The business fundamentals of GMAC's Auto Finance and Insurance segments continue to show positive momentum. Credit quality within its auto receivables portfolio remains acceptable, margins at its North American operations have improved and retail volume continues to increase. GMAC's other material business, the Insurance segment, generated \$131 million of net income for the second quarter, reflecting favorable underwriting results largely driven by lower loss experience on extended service contracts and dealer inventory insurance. The Insurance operation adds to earnings and business diversity, yet despite its business expansion and growth initiatives, GMAC's Auto Finance and Insurance segments remain highly dependent on GM for their volumes.

ResCap's performance continues to be under a high level of stress, owing to the noteworthy deterioration in sub-prime industry fundamentals, liquidity of mortgage assets and the instability of the U.S. housing markets. ResCap recorded significant losses in the second half of 2006, which have continued into 2007. Higher consumer delinquencies, along with decreased liquidity and an increase in risk premiums, have caused ResCap to record large writedowns in the Company's held-for-sale (HFS) book and a significant increase in loss provisioning expenses on their loans held for investment (HFI). Losses in the execution on mortgage sales exacerbated the weakness in profitability. Furthermore, DBRS expects that the intensifying weakness in the residential mortgage sector will likely lead to additional valuation adjustments and higher loss provisioning. Accordingly, DBRS anticipates that ResCap may record meaningful losses in the third quarter of 2007, which would reverse the positive momentum the Company achieved in the second quarter.

Moreover, the continued market weakness and the recent illiquidity of non-GSE-eligible (government-sponsored enterprise) loan products has caused ResCap to dramatically reduce origination of the higher-yielding loans, further stressing the validity of ResCap's business model. Despite difficult market conditions in the third quarter of 2007, GMAC continues to manage liquidity well. Liquidity at ResCap has been significantly impacted by the illiquidity in its single-seller asset-backed commercial paper (ABCP) program, Mortgage Interest Networking Trust (MINT), however, it has been successful in accessing alternative funding for its assets. Nonetheless, DBRS considers liquidity risk at ResCap to be elevated.



GMAC, LLC

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Consolidated capitalization remains acceptable; however, DBRS believes that continued losses at ResCap pose a significant near-term threat to capital. At June 30, 2007, GMAC's total equity base at \$15.6 billion was relatively stable as earlier this year, GMAC received a \$1 billion equity infusion from General Motors as an adjustment of the agreement to sell GMAC. DBRS is concerned that significant losses at ResCap will reduce capitalization, which amongst other concerns, may lead GMAC to trigger its leverage covenant imbedded in its bank funding agreements.

DBRS will continue to monitor ResCap's performance and liquidity profile as it copes with the adverse environment and how this performance impacts GMAC's fundamentals. DBRS would consider the inability to revitalize ResCap and reduce losses from this unit a notable ratings driver. Any significant deterioration in liquidity or capitalization might add significant ratings pressure on GMAC, as would any earnings or credit weakness in the non-ResCap business segments.

Rating Considerations Details

Strengths

- (1) Solid business franchise in the vehicle-financing market: GMAC has the size, the scale and the expertise to effectively compete in the automotive-funding arena. DBRS views GMAC's ability to offer manufacturer-supported financing and its relationship with GM's dealer network as strengths and a clear competitive advantage.
- (2) Respectable earnings power in the Company's non-mortgage businesses: DBRS views GMAC's earnings power as dramatically reduced, largely due to the losses stemming from ResCap. However, earnings in the Company's non-mortgage business continue to show strength, and so earnings power in the Auto Finance and Insurance segments are substantially stronger than at the consolidated GMAC.
- (3) Acceptable liquidity, despite limited access to the unsecured debt markets: GMAC continues to manage its liquidity well, although the recent stress in the capital markets has significantly impacted liquidity at ResCap. GMAC has been successful in securing additional liquidity, but ResCap's now-dormant MINT program weakens the overall liquidity profile.

