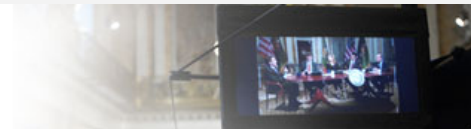


U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Announces Additional Investment in GMAC LLC

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WASHINGTON –The U.S. Department of the Treasury today announced that it has made an investment of \$7.5 billion in GMAC LLC. This investment will support GMAC's ability to originate new loans to Chrysler dealers and consumers and help address GMAC's capital needs as identified through the Supervisory Capital Assessment Program (SCAP).

"Over the past several months, the contraction of credit in the auto finance markets has helped drive our auto industry into a historic crisis. This new arrangement with GMAC will help provide a reliable source of financing to both auto dealers and customers seeking to buy cars," said Secretary Tim Geithner. "Alongside our efforts through the TALF program, a recapitalized GMAC will offer strong credit opportunities, help stabilize our auto financing market, and contribute to the overall economic recovery."

Treasury's \$7.5 billion investment in GMAC will be made in the form of 9 percent Mandatorily Convertible Preferred Interests. This investment includes \$4 billion to support GMAC's anticipated growth in Chrysler dealer and retail loans. The remaining \$3.5 billion will help GMAC address its capital needs as identified through the SCAP completed with the Federal Reserve. As a participant in the SCAP program, GMAC will announce an approved Capital Plan on June 8. This plan will outline how GMAC will meet the full \$9.1 billion in new capital need identified in the SCAP program.

Treasury's \$7.5 billion investment will be in preferred equity. Therefore, as a result of this transaction, Treasury will not immediately hold common equity interests in GMAC. However, as part of an earlier transaction, the U.S. Treasury retained the right to exchange the \$884 million loan it made to GM for common equity interests in GMAC. Treasury expects to exercise this exchange right in the very near future, after which it would hold a 35.4 percent common equity interest in GMAC.

As part of the investment and related agreements, GMAC must be in compliance with the executive compensation and corporate governance requirements of Section 111 of the Emergency Economic Stabilization Act (EESA).

Treasury exercised this funding authority under EESA's Troubled Asset Relief Program (TARP). The investment was made under the [Automotive Industry Financing Program](#).

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