PUBLIC DISCLOSURE

August 18, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ally Bank (formerly known as GMAC Bank)
57803

6985 Union Park Center, Suite 435
Midvale, Utah 84047

Federal Deposit Insurance Corporation
350 Fifth Avenue
New York, New York 10118

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of ***Ally Bank*** *prepared by the* ***Federal Deposit Insurance Corporation****, the institution's supervisory agency, as of* ***August 18, 2008****. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION’S CRA RATING

INSTITUTION'S CRA RATING*:* This institution is rated Satisfactory.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following table indicates the performance level of the institution with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	**Ally Bank**		
	PERFORMANCE TESTS		
	Lending Test (*)	**Investment Test**	**Service Test**
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		X
Needs to Improve			
Substantial Noncompliance			

(*) NOTE: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

This rating is based on the following factors.

Lending Test

- The bank’s lending activity reflects good responsiveness to assessment area credit needs.
- Due to the bank’s national lending focus, only a small percentage of loans were originated or purchased inside of the designated assessment area. Although the percentage of loans in the assessment area was small, the actual number and dollar volume of the loans that comprised this percentage was significant enough to draw meaningful conclusions regarding the bank’s CRA performance.
- The geographic distribution of loans reflects adequate penetration throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, adequate penetration among individuals of different income levels.
- The bank originated an adequate level of community development loans.

- The bank makes limited use of innovative and flexible loan products in order to serve the current credit needs of the community.

Investment Test

- The bank has obtained a significant level of qualified investments exhibiting good responsiveness to assessment area credit needs.

Service Test

- The bank does not operate any retail banking offices that are open to the public.
- A variety of alternative delivery systems are available.
- The bank provided an adequate level of community development services.

SCOPE OF EXAMINATION

Ally Bank's (Ally) performance was reviewed using the Large Bank CRA evaluation procedures. Individual ratings for the Lending, Investment, and Service Tests are displayed on the matrix on page two of this performance evaluation. The evaluation of this institution's performance is based on a review of its Home Mortgage Disclosure Act (HMDA) lending for 2007 and the first six months of 2008 (YTD 2008). While Ally did originate small business loans during the evaluation period, the volume of lending in this category was limited, and meaningful conclusions could not be drawn regarding the bank's performance. The bank does not engage in agricultural lending. Therefore, small business and small farm loans were not included in the analysis of the bank's lending. The bank did not collect consumer lending information for analysis purposes and did not request that this category of loans be reviewed during the current CRA evaluation.

In accordance with the CRA regulation, the bank has designated an assessment area consisting of contiguous political subdivisions surrounding its main office. Although the percentage of lending in the designated assessment area is small (1.4 percent), the volume of loans is great enough to draw meaningful conclusions in regards to the bank's CRA performance. In addition, a broader analysis of the bank's national lending was conducted to demonstrate that the bank's overall performance was consistent with its lending in the designated assessment area.

All tables contained in the Borrower Profile and Geographic Distribution of Lending sections reference loans in terms of number. Loan data by dollar amount was comparable to the data by number of loans and were therefore excluded from the performance evaluation. Similarly, the bank's performance in Metropolitan Statistical Area 39340 was comparable to the bank's overall performance. As such, no separate description of that performance has been included within this evaluation.

DESCRIPTION OF INSTITUTION

Ally, previously known as GMAC Bank, is a Utah chartered Industrial Bank that began operations on August 1, 2004. The original business strategy of the institution was the purchase of retail installment sale and lease contracts entered into between licensed vehicle dealers and final vehicle customers.

On November 22, 2006, a reorganization purchase and assumption transaction resulted in GMAC Automotive Bank purchasing all of the assets and liabilities of GMAC Bank, FSB, at book value ($14.9 billion). Subsequently, GMAC Automotive Bank changed its name to GMAC Bank (GMAC) and continued to operate under the Industrial Bank charter. The purchase and assumption transaction changed GMAC Bank's primary business from automobile financing (which is conducted in Midvale, Utah) to residential mortgage lending (conducted in the former GMAC Bank, FSB, offices in Fort Washington, Pennsylvania). On May 15, 2009, GMAC Bank changed its name to Ally Bank. Ally received an "Outstanding" rating under the Limited Purpose Institution CRA procedures during the prior CRA evaluation dated February 27, 2006. However, when the bank's strategy and lending focus expanded to include residential mortgage loans in November 2006, the Limited Purpose designation was no longer applicable. As such, Large Bank CRA procedures are being utilized for the current evaluation.

Ally is a wholly-owned subsidiary of GMAC, Inc. (GMAC) the first tier parent; GMAC provides wholesale and retail financing for dealers in General Motors (GM) passenger cars, trucks, buses, and other GM products within the United States, Canada, and overseas. Ally's second tier parent is IB (Industrial Bank) Finance Holding Co., LLC a one-bank holding company who is owned 100 percent by GMAC. Ally has two subsidiary organizations; GMAC Wholesale Mortgage Corp., which provides administrative service to Ally; and GMACB Asset Management Corp., which acquires and holds for investment residential mortgage loans. These subsidiaries are 100 percent owned by the bank.