Challenges

- (1) Managing losses at ResCap and ultimately returning this unit to profitability: DBRS currently considers the mounting losses at ResCap to be GMAC's most significant obstacle; stemming these losses while minimizing the overall impact on GMAC is the largest challenge.
- (2) Restoring ResCap's liquidity and business model: In DBRS's opinion, GMAC must be successful in reinvigorating ResCap and redefining its business model. Although ResCap was successful in moving assets from MINT programs to other forms of wholesale funding, its liquidity profile is considered impaired in the near term until replacement funding is added.
- (3) Limiting balance sheet deterioration: GMAC has significant balance sheet weakness, with the risk largely housed at ResCap as the majority of its balance sheet consists of higher-risk mortgage-related assets. Runoff in this portfolio has slowed, which suggests continued asset quality deterioration. GMAC's challenge will be to stabilize this portfolio to minimize its impact on its balance sheet.
- (4) Diversifying its funding profile without a strong deposit franchise: Although GMAC has an array of secured funding options, the Company has limited access to unsecured forms of financing. DBRS considers this a noteworthy weakness because it introduces a level of structural subordination that has a negative impact on the protection of the unsecured lender.



GMAC, LLC

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Rating Drivers

What factors would have positive rating implications?

- Increased access to debt markets, less reliance on secured funding and a further expansion into non-GM-product financing would be viewed as positive. Stabilization of ResCap is a requisite for upward rating mobility.

What factors would have negative rating implications?

- Continued losses at ResCap, leading to further deterioration of GMAC's balance sheet and capitalization, would have a negative rating impact. Moreover, any significant reduction in liquidity or capitalization, along with a noteworthy deterioration in asset quality of GMAC's non-mortgage assets, will add negative rating pressure.

Description of Operations

With \$279 billion in assets at June 30, 2007, Detroit, Michigan-based GMAC, LLC offers financing to GM dealerships and their customers. ResCap, its residential mortgage unit, originates, invests in and services residential real estate loans. GMAC Insurance offers service contracts, as well as commercial and personal auto insurance. The Company has roughly 700 branches in 40 countries. GMAC was originally established to provide GM dealers with the automotive financing necessary for them to acquire and maintain vehicle inventories and to provide retail customers the means by which to finance vehicle purchases through GM dealers. Since November 2006, GMAC is 49% owned by General Motors Corporation (GM) and 51% owned by FIM Holdings LLC (FIM Holdings), an investment consortium led by Cerberus FIM Investors LLC (Cerberus), the sole managing member. The consortium also includes Citigroup Inc., Aozora Bank Ltd. and a subsidiary of The PNC Financial Services Group, Inc.

Franchise Strength

GMAC is a leading diversified global financial services company that provides automotive finance, commercial finance, insurance, mortgage and real estate products and services. GMAC's business is primarily organized into three lines of business operations: Automotive Finance, ResCap and Insurance.

Sources of Revenue

Automotive Finance (59% of H1 2007 Net Finance Revenue)

GMAC's Automotive Finance operations offer a wide range of financial services and products (directly and indirectly) to GM's retail automotive consumers, automotive dealerships and other commercial businesses. The Automotive Finance operations comprise two separate reporting segments – North American Automotive Finance Operations and International Automotive Finance Operations – and one reporting operating segment – Commercial Finance Group.

GMAC offers retail installment sales contracts and leases, term loans, floorplan financing and other lines of credit to dealers, as well as fleet leasing and factoring of receivables. DBRS believes that there are certain risks inherent in the vehicle financing business, owed to the residual risk associated with vehicles returned upon lease termination, as well as remarketing risk of vehicles obtained through repossession. Accordingly, the credit profile of GMAC's automotive operations is heavily reliant on used car demand and values. Any reduction in consumer demand for GM vehicles could lead to an increase of losses upon terminations, pressuring GMAC's balance sheet and asset quality.

