PUBLIC DISCLOSURE

June 7, 2013

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Ally Bank
Certificate Number 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.

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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 community, 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 community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of ***Ally Bank*** *prepared by the* ***Federal Deposit Insurance Corporation (FDIC)****, the institution's supervisory agency, as of* ***June 7, 2013.*** *The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION 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 Ally Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	**Ally Bank**		
	PERFORMANCE TESTS		
	Lending Test (*)	**Investment Test**	**Service Test**
Outstanding		X	
High Satisfactory	X		
Low Satisfactory			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 levels reflect 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 home mortgage loans, small business loans, and consumer motor vehicle loans in the assessment area was small, the number and dollar volume of the loans that comprised this percentage was significant enough to draw meaningful conclusions regarding Ally Bank's CRA performance.

- The geographic distribution of loans reflects good penetration throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, good penetration among individuals of different income levels. In addition, the bank provided a significant level of home mortgage and motor vehicle loans to low- and moderate-income borrowers throughout the United States.
- 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 an excellent level of qualified investments exhibiting excellent responsiveness to assessment area credit and community economic development needs.
- The bank occasionally uses complex investments to support community development initiatives.

Service Test

- Ally 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 during the evaluation period.

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 three of this performance evaluation. The evaluation of this institution's performance is based on a review of loans subject to Home Mortgage Disclosure Act (HMDA) reporting requirements, small business lending, and consumer (motor vehicle) lending for 2011 and 2012. It should be noted that the lending data for motor vehicle loans purchased by Ally and Ally Financial, Inc. (AFI) included borrower income information. However, the small business loans, consisting of purchased motor vehicle loans used for a commercial purpose, did not have revenue data for the applicable businesses available for review. Ally does not engage in agricultural lending. Therefore, small farm loans were not included in the analysis of Ally's lending.

In accordance with the CRA regulation, Ally has designated an assessment area consisting of contiguous political subdivisions surrounding its main office. Ally's lending in each of the three categories of loans is widely distributed throughout the United States. As a result, a small percentage of the bank's loans were located in the designated assessment area. Although the percentage of lending in the designated assessment area is small (0.3 percent by number and 0.6 by dollar), the volume of loans is great enough to draw meaningful conclusions in regard to Ally's CRA performance. In addition, pursuant to CRA Q&A Sec.22(b)(2) & (3)-4, Ally requested that consideration be given for HMDA and motor vehicle loans to low- and moderate-income persons located outside of the designated assessment area. As a result, an expanded analysis of the bank's volume of lending to low- and moderate-income borrowers for these products was conducted for loans throughout the United States (excluding 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 was therefore excluded from the performance evaluation.

DESCRIPTION OF INSTITUTION

Ally is a wholly-owned subsidiary of AFI. AFI is a large automotive financial services company involved in consumer automobile lending, dealer motor vehicle financing, loan servicing, vehicle remarketing, extended service contracts, and automobile dealer inventory insurance. During a portion of the evaluation period, AFI also had an extensive residential mortgage lending, warehouse lending, and mortgage loan servicing operation that was conducted through the GMAC Mortgage Group, LLC, subsidiary. Ally's second tier parent is IB Finance Holding Co., LLC a one-bank holding company who is 100 percent owned by AFI. Ally has four subsidiary organizations; Ally Wholesale Mortgage Corp., Ally Auto Assets, LLC, Ally Wholesale Enterprises, LLC, and Ally Variable Asset Receivables. These subsidiaries, which are 100 percent owned by Ally, were formed for various administrative functions pertaining to securitizations and the holding of fixed assets.

Ally is a Utah chartered commercial bank that began operations on August 1, 2004. Ally's current business strategy is to focus on the purchase of retail installment sale and lease contracts entered into between licensed vehicle dealers and final vehicle customers, as well as other business products for commercial finance, business automotive financing, correspondent funding, and dealer services. Ally and AFI together are one of the top automotive financial service companies in the United States, and by some measures they are the leading motor vehicle lender in the country. Notably, the bank's motor vehicle lending results in a high volume of loans that either meets the definition of a small business loan, or a consumer loan, depending on the purpose of the vehicle as identified by the borrower.

During a significant portion of the current CRA evaluation period, Ally continued to originate and purchase a high volume of home mortgage loans through relationships with various affiliates and correspondent mortgage brokers. For example, during 2011 Ally was the 5th largest residential mortgage lender in the United States in terms of originated and purchased HMDA loans. However, beginning in 2012, the bank began reducing mortgage lending operations and significantly decreased overall mortgage lending activity. As of the current CRA evaluation date, the bank's residential mortgage lending has ceased entirely.