As previously mentioned, the automotive side of Ally primarily engages in automobile retail installment sales and lease contracts assigned to the bank by a nationwide network of independent GM dealers, and commercial lending to automotive dealers. Ally underwrites each installment sale and lease contract, makes the credit decision, and funds the contracts. Upon consummation, each sale and lease contract is assigned to Ally by the dealer. The mortgage division of the bank originates, purchases, and sells first- and second-lien residential mortgage loans and lines of credit; provides warehouse lending facilities to third party mortgage originators to finance residential mortgage loans; and maintains a mortgage loan investment portfolio consisting primarily of first- and second-lien residential mortgage loans originated throughout the U.S.

Affiliates GMAC Mortgage, LLC; Home Connects Lending Services, LLC; and Residential Funding Company, LLC; all provide loan servicing for Ally. Additionally, Ally held contracts with Homecomings Financial, LLC (who ceased operations in August 2008), and GMAC Mortgage, LLC to purchase first- and second-lien mortgages. It should be noted that the substantial majority of home mortgage loans that were analyzed as part of the current evaluation were not originated directly by Ally. Rather, these loans were originated by bank affiliates and third party mortgage brokers that sold the loans to Ally shortly after consummation. Although these home mortgage loans were not originated directly by Ally, the bank did review the loan application packages prior to loan closing. According to HMDA requirements, Ally was considered the loan originator and was therefore responsible for the reporting of the loans on the bank's HMDA loan application register.

Ally does not maintain any traditional banking offices that are open for the public to conduct transactions. All deposit accounts are opened via the Internet, other electronic means, or through the mail. Although the bank does not maintain any branch offices, during the evaluation period affiliate GMAC Mortgage, LLC operated a large national network of retail mortgage offices that consisted of approximately 200 locations. In addition, the bank maintained relationships with numerous loan brokers throughout the United States. As a result, Ally's HMDA lending data reflects the origination and purchase of a significant volume of residential mortgage loans on a national basis. In fact, according to 2007 HMDA data, Ally was one of the 15 largest residential mortgage lenders in the United States.

As of the June 30, 2008, Consolidated Report of Condition and Income (CALL Report), Ally had total assets of $31.9 billion, total loans of $24.3 billion, and total deposits of $16.9 billion (of which $14.8 billion are interest bearing deposits). Ally also reported securities of $136 million, federal funds sold of $524 million, and cash and "due from" of $3.2 billion. The automotive lending division's primary funding source is wholesale brokered deposits, with a secondary funding source being a contracted $1 billion commitment facility from GMAC. Federal funds serve as a third funding source. The mortgage lending division is primarily funded through retail deposits, with brokered deposits being the second largest funding source.

The bank had a Tier One Leverage Capital ratio of 10.48 percent and a Return on Average Assets (ROA) ratio of 0.16 percent as of June 30, 2008. Tier 1 leverage capital measures the level of the institution's core capital as a percent of total assets. ROA measures the institution's net income as a percent of average assets. Net income for year-end 2007 was $282.8 million and was $23.5 million as of June 30, 2008.

A review of FDIC records, as well as the bank's Public CRA File, did not reveal any complaints relating to Ally's CRA performance. There are no impediments legal, or otherwise, which impacted the bank's ability to help meet the credit needs of the assessment area during the evaluation period.

The following table provides a breakdown of the bank's loan portfolio as of June 30, 2008:

Table A - Loan Distribution as of June 30, 2008		
Loan Type	**Dollar Amount (000s)**	**Percent of Total Loans (%)**
Construction and Land Development	157,103	0.7
Secured by Farmland	0	0.0
1-4 Family Residential	17,036,448	70.1
Multi-Family (5 or more) Residential	0	0.0
Commercial	1,259,370	5.2
Total Real Estate Loans	**18,452,921**	**76.0**
Commercial and Industrial	1,204,194	5.0
Agricultural	0	0.0
Consumer	3,379,533	13.9
Other	1,251,033	5.1
Lease Financing	0	0.0
Less: Unearned Income	0	NA
Total Loans	**24,287,681**	**100**

Source: Call Report RC-C.

DESCRIPTION OF ALLY'S ASSESSMENT AREA

Ally's assessment area has been defined as 378 census tracts located in Salt Lake, Weber, Utah, Tooele, Davis, and Morgan Counties in the State of Utah. Davis, Morgan, and Weber Counties are located in Metropolitan Statistical Area (MSA) 36260. Salt Lake and Tooele Counties are located in MSA 41620, and Utah County is located MSA 39340. MSAs 36260 and 41620 are part of Combined Statistical Area (CSA) 482, while MSA 39340 is not part of any CSA. Due to the changes in the bank's operations and lending focus, the designated assessment area has been revised since the prior evaluation. While the bank does not maintain an office in MSA 39340, that MSA is contiguous to CSA 482 and shares similar characteristics. As a result, MSA 39340 has been included as part of the larger overall assessment area for the purposes of this evaluation.

The assessment area consists of 16 (4.2 percent) low-income census tracts, 74 (19.6 percent) moderate-income census tracts, 184 (48.7 percent) middle-income census tracts, and 101 (26.7 percent) upper-income census tracts. There are three (0.8 percent) census tracts for which limited demographic data is available, usually the result of limited or no population.

