



State of North Carolina

**ROY COOPER
ATTORNEY GENERAL**

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September 27, 2010

Mr. William B. Solomon, Jr.
General Counsel
Ally Financial, Inc.
P.O. Box 200
Detroit, MI 48265-2000

Re: Alleged Unlawful Foreclosure Practices

Dear Mr. Solomon:

This office has received information regarding Ally Financial/GMAC Mortgage's questionable preparation of documents to support home mortgage loan foreclosure actions. In particular, the information indicates that GMAC Mortgage employees routinely signed off on large numbers of affidavits without personal knowledge of the accuracy of the contents of the affidavits. The allegations of improper verification of affidavits are supported by sworn deposition testimony by a team leader of GMAC Mortgage's document execution team for foreclosures.

We are very concerned about these allegations. The use of unverified affidavits to obtain judicial relief could constitute a fraud upon the court. Further, a willful corporate pattern and practice of generating affidavits from employees who have no personal knowledge of the facts asserted could constitute unfair and deceptive practices in violation of N.C. Gen. Stat. § 75-1.1. The Attorney General has broad authority to investigate and to obtain relief for violations of this statute, including injunctive relief and civil penalties.

In lieu of formal investigative process at this time, we would ask that a representative of your company meet with us and provide us with information about GMAC Mortgage's foreclosure practices in North Carolina, the extent to which the problematic affidavits were used here and any efforts that have been undertaken or planned to remedy past improper conduct. We understand that GMAC Mortgage has voluntarily agreed to cease evictions related to foreclosures it has completed in this State. This is a positive step but we do not have any confirmation of the nature or extent of this apparent voluntary moratorium.

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Please contact the undersigned so that we can arrange a meeting to further review this matter and arrange for the production of information in response to this inquiry. We look forward to your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip A. Lehman", with a long, sweeping horizontal flourish extending to the right.

Philip A. Lehman
Assistant Attorney General
CONSUMER PROTECTION DIVISION