⁴ Financial Institutions: Consumer & Commercial Finance



<p>GMAC, LLC</p> <p>Report Date: October 29, 2007</p>	<p>ResCap (6% of H1 2007 Net Finance Revenue)</p> <p>ResCap's franchise continues to be under significant stress due to the ongoing severe market conditions in the residential mortgage market. The recent announcement of an additional 25 per cent reduction in the workforce further illustrates the stress of the organization. Moreover, weakened performance of the Company's assets and the reduced liquidity for non-conforming mortgage assets continue to pressure both ResCap's earnings and its balance sheet. Furthermore, reduced investor appetite for non-GSE-eligible mortgage loans has reduced ResCap's product offerings and has effectively eliminated many of the Company's more profitable products. Accordingly, DBRS views ResCap's business model as significantly weakened. DBRS maintains a separate rating on ResCap. Details on ResCap's risk profile and its operations are available in DBRS's June 12, 2007, rating report on ResCap and subsequent rating updates, which can be found at www.dbrs.com.</p> <p>Insurance (31% of H1 2007 Net Finance Revenue)</p> <p>Historically, GMAC's Insurance operation has provided a relatively small portion of the Company's net income. However, given the drag on earnings caused by the struggles at ResCap, earnings from the insurance business provided a cushion in 2006 and into 2007. This segment insures automobile service contracts and underwrites personal automobile insurance policies (ranging from preferred to non-standard risks) and selected commercial insurance and reinsurance policies. DBRS believes that the Insurance operation adds a level of diversity while its risks are limited by the small scale of the business.</p> <p>Dependence on GM</p> <p>The Company's auto financing volume remains closely linked to GM and given the operating difficulties at GM, DBRS views this business concentration as a significant weakness. This weakness is illustrated by the vast majority of the Company's automotive finance business, which is financing GM vehicles and providing financing to its dealers. Accordingly, any reduction in GM's production or sales of vehicles has a direct impact on GMAC's automotive finance business.</p> <p>Competition and Market Environment</p> <p>GMAC's principal competitors for retail and wholesale automotive financing are banks, independent finance and leasing companies, credit unions and savings and loan associations and other automobile manufacturers' affiliated finance companies. DBRS views GMAC's ability to offer manufacturer-supported financings as a clear competitive advantage. Moreover, DBRS considers the relationship with GM's dealer network as a strength, as the Company has successfully implemented consistent purchasing policies for retail sales and lease contracts, in addition to consistent dealer-financing support over various economic cycles. However, this strength leads to significant business concentration risk, which is a staple in the "captive" finance company business model.</p> <p>The industry fundamentals in the mortgage finance market continue to be in a high state of flux. The deterioration in the performance of many mortgage products and the reduced investor appetite for these products have forced lenders to scale back volume and tighten underwriting criteria, which has further squeezed lenders' margins. Many players have been forced to exit the market entirely due to weakened balance sheets and the lack of funding. DBRS remains concerned that the ongoing adverse business environment in the residential mortgage industry and the uncertain housing markets will lead to additional negative valuation adjustments and provisions on ResCap's assets, which would add stress to an already weakened balance sheet.</p>
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5 Financial Institutions: Consumer & Commercial Finance