Population Data

According to the 2000 census, the population of the bank's assessment area is 1,750,314. Of this population, 51,167 (2.9 percent) reside in low-income census tracts, 348,591 (19.9 percent) reside in moderate-income census tracts, 894,188 (51.1 percent) reside in middle-income census tracts, 455,799 (26.1 percent) reside in upper-income census tracts, and 569 people reside in census tracts for which demographic data is not available.

The U.S. Bureau of Census defines a household as all persons occupying a housing unit. Income figures are based on the incomes of all contributing members of a household. Within the bank's assessment area there are 547,011 households. Of these households, 14,016 (2.6 percent) are low-income, 125,433 (22.9 percent) are moderate-income, 280,243 (51.2 percent) are middle-income, and 127,319 (23.3 percent) are upper-income.

The area is comprised of 418,991 family households (household where one or more occupants are related by birth, marriage, or adoption), of which 16.8 percent are low-income, 20.1 percent are moderate-income, 25.1 percent are middle-income, and 38.0 percent are upper-income. Approximately 5.8 percent of these families are identified as living below the federal poverty levels.

Housing Data

The total number of housing units within the bank's assessment area is 575,841, of which 67 percent are owner occupied and 28 percent are occupied rental units. The vacancy rate of the housing units is 5 percent. As of the 2000 census, the median housing value for the assessment area is $162,181, while median gross rent is $625. Less than one percent of the owner occupied housing units are located in low-income census tracts within the assessment area, while approximately fifteen percent of the units are located in moderate-income census tracts.

An analysis of the affordability of housing was performed during this evaluation. The affordability ratio is a method used to determine the amount of single family owner-occupied housing that a dollar of income can purchase, for the median household, within a given geography. The ratio is calculated by dividing the median household income by the median housing value of the area or geography under analysis. Values closer to 1.0 indicate greater affordability. The affordability ratio for the bank's assessment area is .31 (weighted). This ratio is weighted to compensate for median income and housing figures that encompass only portions of counties and MSA. The affordability ratio for the State of Utah is .33. Table B provides additional details with respect to the housing statistics of this area. Additional information relative to housing data can be obtained at the U.S Census Bureau's web site – www.census.gov.

Table B – Selected Housing Characteristics by Income Category of the Geography

Geographic Income Category	Percentage						Median		
	Census Tracts	House-holds	Housing Units	Owner-Occupied	Rental Units	Vacant Units	Age*	Home Value	Gross Rent**
Low	4.2	2.6	2.6	0.6	7.4	3.9	46	$108,604	$459
Moderate	19.6	22.9	23.4	15.1	41.8	32.3	37	$112,716	$574
Middle	48.7	51.2	50.8	55.1	41.8	42.3	24	$143,937	$664
Upper	26.7	23.3	23.2	29.2	9.0	21.6	20	$217,851	$814
N/A	0.8	0.0	0.0	0.0	0.0	0.0	0	0	0
Total or Median	100%	100%	100%	100%	100%	100%	24	$162,181	$625

*Source: U.S. Census, * - Owner-Occupied Units, ** - Renter-Occupied Units*

Competition and Services

Ally faces stiff competitive pressures within the designated assessment area and on a national basis. As mentioned previously, Ally is one of the largest residential mortgage lenders in the country. As such, Ally is in direct competition with such lenders as Bank of America, Citimortgage Inc., Wells Fargo Bank N.A., and JP Morgan Chase Bank. In addition, Ally's location in the State of Utah offers unique community development challenges. For example, over 30 Industrial Banks are headquartered in the state. As a result, there is a concentration of wholesale and limited purpose institutions that focus primarily on community development activities to meet CRA requirements. This has created strong competition for even the most routine community development opportunities. Furthermore, although the counties in the assessment area are part of an MSA, they are generally smaller markets than the comparatively larger MSA's throughout the nation. As such, CRA projects initiated within the state are generally fewer and may impact a smaller area. This results in a further increase in competitive pressures faced by banks that have included these counties in their designated assessment area.

Community Contact

Information obtained during several community contacts was reviewed in connection with the current CRA evaluation. These contacts indicated a strong ongoing need for affordable housing. This includes multi-family housing as well as single family residences. Other identified needs include financial education training (pre-purchase counseling for first-time homebuyers), and the provision of grants and donations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Scope of Test

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and (7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Lending Activity and Assessment Area Concentration

This performance criterion considers the volume of Ally's lending, including the number and dollar amount of the bank's home mortgage (HMDA) loans that were originated within the bank's assessment area during 2007 and YTD 2008.

Conclusion:

Overall, the bank's lending activity reflects good responsiveness to assessment area credit needs. As reflected in Table C, a small percentage of the bank's HMDA lending was located in the designated assessment area. This small percentage of lending is a function of the bank's national lending scope without a traditional branch office network. The small percentage of lending does not meet the technical requirements of satisfactory CRA performance. However, minimal weight was placed on this criterion in recognition of the fact that despite a low percentage of loans, the actual number of loans originated and purchased by the bank in the assessment area was significant.