Ally does not maintain any traditional banking offices that are open for the public to conduct transactions. However, the bank serves certificate of deposit, savings account, and checking account customers throughout the United States. All deposit accounts are opened via the Internet, other electronic means, or through the mail. A review of FDIC records, as well as Ally's Public CRA File, did not reveal any complaints relating to Ally's CRA performance. There are no impediments legal, or otherwise, which impacted Ally's ability to help meet the credit needs of the assessment area during the evaluation period. Ally was assigned a Satisfactory CRA rating using Large Bank procedures during the prior CRA Evaluation dated July 19, 2010.

Table A provides a breakdown of Ally's loan portfolio as of March 31, 2013. As illustrated, commercial and industrial loans comprise the largest segment (43.5 percent) of Ally's loan portfolio, followed closely by consumer (motor vehicle) loans (38.0 percent). The commercial and industrial loans primarily represent large dollar loans pertaining to automobile dealer financing. The relatively low percentage of 1-4 family residential loans (14.8 percent) is reflective of the bank's shift in lending away from this product during the evaluation period. Specifically, during the prior CRA evaluation period this was the bank's largest loan category at 35.2 percent.

Table A - Loan Distribution as of March 31, 2013		
Loan Type	**Dollar Amount (000s)**	**Percent of Total Loans (%)**
Construction and Land Development	229,846	0.3
Secured by Farmland	0	0.0
1-4 Family Residential	10,307,199	14.8
Multi-Family (5 or more) Residential	0	0.0
Commercial Real Estate	2,334,641	3.4
Total Real Estate Loans	**12,871,686**	**18.5**
Commercial and Industrial	30,356,044	43.5
Agricultural	0	0.0
Consumer	26,491,254	38.0
Other	0	0.0
Lease Financing	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**69,718,983**	**100.0**

Source: March 31, 2013 Report of Condition

As of the March 31, 2013, Consolidated Report of Condition and Income (CALL Report), Ally had total assets of $94.9 billion, total loans of $69.7 billion, total deposits of $50.8 billion (of which $49.8 billion are interest bearing deposits), and total equity capital of $14.5 billion. Ally also reported securities of $10.8 billion and cash and "due from" of $3.1 billion.

Ally had a Tier One Leverage Capital ratio of 15.6 percent and a Return on Average Assets

(ROA) ratio of 1.0 percent as of March 31, 2013. 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. Ally reported $858.7 million in net income for year-end 2012 and net income of $226.3 million as of March 31, 2013.

DESCRIPTION OF ASSESSMENT AREA

Ally's assessment area has been defined as 457 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. All three of these MSAs are part of Combined Statistical Area 482 (Salt Lake City-Provo-Orem, UT).

The composition of the bank's assessment area changed during the evaluation period due to revisions to U.S. census data. Based on the 2000 U. S. Census, the assessment area was comprised of 378 contiguous census tracts. However, the overall number of census tracts in the counties that comprise the designated assessment area were expanded as a result of the 2010 U.S. Census data. These changes became effective in 2012. The demographic data used to analyze the bank's 2011 lending was based upon the 2000 U.S. Census Data, and 2010 U.S. Census Data was used for 2012 lending. Demographic data applicable to the designated assessment area for the 2000 U.S. Census and the 2010 U.S. Census is included in Tables B and C below. The categorization of census tracts is based upon median family income (MFI) figures established by the United States Census Bureau. The income level of a census tract is derived by a percentage of the MFI of the MSA in which it is located. The categories of the income levels are as defined as follows: a low-income census tract is one in which the MFI is less than 50 percent; a moderate-income census tract is at least 50 percent but less than 80 percent; a middle-income census tract is at least 80 percent but less than 120 percent; and an upper-income census tract equals or exceeds 120 percent of the MFI of the MSA. The U.S. Bureau of Census defines a household as all persons occupying a housing unit.

Table B - Selected Housing Characteristics by Income Category of the Geography (2000)									
Geographic Income Category	*Percentage*						*Median*		
	Census Tracts	*Households*	*Housing Units*	*Owner-Occupied*	*Rental Units*	*Vacant Units*	*Home 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	21.5	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: 2000 U.S. Census Data

Table C - Selected Housing Characteristics by Income Category of the Geography (2010)									
Geographic Income Category	***Percentage***						***Median***		
	Census Tracts	***Households***	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Vacant Units***	***Home Age***	***Home Value ($)***	***Gross Rent ($)***
Low	5.7	5.1	5.3	1.8	13.3	8.3	29	145,210	672
Moderate	19.0	20.3	20.8	14.3	34.8	28.8	29	160,378	746
Middle	47.7	50.6	49.9	54.4	41.4	38.7	31	218,590	874
Upper	26.7	24.0	24.0	29.5	10.5	24.2	33	341,023	1,070
N/A	0.9	0.0	0.0	0.0	0.0	0.0	0	0	0
Total or Median	***100***	***100***	***100***	***100***	***100***	***100***	***31***	***162,181***	***823***