GMAC, LLC

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October 29, 2007

Earnings Power

- DBRS views GMAC's earnings power as dramatically reduced, largely because of the losses stemming from ResCap. However, earnings in the Company's non-mortgage businesses continue to show strength, as such, earnings power in the Auto Finance and Insurance segments are substantially stronger than of the consolidated GMAC.
- Profitability in the Automotive Finance segment remains acceptable. For the six months ending June 30, 2007, pre-tax income generated by Automotive Finance was a notable \$868 million. Overall, Automotive Finance results benefited from improved margins in the U.S. business, stable credit quality and strong lease residuals. Reduced depreciation of the lease assets (as these assets were divided to GM at the change of ownership) further bolstered income.
- Provisions for credit losses continue to pressure consolidated earnings as the credit performance of ResCap's on-balance-sheet assets weaken. Within the automotive portfolio, DBRS expects credit costs to increase modestly owing to portfolio seasoning and the weakened economic environment. Additionally, DBRS remains concerned about continued reduced consumer demand for larger vehicles and full-size SUVs, which may negatively impact values of used vehicles, thereby stressing recoveries from repossessions and lease returns. Moreover, pressure on U.S. automotive manufacturers may lead to lower automotive financing volumes, which in turn may pressure earnings. To reduce its exposure to GM, GMAC continues to add products such as used vehicle financing, and has expanded its product offering to non-GM dealers. Although GMAC has been successful in adding auto finance volume from non-GM dealers, this, however, remains a small part of the revenue stream.
- With the reduced earnings at ResCap, as discussed earlier, the Insurance segment has become a noteworthy contributor to overall profitability, generating \$274 million of net income for the first six months of 2007. Although this business adds a level of earnings diversity, it remains largely dependent on vehicle financing volumes. DBRS views earnings in this division as potentially volatile, as increased losses (which may be attributed to natural disasters or adverse weather) can impact earnings dramatically. Moreover, insurance volumes and written premiums are highly correlated to auto manufacturer volumes; accordingly, any drop in GM vehicle sales may lead to a reduction in insurance policies generated. GMAC continues to expand its geographic footprint, as well as its product line. Finally, to reduce volatility in the investment portfolio, in late 2006, GMAC rebalanced its investment portfolio, with a higher concentration in more stable debt securities.
- As indicated above, ResCap's performance continues to be under major stress. ResCap began recording significant losses in the second half of 2006, which have continued into 2007. For the first six months of 2007, ResCap recorded a net loss of \$1.2 billion, negating GMAC's non-mortgage earnings. Further deterioration in the mortgage markets suggests continued losses in the third quarter. Accordingly, DBRS views ResCap's near-term profitability potential and earnings power as limited, at best.



<p>GMAC, LLC</p> <p>Report Date: October 29, 2007</p>	<h2>Risk Profile and Asset Quality</h2> <ul style="list-style-type: none"> • GMAC has significant balance sheet weakness, with the risk largely housed at ResCap since the majority of its balance sheet is higher-risk mortgage-related assets. • GMAC's auto-finance portfolio continues to perform within expectations. On balance sheet retail contracts delinquent thirty-day or more have increased slightly to 2.67% during the first half of 2007 • Losses remain near historic lows in the retail contract portfolio, with charge-offs on balance sheet retail contracts of less than 1% of the portfolio. Weakness in the U.S. economy or a reduction in used vehicle values can threaten these impressively low loss levels. DBRS expects losses will increase in the auto portfolio into 2008; however, losses will likely remain at a manageable level. • Allowance for credit losses in the auto-finance portfolio is adequate, at 1.6% of on-balance-sheet automotive contracts, given current trends. However, should GMAC experience an increase in consumer auto credit losses, the Company will likely increase provisioning levels, thereby pressuring earnings. • At June 30, 2007, 71% of ResCap's \$62.7 billion HFI portfolio was non-prime residential mortgage loans. Although this portfolio is running off, the slowdown in the U.S. housing market, along with significantly reduced sub-prime mortgage product availability, the runoff through payoff and refinancing has notably slowed. • Non-accrual loans in ResCap's HFI portfolio increased to 14% at June 30, 2007. Given recent trends in the housing markets, DBRS expects that ResCap will continue to experience elevated charge-offs. The slowed runoff of the portfolio, loan seasoning and the impact of adjustable-rate mortgage (ARM) resets will further exacerbate charge-offs. • ResCap's credit weakness and losses are largely isolated to the newer vintages within the sub-prime and second-lien book, which continue to dominate the portfolio. Delinquencies at ResCap are considered high, and non-accrual assets in the HFI portfolio increased to a high of \$8.8 billion, or 7.3% of ResCap assets. DBRS views this as an indication of a continued high level of future loss. • ResCap has increased reserves significantly over the past year. Reserves were \$1.9 billion, or 2.5% of loans and lending receivables, at June 30, 2007. DBRS expects reserves to remain elevated and believes that reserves will continue to be bolstered, negatively impacting earnings. <h2>Capitalization</h2> <ul style="list-style-type: none"> • DBRS views capitalization as adequate, however, continued losses at ResCap may threaten capital at GMAC. The total equity base of \$15.6 billion, or 5.6% of total assets, as at June 30, 2007, remains acceptable. • Despite the mounting losses, capital at ResCap has remained relatively stable as GMAC provided ResCap with a \$1 billion capital contribution in the first quarter of 2007. GMAC received the \$1 billion from GM as part of a final adjustment of the agreement to sell GMAC. Although DBRS views GMAC's capital contribution as an illustration of parental commitment to ResCap, GMAC does not explicitly guarantee capital support. • Leverage increased in 2006, largely as a result of operating leases being dividended to GM, and has improved somewhat in the first six months of 2007. However, given the risks inherent in the balance sheet – specifically in the loans held for investment at ResCap – leverage is considered high at the current rating level. • The quality of equity is acceptable, with preferred interest of \$2.2 billion of the \$15.6 billion equity account. Goodwill, at \$1.8 billion, is acceptable at 8.7% of the equity account. Nonetheless, mounting losses at ResCap may suggest a potential impairment of goodwill in the near future. As at June 30, 2007, goodwill at ResCap totaled \$471 million. • Interest-only (I/O) securities and mortgage servicing rights (MSRs) – asset classes that require additional capital support – are 11% and 39% of the equity base. DBRS remains concerned about potential valuation adjustment of these assets.
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7 Financial Institutions: Consumer & Commercial Finance