<u>Lending Activity</u>

As of June 30, 2008, the bank's net loan-to-deposit (NLTD) ratio was 142.2 percent. The bank's NLTD ratio was consistently high during the evaluation period, as reflected in the 129.5 average NLTD during the 10 quarters since the previous CRA evaluation.

During 2007, Ally was ranked number 17 out of 492 lenders that reported originating or purchasing at least one HMDA loan in the bank's designated assessment area during that year. The bank achieved a market share total of 1.31 percent for both the number and dollar volume of loans. The bank's market rank and share indicate that Ally was responsive to assessment area credit needs. In addition, Ally was the 13th largest originator and purchaser of HMDA loans in the United States during 2007.

Assessment Area Concentration

The following table depicts the bank's lending during 2007 and YTD 2008:

Table C - Distribution of Loans Inside and Outside of the Assessment Area

Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
Home Mortgage										
2007	2,257	1.4	159,586	98.6	161,843	419,214	1.3	30,887,286	98.7	31,306,500
YTD 2008	1,469	1.5	98,164	98.5	99,633	320,015	1.5	21,394,509	98.5	21,714,524
Total	**3,726**	**1.4**	**257,750**	**98.6**	**261,476**	**739,229**	**1.4**	**52,281,795**	**98.6**	**53,021,024**

Source: HMDA Disclosure Statements (2007), HMDA LAR (2008)

As reflected in Table C, only 1.4 percent of the bank's overall number and dollar volume of loans was originated and purchased inside of the designated assessment area during the evaluation period. This low percentage of lending is not unexpected in light of the bank's national lending operations. While the bank's assessment area concentration is less than satisfactory according to the technical requirements of CRA, the large number and dollar volume of lending, as reflected in the bank's high market rank, was significant and responsive to assessment area credit needs. As such, a further analysis of the bank's geographic distribution and borrower profile is warranted.

Table D further delineates the types of residential mortgage loans originated and purchased by the bank inside the assessment area during this evaluation period.

Table D – Distribution of HMDA Loans Inside the Assessment Area						
Loan Category or Type	**2007**		**2008**		**Total**	
	Number of Loans		**Number of Loans**		**Number of Loans**	
	#	**%**	**#**	**%**	**#**	**%**
Home Purchase	1,027	45.5	411	28.0	1,438	38.6
Refinance	1,203	53.3	1,055	71.8	2,258	60.6
Home Improvement	27	1.2	3	0.2	30	0.8
Total	**2,257**	**100**	**1,469**	**100**	**3,726**	**100**

*Source: HMDA Disclosure Statements (2007), and HMDA LAR (2008) * - Total percentage may not add to 100 due to rounding.*

Geographic Distribution of Loans

This segment of the performance evaluation assesses the bank's performance in addressing the credit needs in low-, moderate-, middle-, and upper-income census tracts in the bank's assessment area.

The bank's HMDA performance was compared to that of the aggregate during 2007. For the purposes of this evaluation, the aggregate is defined as all other lenders that reported the origination of a HMDA loan within the bank's designated assessment area during that year. Aggregate data for calendar year 2008 was not available at the time of this evaluation.

Conclusion:

Overall, the bank's lending reflects adequate penetration throughout the assessment area.

Table E - Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	**% of Total Owner-Occupied Housing Units**	**Aggregate Lending Data (% of #)**	**2007**		**2008**		**Total**	
		2007	**#**	**%**	**#**	**%**	**#**	**%**
Low	0.6	0.9	19	0.8	11	0.8	30	0.8
Moderate	15.1	13.3	279	12.4	156	10.6	435	11.7
Middle	55.1	60.2	1,300	57.6	822	56.0	2,122	56.9
Upper	29.2	25.6	659	29.2	480	32.7	1,139	30.6
$0/NA Income	0.0	0.0	0	0.0	0	0.0	0	0.0
Total *	**100**	**100**	**2,257**	**100**	**1,469**	**100**	**3,726**	**100**

Source: U.S. Census, HMDA Disclosure Statements (2007), HMDA LAR (2008), and HMDA Aggregate Data
** - Total percentage may not add to 100 due to rounding.*

As reflected in Table E, the bank's percentage of lending in low-income census tracts was consistent between 2007 and YTD 2008. The bank's volume of lending in low-income census tracts was greater than the 0.6 percent of owner-occupied housing units that were located in these areas. In addition, the bank's percentage of lending in low-income census tracts was consistent with that of the aggregate during 2007 (0.8 percent versus 0.9 percent). It should be noted that according to 2000 U.S. census data, there were only approximately 2,300 owner-occupied housing units located in the low-income census tracts of the assessment area. As such, the opportunities for lenders to provide housing-related financing are limited, and the competition among lenders to meet the narrow demand is intense. This is reflected in the fact that 352 (71 percent) of the aggregate HMDA lenders operating in the assessment area during 2007 were unable to originate or purchase a single loan in these census tracts. The bank's market rank in terms of the number of loans originated in low-income census tracts was number 21 out of 140 lenders. Although the bank achieved a better market rank for overall lending in the assessment area (#17), the volume of lending in low-income census tracts is considered adequate in light of the limited number of owner occupied housing units and the heightened competition to meet the financing needs of these relatively few homeowners. In addition, it should be noted that a small number of loans had a large impact on where lenders fell in the market rank. For example, the difference between being the 10th ranked lender and the 20th ranked lender was only 15 loans. As such, Ally's lower market rank in low-income census tracts is not considered a result of insufficient effort in meeting the credit needs of these areas. Rather, it is a function of opportunity, competition, and a small deviation in penetration rates among all lenders.