Source: 2010 U.S. Census Data

Prior to 2012, the Department of Housing and Urban Development (HUD) annually adjusted the median family income (MFI) based upon the most recent U.S. Census. Beginning in 2012, the Federal Financial Institution Examination Council (FFIEC) began calculating the annual MFI, which incorporates the U.S. Census Bureau's American Community Survey (ACS) information. The HUD-adjusted MFI was used to determine the distribution of home mortgage loans by borrower income level for loans originated in 2011, and the FFIEC-calculated MFI was used for loans originated in 2012. The MFI figures used for the analysis of the bank's lending in the designated assessment area throughout this analysis are based upon those listed in Table D.

Table D – Median Family Income Figures		
MSA	***2011***	***2012***
36260 – Ogden-Clearfield, UT	$70,600	$71,500
39340 – Provo-Orem, UT	$66,200	$67,100
41620 – Salt Lake City, UT	$70,400	$71,300

Source: US Department of Housing and Urban Development and FFIEC

Population Data

According to 2000 U.S. Census Data, the assessment 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. It should be noted that 34.5 percent of the low-income families were below the poverty level. Families living below the poverty level may have difficulty qualifying for home loan financing. Therefore, the percentage of low-income families in the assessment area who may qualify for home loan financing is actually less than that portrayed.

According to 2010 U.S. Census Data, the assessment area is comprised of 493,022 family households, of which 17.9 percent are low-income, 19.3 percent are moderate-income, 23.7 percent are middle-income, and 39.1 percent are upper-income. Notably, the percentage of low-income families living below the poverty level increased to 40.9 percent as a result of the revised 2010 U.S. Census Data.

Business Demographics

According to the 2012 Business Data derived from Dun and Bradstreet, there are 205,691non-farm businesses located in the bank's assessment area. Approximately 72 percent of these businesses reported revenues of $1 million or less, and are therefore considered "small businesses" for the purposes of CRA. Approximately 74 percent of the businesses in the assessment area reported having less than 10 employees and approximately 93 percent are "single location" businesses.

Competition and Services

Ally faces stiff competitive pressures within the designated assessment area and on a national basis. As mentioned previously, during the evaluation period Ally was one of the largest residential mortgage lenders in the country. As such, Ally was in direct competition with such lenders as Bank of America, Citimortgage Inc., US Bank, N.A., Wells Fargo Bank N.A., and JP Morgan Chase Bank. During the evaluation period, Ally has also faced increased competition for motor vehicle loans. Many of the larger institutions that provide automobile financing have increased their focus on this lending category, and competition from regional banks and credit unions remains high. In addition, Ally's location in the State of Utah offers unique community development challenges. For example, as of March 31, 2013 there were 16 institutions with assets greater than $1 billion headquartered in or near Salt Lake City. Additionally, many of these institutions are wholesale or 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 Contacts

Examiners used community contacts to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement. Information obtained during several community contacts was reviewed in connection with the current CRA evaluation.

These contacts indicated that the economic conditions have generally improved in the bank's assessment area, with unemployment and foreclosures rates stabilizing. One contact stated that job growth has increased by 3.5 percent in the past year, adding close to 20,000 new jobs at the end of 2012. Additionally, the contact stated that more local housing projects are showing a strong impact in the urban housing areas. The contacts specifically mentioned Ally Bank as willing to work with development organizations, businesses, and individuals.

The contacts identified an ongoing need for both multi-family and single-family affordable housing, particularly for low-income families and senior citizens in the rural areas of Utah. The contacts also stressed the need for making construction and permanent financing available at favorable rates. The contacts indicated that community and regional banks are meeting the credit needs of the assessment area.

In addition, during the evaluation period Ally hosted two meetings with multiple community leaders and community development organizations in order to identify the most pressing assessment area needs. The top CRA-related needs that were identified during the first meeting in April 2011 included the lack of livable wage jobs for area residents, mitigating the impact of foreclosures on certain neighborhoods, and access to transportation for low- and moderate-income individuals (LMI).

A second meeting that was held in February 2013 identified the following additional assessment area needs:

- Additional grant funding to hire staff to better serve LMI families, including Spanish speaking populations;
- Support for "credit builder loans" in the amount of $1,000 to $2,000;
- Funding for day care centers;
- Funding for multi-purpose centers to serve the growing immigrant/refugee population;
- Support for larger micro-enterprise loans of up to $100,000 or greater;
- Support for affordable housing for migrant workers;
- Participation in New Markets Tax Credit Pools;
- Space for a small business incubator (e.g., shared commercial kitchen);
- A land bank to preserve affordability in local development;
- More and better outreach to women and minorities for inclusion in growing small business opportunities;
- Launching a Ways to Work effort in the Greater Salt Lake City area to support transportation services; and,
- Capacity building for non-profits to enable greater real estate development.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

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; 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area; 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 HMDA, small business, and motor vehicle lending within the designated assessment area during 2011 and 2012.