GMAC, LLC

Report Date:
October 29, 2007

Liquidity

- GMAC continues to manage its liquidity well; however, the recent stress in the capital markets has significantly impacted liquidity at ResCap. Although ResCap was successful in moving assets from its MINT programs to its Repo lines and multi-seller ABCP program, its liquidity profile is considered impaired in the near term. GMAC maintains sufficient liquidity reserves, primarily by way of unused committed facilities and large cash balances, which slightly mitigates the liquidity concerns at ResCap.
- GMAC has a sizable amount of liquidity support, which is factored in the current rating. Cash and cash equivalents totaled \$12.2 billion at June 30, 2007. In addition, the Company renewed \$20 billion in committed bank facilities, which includes \$6 billion in unsecured revolvers and a \$12 billion secured facility for the New Center Asset Trust (NCAT), which provides short-term funding for automotive assets.
- GMAC continues to demonstrate that it has access to external funding sources as it recently upsized its existing \$10 billion asset-backed funding facility to \$14.4 billion, which is available for immediate funding. Moreover, an additional \$7 billion may become available if certain conditions are met. The facilities include commitments to provide funding for U.S. automobile-related assets, as well as certain mortgage assets at ResCap and other assets across GMAC and its subsidiaries. DBRS views this as a positive development that suggests continued bank support for GMAC, and the additional liquidity available to ResCap is viewed as positive as it incrementally bolsters ResCap's near-term liquidity. Additionally, GMAC has been successful in executing securitizations and whole loan sales of automotive assets.
- Although GMAC has an array of secured funding options, the Company has limited access to unsecured forms of financing. DBRS considers this a noteworthy weakness as it introduces a level of structural subordination negatively impacting the protection of the unsecured lender.
- Currently, ResCap's MINT programs are dormant. ResCap continues to add incremental liquidity and fund current production to the GSE. However, the current liquidity environment has impaired ResCap's liquidity profile. Accordingly, DBRS considers ResCap's liquidity risk to be above average.