The bank's overall lending in moderate-income census tracts during the evaluation period was 11.7 percent. The bank's volume of lending in these areas was less than that of the aggregate (12.4 percent versus 13.3 percent) during 2007. Both the bank and aggregate lending percentages were less than the percentage that the owner-occupied housing units in moderate-income census tracts represented. This is an important factor as it likely an indicator of a limited opportunity to lend as a result of decreased demand for housing loans in these areas. The bank's 2007 market rank in terms of the number of loans originated in moderate-income census tracts was number 20 out of 297 lenders. The bank's percentage of lending in moderate-income census tracts decreased during YTD 2008. However, the decrease was not significant, and the bank's lending over this six month period is considered reasonable.

Despite the lower market rank relative to overall performance, the bank's penetration of loans in low- and moderate-income census tracts adequately addressed the credit needs of these areas. Although lending outside of the bank's designated assessment area is not considered when analyzing CRA performance, it should be noted that the bank originated and purchased a high volume of HMDA loans in low- and moderate-income census tracts throughout the country. For example, the bank was ranked number 18 and 17 for total loans in low- and moderate-income census tracts, respectively in the United States during 2007. In other words, of the thousands of HMDA mortgage lenders that originated and purchased loans during 2007, only 17 institutions originated more loans in low- and moderate-income census tracts than Ally. While the conclusions about the bank's geographic distribution of loans was based on performance inside of the designated assessment area, it is clear that the bank also used its resources to help meet the credit needs of numerous other low- and moderate-income census tracts across the United States.

Borrower Characteristics

This performance criterion considers the distribution, particularly in the bank's assessment area, of the bank's HMDA loans based on borrower characteristics, including the number of loans to low-, moderate-, middle-, and upper-income borrowers.

Borrower incomes are compared to Department of Housing and Urban Development ("HUD") adjusted median family income figures for the year in which the loans were granted. Table F contains the 2007 and 2008 HUD Adjusted Incomes for those MSAs that comprise the bank's assessment area. These figures can also be obtained at HUD's web site–www.huduser.org.

Table F – HUD Adjusted Income by MSA			
MSA	**Name**	**2007**	**2008**
36260	Ogden-Clearfield	$62,600	$65,00
39340	Provo-Orem	$55,100	$60,000
41620	Salt Lake	$60,100	$65,300

Source: US Department of Housing and Urban Development

This category discusses the bank's HMDA lending for 2007 and YTD 2008 and compares it to the percentage of total families within each income category and the aggregate lending data of all other institutions within the bank's assessment area. Aggregate data for calendar year 2008 was not available at the time of this evaluation. Borrower incomes were compared to the adjusted median family income figures reflected in Tables G-1, G-2, and G-3.

Table G-1 -HUD Adjusted Income Levels (MSA 36260)			
Income Level	Percent of Income	Income Range 2007	Income Range 2008
Low	< 50%	Less than $31,300	Less than $32,500
Moderate	= 50%, but less than 80%	$31,300 to less than $50,080	$32,500 to less than $52,000
Middle	= 80%, but less than 120%	$50,080 to less than $75,120	$52,000 to less than $78,000
Upper	= or > 120%	Equal to or Greater than $75,120	Equal to or Greater than $78,000

Source: US Department of Housing and Urban Development

Table G-2 -HUD Adjusted Income Levels (MSA 39340)			
Income Level	Percent of Income	Income Range 2007	Income Range 2008
Low	< 50%	Less than $27,550	Less than $30,000
Moderate	= 50%, but less than 80%	$27,550 to less than $44,080	$30,000 to less than $48,000
Middle	= 80%, but less than 120%	$44,080 to less than $66,120	$48,000 to less than $72,000
Upper	= or > 120%	Equal to or Greater than $66,120	Equal to or Greater than $72,000

Source: US Department of Housing and Urban Development

Table G-3 -HUD Adjusted Income Levels (MSA 41620)			
Income Level	Percent of Income	Income Range 2007	Income Range 2008
Low	< 50%	Less than $30,050	Less than $32,650
Moderate	= 50%, but less than 80%	$30,050 to less than $48,080	$32,650 to less than $52,240
Middle	= 80%, but less than 120%	$48,080 to less than $72,120	$52,240 to less than $78,360
Upper	= or > 120%	Equal to or Greater than $72,120	Equal to or Greater than $78,360

Source: US Department of Housing and Urban Development

Conclusion:

Ally's lending reflects an adequate distribution of loans to borrowers of different income levels.

Table H depicts the distribution of the bank's HMDA loans based on borrower income classifications. This table includes the HMDA loans that were originated and purchased by the bank in the assessment area.