Conclusion:

Overall, Ally's lending activity reflects good responsiveness to assessment area credit needs. As reflected in Table E, a small percentage of Ally's lending was located in the designated assessment area. This small percentage of lending is a function of Ally'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 Ally in the assessment area was significant.

<u>Lending Activity</u>

As of March 31, 2013, Ally's net loan-to-deposit (NLTD) ratio was 135.8 percent. Ally's NLTD ratio was consistently high during the evaluation period, as reflected in the 150.0 percent average NLTD during the 11 quarters since the previous CRA evaluation.

During 2011, Ally was ranked number 12 out of 330 lenders that reported originating or purchasing at least one HMDA loan in the bank's designated assessment area during that year. Ally achieved a market share total of 2.4 percent by number and 2.5 percent by dollar volume of all originated and purchased HMDA loans in the assessment area. In addition, Ally was one of the largest originators and purchasers of HMDA loans in the United States during the evaluation period. This is evidenced by the fact that Ally was the 5th ranked HMDA lender in the United States during 2011. Ally was also one of the higher ranked lenders for small business loans. During 2011, Ally was ranked number 15 out of 81 lenders that reported originating or purchasing at least one small business loan in the designated assessment area, and was ranked as the number 16 lender for reported small business loans in the United States. Since financial institutions are not required to collect and report consumer loan data, market share data for the bank's motor vehicle lending is not available. However, bank management provided internally prepared reports that indicated Ally was the number two ranked motor vehicle lender in the assessment area in 2011. The high market ranks for the three loan categories indicate that Ally was responsive to assessment area credit needs.

Assessment Area Concentration

Table E depicts the number and dollar volume distribution of Ally's HMDA, small business, and motor vehicle lending inside and outside of the assessment area during 2011 and 2012:

Table E - 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										
2011	2,323	1.0	243,246	99.0	245,569	473,262	0.8	55,591,509	99.2	56,064,771
2012	1,003	0.7	146,618	99.3	147,621	205,608	0.6	32,436,872	99.4	32,642,480
SubTotal	3,326	0.8	389,864	99.2	393,190	678,870	0.8	88,028,381	99.2	88,707,251
Small Business										
2011	229	0.6	38,561	99.4	38,790	8,348	0.6	1,334,028	99.4	1,342,376
2012	216	0.5	42,440	99.5	42,656	7,558	0.5	1,549,391	99.5	1,556,949
SubTotal	445	0.6	81,001	99.4	81,446	15,906	0.5	2,883,419	99.5	2,899,325
Motor Vehicle										
2011	1,539	0.2	630,335	99.8	631,874	47,661	0.3	16,074,937	99.7	16,122,598
2012	537	0.1	617,636	99.9	618,173	17,069	0.1	16,030,088	99.9	16,047,157
SubTotal	2,076	0.2	1,247,971	99.8	1,250,047	64,730	0.2	32,105,025	99.8	32,169,755
Total	**5,847**	**0.3**	**1,718,836**	**99.7**	**1,724,683**	**759,506**	**0.6**	**123,016,825**	**99.4**	**123,776,331**

Source: HMDA Disclosure Statements (2011 & 2012), CRA LAR (2011 & 2012), Bank Records

As reflected in Table E, only 0.3 percent of Ally's overall number and 0.6 percent of the dollar volume of loans was originated and purchased inside of the designated assessment area during the evaluation period. The low percentage of lending inside Ally's assessment area is not unexpected in light of the bank's national lending operations. A further review of Table E reveals a decrease in assessment area lending between 2011 and 2012 for the bank's HMDA and motor vehicle lending. It should be noted that the decrease in HMDA lending in 2012 was a direct result of Ally's decision to wind down its mortgage operations. The decrease in motor vehicle lending is attributed to increased competition in the assessment area from other national consumer lenders. Specifically, during 2012 several large automotive dealerships operating in the assessment area began utilizing incentive programs that had previously been offered almost exclusively by Ally and AFI. While Ally'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 for HMDA and small business lending, was significant and responsive to assessment area credit needs. The bank's volume of motor vehicle lending in the assessment area during the evaluation period was also significant. As such, a further analysis of Ally's geographic distribution and borrower profile for these three loan categories is warranted.