GMAC, LLC Report Date: October 29, 2007	GMAC LLC				
	For the 6-months ended June 30		For the year ended December 31		
	2007	2006	2005	2004	2003
Earnings and Outlook (USD millions)					
Revenue net of interest expense	8,509	20,163	20,161	20,534	20,297
Net interest income	502	945	2,206	4,844	4,493
Provisions for losses	1,111	2,000	1,074	1,953	1,721
IBPT	1,408	4,228	4,553	6,300	6,105
Net income	(116)	1,830	2,282	2,913	2,793
Annual Growth Rates (%)					
Gross revenue	(15.6)	0.0	(1.8)	1.2	(17.2)
Net interest income	6.2	(57.2)	(54.5)	5.2	6.1
Net income	(112.7)	(19.8)	(21.7)	(0.5)	(0.7)
Profitability (%)					
Net interest margin	0.5	0.4	0.9	2.0	2.2
Net income margin	NM	10.5	11.3	14.1	13.9
IBPT margin	16.5	21.0	22.6	30.7	30.1
Return on average assets	NM	0.7	0.7	1.0	1.1
Return on average managed assets	n.a.	0.3	0.3	0.4	0.4
Return on average equity	NM	11.8	10.4	13.3	14.4
Expense ratio	83.5	80.4	74.2	69.6	69.4
Coverage Ratios (x)					
EBITDA/pre-tax earnings	n.a.	11.3	6.7	4.4	3.9
EBITDA/interest expense	n.a.	1.6	1.8	2.0	2.3
Risk Profile (USD millions)					
Loan loss reserve	3,464	3,756	3,085	3,422	3,042
Net charge-offs	1,224	1,530	1,338	1,635	1,580
Asset Quality – Owned (%)					
Net charge-offs/average loans	1.3	0.8	0.6	0.8	0.9
Reserves/average loans	1.3	0.8	0.6	0.8	0.9
Reserves/net charge-offs (x)	1.4	2.5	2.3	2.1	1.9
Reserves/IBPT	123.0	88.8	67.8	54.3	49.8
Capitalization (USD millions)					
Total assets	279,278	287,439	320,557	324,139	288,163
Total liabilities	261,465	270,875	298,872	301,722	267,927
Total debt	224,454	236,985	254,698	268,960	238,862
Total equity	15,587	14,369	21,685	22,417	20,236
Residual interests	1,019	1,591	1,803	2,752	3,154
Adjusted equity	14,925	13,335	20,513	20,628	18,186
Mortgage servicing rights (MSRs)	6,041	4,930	4,015	3,890	3,720
Balance Sheet Ratios (%)					
Tangible equity/tangible assets	n.a.	4.4	6.0	6.0	6.0
Residual interests/equity	n.a.	11.1	8.3	12.3	15.6
MSRs/equity	38.8	34.3	18.5	17.4	18.4
Debt/capitalization	93.5	94.3	92.2	92.3	92.2
Balance Sheet Ratios (x)					
Debt/equity	14.4	16.5	11.7	12.0	11.8
Debt/equity + LLR	11.8	13.1	10.3	10.4	10.3
Debt/adjusted equity + LLR	12.2	13.9	10.8	11.2	11.3
Liquidity (USD millions)					
Unrestricted cash	12,223	15,459	15,424	22,718	17,976
Liquidity Measures (x)					
EBITDA/pre-tax earnings	n.a.	11.3	6.7	4.4	3.9
EBITDA/interest expense	n.a.	1.6	1.8	2.0	2.3
Debt/EBITDA	n.a.	9.8	11.3	13.0	12.1
Source: Company Earnings Release, SNL Financial, Adjusted equity = Tangible equity - .65 * residual interests					