Table I also depicts the distribution of the bank's HMDA loans based on borrower income classifications. However, this table only includes the loans that were originated by the bank and does not include purchased loans. As reflected in Table H, 44 percent of the bank's loans in 2007, and 57.9 percent in 2008, reported "NA" as the income of the borrower. Since a high percentage of the bank's loans did not have income reported, a separate analysis of only originated loans was conducted. These loans are much more likely to have income reported and will therefore provide a more complete picture of the distribution of the bank's loans by borrower income.

Table H - Distribution of HMDA Loans by Borrower Income (Originated and Purchased)								
Borrower Income Level	**% of Total Families**	**Aggregate Lending Data (% of #)**	**2007**		**2008**		**Total**	
		2007	**#**	**%**	**#**	**%**	**#**	**%**
Low	16.8	3.3	55	2.5	22	1.5	77	2.1
Moderate	20.1	16.6	315	14.0	137	9.3	452	12.1
Middle	25.1	26.7	432	19.1	201	13.7	633	17.0
Upper	38.0	41.8	461	20.4	259	17.6	720	19.3
$0/NA Income	NA	11.6	994	44.0	850	57.9	1,844	49.5
Total *	**100**	**100**	**2,257**	**100**	**1,469**	**100**	**3,726**	**100**

*Source: U.S. Census, HMDA Disclosure Statements (2007), HMDA LAR (2008), and HMDA Aggregate Data * - Total percentage may not add to 100 due to rounding.*

As reflected in Table H, the bank's percentage of lending to low-income borrowers was less than that of the aggregate during 2007 (2.5 percent versus 3.3 percent). In addition, the bank's percentage of lending to low-income borrowers decreased during YTD 2008 to 1.5 percent. Both the bank and aggregate lending performance was less than the percentage of low-income families in the assessment area during 2007. This is not unexpected based on the high cost of housing in the assessment area. For example, the median housing value of the assessment area was $162,181 as of the 2000 U.S. census. As indicated in Tables G-1 through G-3, potential low-income borrowers generally earned less than $33,000 annually, which would preclude most from being able to qualify for a home loan. This is also consistent with the comments made by various community contacts who stated that there is a need for additional affordable housing in the bank's assessment area.

The bank's percentage of lending to moderate-income borrowers was less than that of the aggregate in 2007, and decreased during YTD 2008. Although not as restrictive as lending to low-income borrowers, the high cost of housing also makes it difficult for moderate-income borrowers to obtain housing-related loans.

Ally was ranked number 24 out of 203 lenders that originated or purchased a loan obtained by a low-income borrower in 2007. The bank's rank was somewhat higher for lending to moderate-income borrowers in that the market rank was number 20 out of 296 lenders. While these percentages are lower than the overall market rank achieved by the bank, the volume of lending to borrowers in these income categories is considered adequate in light of the fact that almost 40 percent of the HMDA aggregate lenders failed to originate a single loan to a low- or moderate-income borrower in the assessment area during 2007

Table I - Distribution of HMDA Loans by Borrower Income (Originated Loans Only)

Borrower Income Level	% of Total Families	Aggregate Lending Data (% of #)	2007		2008		Total	
		2007	#	%	#	%	#	%
Low	16.8	3.6	55	4.3	22	3.5	77	4.0
Moderate	20.1	17.9	315	24.8	137	21.6	452	23.8
Middle	25.1	29.0	432	34.0	201	31.8	633	33.3
Upper	38.0	46.7	461	36.3	259	40.9	720	37.8
$0/NA Income	NA	2.9	6	0.5	14	2.2	20	1.1
Total *	**100**	**100**	**1,269**	**100**	**633**	**100**	**1,902**	**100**

*Source: U.S. Census, HMDA Disclosure Statements (2007), HMDA LAR (2008), and HMDA Aggregate Data * - Total percentage may not add to 100 due to rounding.*

Although the bank's lending performance to low- and moderate-income borrowers was generally less than the aggregate and demographic comparative factors discussed above, the percentage of lending in these income categories was impacted by the large number of loans that were purchased by the bank. It should be noted that HMDA does not require lenders to report the income of borrowers when loans are purchased. As reflected in Table I, the percentage of loans originated by the bank to low-income borrowers was greater than that of the aggregate in 2007 (4.3 percent versus 3.6 percent). Similarly, the bank's percentage of originated loans to moderate-income borrowers was also greater than that of the aggregate in 2007. The bank's percentage of lending was also greater than the percentage of moderate-income families in the assessment area.

Overall, the bank's record of lending to low- and moderate-income borrowers in the assessment area is adequate. The bank has originated a relatively high number of loans (529) to borrowers in these income categories despite significant barriers to home ownership.

Although not considered as part of the current CRA analysis, the bank's volume of lending to low- and moderate-income borrowers is noteworthy. The bank was ranked number 18 out all HMDA lenders for loans to both low- and moderate-income borrowers in the United States during 2007. In terms of numbers, the bank originated 5,552 loans to low-income borrowers and 16,491 loans to moderate-income borrowers during that year. While conclusions about the borrower distribution of loans were based on the bank's performance inside of the designated assessment area, it is apparent that the bank also provided housing-related financing to a large number of low- and moderate-income families residing throughout the country.