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

Table F – Types of HMDA Loans Inside the Assessment Area						
Loan Category or Type	**2011**		**2012**		**Total**	
	#	**%**	**#**	**%**	**#**	**%**
Home Purchase	762	32.8	137	13.7	899	27.0
Refinance	1,538	66.2	858	85.5	2,396	72.1
Home Improvement	23	1.0	8	0.8	31	0.9
Total	**2,323**	**100**	**1,003**	**100**	**3,326**	**100**

Source: HMDA Disclosure Statements (2011 and 2012).

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. Ally's HMDA and small business performance was compared to that of the aggregate during 2011. For the purposes of this evaluation, the aggregate is defined as all other lenders that reported the origination of a HMDA loan or small business loan within Ally's designated assessment area during that year.

Conclusion:

Overall, Ally's lending reflects good penetration throughout the assessment area.

Table G depicts the distribution of Ally's HMDA loans based on census tract income levels.

Table G – Distribution of HMDA Loans by Income Census Tract Income Level							
Census Tract Income Level	**% of Total Owner-Occupied Housing Units (2000 Census)**	**Aggregate Lending Data (% of #)**	**2011**		**% of Total Owner-Occupied Housing Units (2010 Census)**	**2012**	
		2011	**#**	**%**		**#**	**%**
Low	0.6	0.7	21	0.9	1.8	15	1.5
Moderate	15.1	10.6	241	10.4	14.3	126	12.6
Middle	55.1	57.2	1,240	53.4	54.4	505	50.3
Upper	29.2	31.5	821	35.3	29.5	357	35.6
$0/NA Income	0.0	0.0	0	0.0	0.0	0	0.0
Total	**100.0**	**100.0**	**2,323**	**100.0**	**100.0**	**1,003**	**100.0**

Sources: *U.S. Census, **2011 HMDA Aggregate Data, ***HMDA Disclosure Statements (2011 and 2012).

As reflected in Table G, Ally's volume of HMDA lending in low-income census tracts in 2011 (0.9 percent) was higher than both the percentage of owner-occupied housing units that were located in these areas, and the aggregate lending data. 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 by the fact that 245 (74 percent) of the 330 aggregate HMDA lenders operating in the assessment area during 2011 were unable to originate or purchase a single loan in these census tracts. Ally was ranked number 8 out of 85 lenders in terms of the number of loans originated in low-income census tracts in the assessment area during 2011. Notably, this market rank is slightly higher than the number 12 overall market rank achieved by the bank for that year. As a result of changes in the 2010 U.S. Census, the percentage of owner-occupied housing units located in the assessment area's low-income census tracts increased to 1.8 percent. Notably, Ally's lending in low-income census tracts increased to 1.5 percent during 2012 and was consistent with the percentage of owner-occupied housing units located in census tracts with this income classification.

Ally's volume of HMDA lending in moderate-income census tracts in 2011 (10.4 percent) was slightly less than the aggregate's 10.6 percent. Both Ally and the aggregate were below the 15.1 percent of owner-occupied housing units located in the moderate-income census tracts in the assessment area. Ally was ranked number 11 out of 194 lenders in terms of the number of loans originated in moderate-income census tracts in the assessment area during 2011. Although the percentage of owner-occupied housing units located in moderate-income census tracts decreased as a result of changes in the 2010 U.S. Census, Ally's percentage of lending in moderate-income census tracts actually increased to 12.6 percent during 2012. The decrease in the percentage of owner-occupied housing units in moderate-income census tracts indicates slightly less opportunity for lenders to make loans in these areas, and Ally's improved percentage in 2012 represents good performance.

Table H– Distribution of Small Business Loans by Census Tract Income Level

Census Tract Income Level	% Total Businesses 2011	% Total Businesses 2012	Aggregate Lending Data 2011	2011		2012	
			% by #	#	%	#	%
Low	4.5	3.8	6.1	22	9.6	15	6.9
Moderate	15.4	18.1	17.2	52	22.7	46	21.3
Middle	47.3	46.1	43.8	100	43.7	110	50.9
Upper	32.8	31.8	32.9	55	24.0	40	18.5
N/A	0.0	0.2	0.0	0	0.0	5	2.3
Total	**100**	**100**	**100**	**229**	**100**	**216**	**100**

Source: 2011 & 2012 CRA Bank Data, CRA Aggregate Data, Dun & Bradstreet. % may not total 100 due to rounding.

As reflected in Table H, Ally's small business lending in low-income census tracts was higher than the percentage of lending achieved by the aggregate (9.6 percent versus 6.1 percent). The bank's level of small business lending in low-income census tracts was also significantly higher than the percentage of businesses located in these tracts during 2011 and 2012. During 2011, the bank's level of lending in moderate-income census tracts was higher than that of the aggregate (22.7 percent versus 17.2 percent). In addition, the bank's lending in moderate-income census tracts compared favorably with the percentage of businesses operating in these areas during both years.