9 Financial Institutions: Consumer & Commercial Finance



GMAC, LLC

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Rating Table

Debt	Issuing Entity	Rating Action	Rating	Trend
Issuer and Long-Term Debt	GMAC, LLC	Under Review-Negative	BBB (low)	--
Commercial Paper	GMAC, LLC	Under Review-Negative	R-3	--
Commercial Paper	General Motors Acceptance Corporation (N.Z.) Limited	Under Review-Negative	R-3	--
Commercial Paper	General Motors Acceptance Corporation (U.K.) plc	Under Review-Negative	R-3	--
Commercial Paper	General Motors Acceptance Corporation, Australia	Under Review-Negative	R-3	--
Commercial Paper	GMAC Bank GmbH	Under Review-Negative	R-3	--
Commercial Paper	GMAC International Finance B.V.	Under Review-Negative	R-3	--
Commercial Paper	GMAC, Australia (Finance) Limited	Under Review-Negative	R-3	--
Commercial Paper (guar. by GMAC)	General Motors Acceptance Corporation of Canada, Limited	Under Review-Negative	R-3	--
Medium & Long-Term Debt	General Motors Acceptance Corporation (N.Z.) Limited	Under Review-Negative	BBB (low)	--
Medium & Long-Term Debt	General Motors Acceptance Corporation, Australia	Under Review-Negative	BBB (low)	--
Medium & Long-Term Debt	GMAC Bank GmbH	Under Review-Negative	BBB (low)	--
Medium & Long-Term Debt	GMAC International Finance B.V.	Under Review-Negative	BBB (low)	--
Long-Term Debt (guar. by GMAC)	General Motors Acceptance Corporation of Canada, Limited	Under Review-Negative	BBB (low)	--

Rating History

	Current	2006	2005	2004	2003	2002
Issuer and Long-Term Debt – GMAC, LLC	BBB (low)	BBB (low)	BBB (low)	BBB (high)	A (low)	A
Commercial Paper – GMAC, LLC	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	NR
Commercial Paper – General Motors Acceptance Corporation (N.Z.) Limited	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	NR
Commercial Paper – General Motors Acceptance Corporation (U.K.) plc	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	NR
Commercial Paper (guar. by GMAC) – General Motors Acceptance Corporation of Canada, Limited	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	R-1 (low)
Commercial Paper – General Motors Acceptance Corporation, Australia	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	NR
Commercial Paper – GMAC Bank GmbH	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	NR
Commercial Paper – GMAC International Finance B.V.	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	NR
Commercial Paper – GMAC, Australia (Finance) Limited	R-3	R-3	R-2 (low)	R-1 (low)	R-1 (low)	NR
Medium & Long-Term Debt – General Motors Acceptance Corporation (N.Z.) Limited	BBB (low)	BBB (low)	BBB (low)	BBB (high)	A (low)	NR
Long-Term Debt (guar. by GMAC) – General Motors Acceptance Corporation of Canada, Limited	BBB (low)	BBB (low)	BBB (low)	BBB (high)	A (low)	A
Medium & Long-Term Debt – General Motors Acceptance Corporation, Australia	BBB (low)	BBB (low)	BBB (low)	BBB (high)	A (low)	NR
Medium & Long-Term Debt – GMAC Bank GmbH	BBB (low)	BBB (low)	BBB (low)	BBB (high)	A (low)	NR
Medium & Long-Term Debt – GMAC International Finance B.V.	BBB (low)	BBB (low)	BBB (low)	BBB (high)	A (low)	NR

10 Financial Institutions: Consumer & Commercial Finance



GMAC, LLC

Report Date:
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Related Research

- October 17, 2007 Press Release: [DBRS Places GMAC, LLC Under Review With Negative Implications](#)
- October 4, 2007 Press Release: [DBRS Confirms GMAC, LLC at BBB \(low\), Trend Changed To Negative](#)
- May 2, 2007 Press Release: [DBRS Confirms GMAC, LLC at BBB \(low\) with a Stable Trend](#)
- September 21, 2006 Rating Report: [GMAC LLC and General Motors Acceptance Corporation of Canada](#)

Note: All figures are in U.S. dollars unless otherwise noted.

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