Community Development Lending

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

Conclusion:

During the evaluation period, Ally originated an adequate level of community development loans within the designated assessment area.

The bank originated six qualified community development loans totaling $8.7 million within the designated assessment area and the greater regional statewide area. The level of community development lending represented 0.03 percent of total assets and 0.04 percent of net loans as of June 30, 2008. As mentioned previously, the bank's assessment area coincides with several other large financial institutions that concentrate their CRA efforts on community development activities. As a result, there is significant competition for a limited number of community development loans and other lending activities in the assessment area.

During the evaluation period, the bank increased its participation commitment to $2 million in an $86 million credit line facility operated by a statewide multi-bank non-profit consortium. The consortium's primary mission is to foster the development of quality affordable housing to low and moderate income families by providing flexible financing programs for low-income housing tax credit (LIHTC) and Non-LIHTC rental projects.

In addition, the bank committed $5 million to a non-profit organization that provides funding to six affiliated non-profit organizations doing business in a nine-state area served by its Rocky Mountain District office. The mission of these selected non-profit organizations is to serve low-income communities and underserved populations. Specifically, $3 million in loan funds are committed to financing the acquisition and construction of at least two affordable single-family subdivisions for sale to home buyers; and $2 million to provide financing to small business owners.

The remaining community development loans were provided to different redevelopment organizations and microenterprise loan funds serving the bank's assessment area.

Innovative or Flexible Lending Practices

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product, including the number and dollar volume of loans originated during the review.

Conclusion:

Ally makes limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

The residential mortgage loans that were reported on the bank's HMDA LAR during the evaluation period consisted primarily of traditional mortgage loan products that were sold in the secondary market. In addition, the bank originated and purchased interest-only mortgage loans for properties located in the designated assessment area. However, the volume of these non-traditional mortgages was relatively small, and represented less than five percent of the loans that were originated in the assessment area during the evaluation period.

The flexible lending products offered by the bank during the evaluation period consisted of various government sponsored loan programs such as Federal Housing Authority (FHA) loans which offer more liberal debt service ratios and lower down payment requirements than many conventional loans. During the evaluation period, the bank originated and purchased 431 FHA loans totaling $84.0 million inside of the designated assessment area, and 34,167 FHA loans totaling $5.4 billion throughout the United States.

The bank also offered mortgage loans guaranteed by the U.S. Department of Veterans Affairs (VA). VA loans are designed to offer long-term financing to eligible American veterans. These loans allow veterans to qualify for 100 percent financing without private mortgage insurance. During the evaluation period, the bank originated and purchased 29 VA loans totaling $5.7 million inside of the designated assessment area. Overall, the bank originated and purchased 5,960 VA loans totaling $1.1 billion throughout the United States.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

Conclusion:

Ally has obtained a relatively high level of qualified community development investments that exhibit good responsiveness to credit and community development needs. While the volume of qualified investments is significant, the types of investments that were obtained by the bank during the evaluation period were not complex, and were of the sort that is routinely available in the market.

Table J below summarizes the number and dollar volume of both qualified investments and qualified donations made by Ally and its parent, GMAC, LLC.

Table J – Qualified Investment and Grant Activity		
Investment Type	**#**	**$ (000s)**
Mortgage Backed Securities	45	106,038
Municipal Bonds (Affordable Housing Program)	7	5,805
Small Business Administration Pools	2	2,024
Mortgage Backed Security – Hurricane Katrina Pool	1	1,154
Deposits in Gulf Region Institutions	4	380
Total Debt or Equity Investments	***59***	***115,401***
Qualified Grants and Donations (Ally)	107	1,223
Qualified Grants and Donations (GMAC LLC)	42	1,045
Total Qualified Grants and Donations	***149***	***2,268***
Retained Investments Qualified at Prior CRA Evaluations	28	43,640
Total Qualified Investments, Grants, and Donations	***236***	***161,309***

Source: Bank Records

As reflected in Table J, the debt and equity investments obtained by the bank during the evaluation period totaled approximately $115.4 million. The significant majority of new qualified investments obtained during the evaluation period were mortgage backed securities (MBS). The mortgages that provided the collateral for these securities were exclusively for loans that were originated to low- and moderate-income borrowers residing throughout the bank's assessment area. The bank also purchased several Utah Housing Finance Agency (UHFA) bonds. The UHFA was established to facilitate the development and purchase of affordable housing for low-income people. The agency raises capital through issuance of bonds and uses the funds to facilitate low-income housing programs. These include low interest/low down payment mortgages, rent subsidization programs and development of low-income housing projects. The remaining investments obtained by the bank were designed to help meet the credit needs of small businesses and hurricane damaged federal disaster areas.

Qualified grants and donations totaled approximately $2.2 million, of which $1.2 million was provided directly by the bank, and $1.0 million by Ally's parent, GMAC LLC. The grants and donations were provided to organizations that were created to meet the community development needs in the bank's assessment area, and broader statewide or regional area.

The bank continues to manage over $43.6 million in investments that were qualified during previous CRA evaluations. These investments represent outstanding balances of MBSs and affordable housing bonds.