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area.

Table I – Distribution of Motor Vehicle Loans by Census Tract Income Level						
Census Tract Income Level	**% of Total Households**		**2011**		**2012**	
	2000	**2010**	**#**	**%**	**#**	**%**
Low	2.6	5.1	24	1.0	20	2.1
Moderate	22.9	20.3	270	11.2	139	14.5
Middle	51.2	50.6	1,359	56.1	514	53.5
Upper	23.3	24.0	767	31.7	286	29.8
$0/NA Income	0.0	0.0	0	0.0	1	0.1
Total*	**100%**	**100%**	**2,420**	**100%**	**960**	**100%**

Source: U.S. Census 2000 and 2010, Bank Records (2011 and 2012) % may not total 100 due to rounding.

As reflected in Table I, Ally's percentage of motor vehicle lending in low-income census tracts was less than the percentage of households residing in the low-income census tracts of the assessment area during both years of the evaluation. During 2011, only 1.0 percent of Ally's motor vehicle lending was located in low-income census tracts. However, a further review of the demographics of the low-income census tracts revealed that one-third of the households residing in these tracts had incomes below poverty level. Ally's percentage of lending in low-income census tracts increased to 2.1 percent in 2012, however; the percentage of households residing in the low-income census tracts also increased to 5.1 percent as a result of changes in the 2010 census data. Although there was an increase in the number of households residing in the low-income census tracts, one-third of households residing in these tracts were still below the poverty level. The bank's level of lending in moderate-income census tracts was less than the demographic comparison during both years of the analysis. It should be noted however that the percentage of lending in moderate-income census tracts increased in 2012 despite a decrease in the percentage of households residing in those tracts. Overall, the geographic distribution of motor vehicle loans reflects adequate penetration throughout the assessment area

Borrower Characteristics

This performance criterion considers the distribution of the bank's HMDA and motor vehicle loans based on borrower characteristics, including the number of loans to low-, moderate-, middle-, and upper-income borrowers. As previously referenced, revenue data was not available for the bank's purchased small business loans and as a result no analysis was conducted.

This category discusses the bank's HMDA and motor vehicle lending for 2011 and 2012 and compares it to the percentage of total families (HMDA) and households (motor vehicle) within each income category. Borrower incomes were compared to the adjusted median family income figures reflected in Tables J-1, J-2, and J-3.

Table J-1 –HUD/FFIEC Adjusted Income Levels (MSA 36260)			
Income Level	**Percent of Income**	**Income Range 2011**	**Income Range 2012**
Low	< 50%	Less than $35,300	Less than $35,750
Moderate	= 50%, but less than 80%	$35,300 to less than $56,480	$35,750 to less than $57,200
Middle	= 80%, but less than 120%	$56,480 to less than $84,720	$57,200 to less than $85,800
Upper	= or > 120%	Equal to or Greater than $84,720	Equal to or Greater than $85,800

Source: US Department of Housing and Urban Development and FFIEC

Table J-2 –HUD/FFIEC Adjusted Income Levels (MSA 39340)			
Income Level	**Percent of Income**	**Income Range 2011**	**Income Range 2012**
Low	< 50%	Less than $33,100	Less than $33,550
Moderate	= 50%, but less than 80%	$33,100 to less than $52,960	$33,550 to less than $53,680
Middle	= 80%, but less than 120%	$52,960 to less than $79,400	$53,680 to less than $80,520
Upper	= or > 120%	Equal to or Greater than $79,400	Equal to or Greater than $80,520

Source: US Department of Housing and Urban Development and FFIEC

Table J-3 –HUD/FFIEC Adjusted Income Levels (MSA 41620)			
Income Level	**Percent of Income**	**Income Range 2011**	**Income Range 2012**
Low	< 50%	Less than $35,200	Less than $35,650
Moderate	= 50%, but less than 80%	$35,200 to less than $56,320	$35,650 to less than $57,040
Middle	= 80%, but less than 120%	$56,320 to less than $84,480	$57,040 to less than $85,560
Upper	= or > 120%	Equal to or Greater than $84,480	Equal to or Greater than $85,560

Source: US Department of Housing and Urban Development and FFIEC

Conclusion:

Ally's lending reflects a good distribution of loans to borrowers of different income levels.