The bank's total qualified investment activity represents 0.51 percent of total assets and 4.66 percent of total equity capital. More importantly, the total amount of qualified investments is greater than the $135.7 million (118.86 percent) outstanding in the bank's securities portfolio as of June 30, 2008. The bank does not routinely purchase securities. As a result, almost all of the securities purchased by the bank are designed to help meet the community development needs of the designated assessment area, and broader statewide or regional area. Total qualified investments is greater than the June 30, 2008 securities portfolio amount due to the inclusion of grants, donations, deposits, and pre-payments on mortgage backed securities purchased during the current evaluation period.

SERVICE TEST

Scope of Test

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

Conclusion:

Ally does not operate any traditional retail banking offices where the public can conduct business. However, the bank does offer alternative delivery systems including bank by phone and Internet/PC banking. The bank provides an adequate level of community development services.

Retail Banking Services

Branch Delivery System:

The bank’s main office is located in a middle-income census tract in Midvale, Utah. Ally did not open or close any branch offices during the evaluation period. Although the bank does not operate an Automated Teller Machine (ATM) network, customers are able to access any ATM throughout the United States without incurring transaction fees. The bank does not charge customers for ATM usage, and if the operator of the ATM charges a fee, customers are refunded those amounts at the end of their statement cycle.

Alternate Delivery Systems:

Alternate delivery systems are methods used by a bank to reach communities where the bank has no physical presence. Ally operates a website that allows customers to open various deposit accounts and certificates of deposit. The website also offers a free bill pay service, allows customers to transfer funds, and describes the different deposit products that are offered by the bank. In addition, the website offers a live "chat" option for customers to ask questions and to get assistance with opening accounts. The bank also operates a 24 hour telephone customer service line that can be used to open deposit accounts, transfer funds, and obtain account information such as which checks have been paid, which ATM withdrawals have cleared, and what deposits have been credited. While the bank's website contains detailed information about the various deposit products that are offered, there is no information pertaining to any loan products offered by the bank or its affiliates.

Community Development Services

The institution has provided an adequate level of community development services that focused on meeting the community needs and opportunities within the assessment area. Bank officers and employees have provided approximately 855 hours of community development service time over the review period. Examples of the community development service activities where Ally officers and staff provided financial expertise include the following:

- Several employees provided financial and economic education at two Title 1 eligible public schools, through their participation with an organization that works to meet the financial education needs of "at risk" youth within its assessment area. The Title 1 program was created to help higher poverty schools provide supplemental educational services to educationally disadvantaged students.

- Several employees at all levels of the organization used their financial expertise to prepare tax returns for low-income wage earners in an Internal Revenue Service sponsored Volunteer Income Tax Assistance (VITA) program. The goal of the program is to help low- and moderate-income individuals and families increase their financial stability and long term economic independence. This program allows low-income taxpayers to have their tax returns prepared for them in order to increase available income and to ensure that they receive all applicable tax credits.

- Members of bank management provide financial expertise while serving on the Board, executive, credit and finance committees of a neighborhood housing organization that works to meet the affordable housing needs of Salt Lake County residents. The purpose of this organization is to provide affordable housing for low- and moderate-income individuals in the bank's assessment area and broader statewide or regional area.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's record of complying with anti-discrimination laws (i.e., the Fair Housing Act and Regulation B - Equal Credit Opportunity) is satisfactory. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs were identified.

APPENDIX A

SCOPE OF EXAMINATION TABLE:

Ally Bank
SCOPE OF EXAMINATION: Ally Bank was examined in accordance with the “Large Bank” CRA performance procedures.
TIME PERIOD REVIEWED: Loan analysis: January 2007 through June 2008. Community development loans, investments, and services: February 27, 2006 through August 18, 2008
PRODUCTS REVIEWED: HMDA (1-4 Family Residential Mortgage Loans, Refinance, Home Improvement, Multi-family Loans)

LIST OF AFFILIATES AND PRODUCTS REVIEWED

AFFILIATE(S):	**AFFILIATE RELATIONSHIP:**	**PRODUCTS REVIEWED:**
None		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION

ASSESSMENT AREA:	**TYPE OF EXAMINATION:**	**BRANCHES VISITED:**	**OTHER INFORMATION:**
MSA 36260	Full Scope	None	None
MSA 39340	Full Scope	None	None
MSA 41620	Full Scope	None	None

APPENDIX B – GENERAL DEFINITIONS

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usuAlly have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Statistical Area (MSA/MD): The Metropolitan Statistical Areas have at least one urbanized area of 50,000 or more population. There are 11 instances (Boston, Chicago, Dallas, Detroit, Los Angeles, Miami, New York, Philadelphia, San Francisco, Seattle, and Washington) where a Metropolitan Statistical Area containing a single core with a population of 2.5 million or more has been subdivided to form smaller groupings of counties referred to as **Metropolitan Divisions** (One or more large population centers and adjacent communities that have a high degree of economic and social integration.) Each MD must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MD comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MDs are composed of cities and towns rather than whole counties.

Combined Statistical Area (CSA): The larger area of which MSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generAlly both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specificAlly, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, it a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usuAlly less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

APPENDIX C - INVESTMENT DEFINITIONS

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generAlly be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annuAlly for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usuAlly 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.