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

Table K – Distribution of HMDA Loans by Borrower Income Level – Utah A/A							
Borrower Income Level	**% of Total Families (2000 Census)**	**Aggregate Lending Data (% of #)**	**2011**		**% of Total Families (2010 Census)**	**2012**	
		2011	**#**	**%**		**#**	**%**
Low	16.8	9.5	180	7.7	17.9	86	8.6
Moderate	20.1	20.4	459	19.8	19.3	189	18.8
Middle	25.1	21.5	553	23.8	23.7	238	23.7
Upper	38.0	28.8	906	39.0	39.1	439	43.8
$0/NA Income	NA	19.8	225	9.7	NA	51	5.1
Total	**100.0**	**100.0**	**2,323**	**100.0**	**100.0**	**1,003**	**100.0**

Sources: *U.S. Census, **2011 HMDA Aggregate Data, ***HMDA Disclosure Statements (2011 and 2012

As reflected in Table K, Ally's percentage of lending to low-income borrowers (7.7 percent) was less than that of the aggregate (9.5 percent) during 2011. Both Ally's and aggregate lending performance were less than the percentage of low-income families in the assessment area (16.8 percent) during 2011. 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 J-1 through J-3, potential low-income borrowers generally earned less than $35,000 annually, which would preclude most from being able to qualify for a home loan. Although Ally's percentage of lending to low-income borrowers was less than that of the aggregate in 2011, it should be noted that Ally was the fifth ranked lender in the assessment area for lending to borrowers in this income classification. In addition, Ally's number 5 ranking was higher than the number 12 ranking that it achieved for overall HMDA lending in the assessment area. A further review of Table K indicates that, even though the bank's overall volume of HMDA lending decreased significantly in 2012, Ally's percentage of lending to low-income borrowers increased slightly to 8.6 percent during that year. Notably, the percentage of low-income families residing in the assessment area also increased as a result of the revised 2010 U.S. census data. Ally's high market rank to low-income borrowers and the continued emphasis on lending to low-income borrowers during the time that mortgage operations were being reduced indicates that the bank had a good distribution of lending to low-income borrowers during the evaluation period.

Ally's percentage of lending to moderate-income borrowers (19.8 percent) was less than that of the aggregate (20.4 percent) in 2011. As with lending to low-income borrowers, Ally was ranked number 5 in the market for lending to moderate-income borrowers, which was once again higher than its overall market rank. Ally's lending to moderate-income borrowers in 2011 was consistent with the percentage of moderate-income families residing in the assessment area (20.1 percent). Ally's percentage of lending to moderate-income borrowers decreased slightly in 2012 to 18.8 percent. However, this percentage of lending was consistent with the percentage of moderate-income families residing in the assessment area and was also consistent with the bank's performance when it was a much larger mortgage lender.

Table L depicts the distribution of Ally's HMDA loans based on borrower income classifications. This table includes the HMDA loans that were originated and purchased by Ally throughout the U.S. (not including the assessment area).

Table L – Distribution of HMDA Loans by Borrower Income Level – Outside A/A							
Borrower Income Level	**% of Total Families (2000 Census)**	**Aggregate Lending Data (% of #)**	**2011**		**% of Total Families (2010 Census)**	**2012**	
		2011	**#**	**%**		**#**	**%**
Low	20.2	6.6	12,633	5.2	21.5	10,865	7.4
Moderate	18.1	15.5	35,341	14.5	17.5	21,843	14.9
Middle	22.0	20.1	53,855	22.1	20.5	32,860	22.4
Upper	39.7	41.5	123,787	50.9	40.5	75,676	51.6
$0/NA Income	NA	16.3	17,630	7.3	NA	5,374	3.7
Total	**100.0**	**100.0**	**243,246**	**100.0**	**100.0**	**146,618**	**100.0**

Sources: *U.S. Census, **2011 HMDA Aggregate Data, ***HMDA Disclosure Statements (2011 and 2012)

An analysis was also conducted of, and consideration given, to the bank's volume of lending to low- and moderate-income borrowers outside of the designated assessment area in accordance with CRA Q&A Sec.22(b)(2) & (3)-4. As reflected in Table L, a significant number of low- and moderate-income borrowers residing in the U.S. obtained mortgage financing through Ally during the evaluation period. Ally's percentage of lending to low-income borrowers in 2011 (5.2 percent) was slightly lower than that of aggregate lenders (6.6 percent). Both Ally and aggregate percentages were significantly lower than the percentage of low-income families in the U.S. However, this is not unexpected given that many low-income families residing in the U.S. are below the poverty level for the area where they reside and it is difficult for them to afford housing. The bank's level of lending to low-income borrowers increased in 2012 to 7.4 percent; however, this percentage was once again significantly lower than the demographic comparison (21.5 percent of families). The bank's record of lending to moderate-income borrowers was similar to low-income borrowers in that the performance was slightly less than aggregate and the demographic comparisons. Notably, Ally was the number 5 lender in the market overall (all income classifications) and for lending to low-and moderate-income borrowers.

As reflected in Table L, Ally has sought to meet the home mortgage credit needs of low- and moderate-income families both inside and outside of the designated assessment area. Overall, the borrower profile for the bank's HMDA loans represents good distribution and was consistent with assessment area performance.

Table M depicts the distribution of Ally's motor vehicle loans based on borrower income classifications. This table includes the motor vehicle loans that were purchased by Ally in the assessment area.

Table M – Distribution of Motor Vehicle Loans by Borrower Income Level – Utah A/A

Borrower Income Level	% of Total Households (2000 Census)	2011		% of Total Households (2010 Census)	2012	
		#	%		#	%
Low	19.4	304	12.6	20.8	102	10.6
Moderate	18.1	590	24.4	17.9	288	30.0
Middle	22.6	672	27.8	21.4	279	29.1
Upper	39.9	805	33.2	39.9	269	28.0
$0/NA Income	NA	49	2.0	NA	22	2.3
Total	**100.0**	**2,420**	**100.0**	**100.0**	**960**	**100.0**

Source: U.S. Census 2000 and 2010, Bank Records (2011 and 2012) % may not total 100 due to rounding.

Distribution of consumer loans, as reflected in Table M, reflects excellent penetration among low-and moderate-income borrowers. As mentioned previously, the bank requested that this particular aspect of its lending products be evaluated, and this performance suggests that this represents a very good opportunity for the bank to meet the credit needs of low- and moderate-income borrowers within its designated assessment area. Notably, several community groups identified personal transportation as an important credit need of low- and moderate-income individuals in the assessment area. Although the bank's lending to low-income borrowers did not equal the exact percentage of low-income households within the assessment area during 2011 or 2012, the bank's performance is considered good. It is recognized that many low-income households living below the poverty level cannot afford the cost of purchasing, maintaining, and insuring a motor vehicle. As a result, it is not unexpected that the percentage of motor vehicle lending to low-income households is less than the comparable demographic data. It should be noted that according to the 2000 U.S. census data, 8.1 percent of low-income households in the assessment area were below the poverty level, and this percentage increased to 9.9 percent with the 2010 census. The bank's percentage of lending to moderate-income borrowers was excellent. The percentage of lending to moderate-income borrowers was higher than the percentage of households during both 2011 and 2012. In fact, the percentage of lending to moderate-income borrowers increased to 30.0 percent in 2012 despite a decrease in the percentage of moderate-income households in the assessment area. As demonstrated by the volume of consumer lending and the distribution levels, Ally has shown a positive commitment to meeting this important credit need within the community.

Table N depicts the distribution of Ally's motor vehicle loans based on borrower income classifications. This table includes the motor vehicle loans that were originated and purchased by Ally throughout the U.S. (not including the assessment area).

Table N – Distribution of Motor Vehicle Loans by Borrower Income Level – Outside A/A

Borrower Income Level	% of Total Households (2000 Census)	2011		% of Total Households (2010 Census)	2012	
		#	%		#	%
Low	23.1	172,253	13.9	24.2	167,162	15.0
Moderate	16.5	346,301	27.9	16.2	334,560	30.1
Middle	19.2	334,775	27.0	18.0	295,832	26.6
Upper	41.2	371,409	30.0	41.6	305,516	27.5
$0/NA Income	NA	14,677	1.2	NA	9,430	0.8
Total	**100.0**	**1,239,415**	**100.0**	**100.0**	**1,112,500**	**100.0**

Source: U.S. Census 2000 and 2010, Bank Records (2011 and 2012) % may not total 100 due to rounding.

An analysis was also conducted of, and consideration given, to the bank's volume of lending to low- and moderate-income borrowers outside of the designated assessment area in accordance with CRA Q&A Sec.22(b)(2) & (3)-4. As reflected in Table N, Ally provided motor vehicle financing to more than 1 million low- and moderate-income borrowers residing in the U.S. during the evaluation period. Ally's lending to low- and moderate-income borrowers represented a significant portion of the bank's motor vehicle lending (41.8 percent in 2011 and 45.1 percent in 2012) and clearly indicates a commitment to meet the credit needs of borrowers in all income classifications. While the percentage of lending to low-income borrowers was less than the demographic comparison for both years, the bank's volume of lending to this income classification is considered good. Notably, the percentage of lending to moderate-income borrowers was significantly higher than the demographic comparison in both years and represents excellent performance

Overall, the borrower profile for the bank's motor vehicle loans represents excellent distribution of lending to low- and moderate-income borrowers throughout the U.S.

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. Ally originated 10 qualified community development loans totaling nearly $57.5 million within the designated assessment area and the greater regional/statewide area. The level of community development lending represented 0.05 percent of total assets as of March 31, 2013. This is adequate considering the level of competition present in the state. As mentioned previously, Ally's assessment area coincides with those of 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. Table O details Ally's community development loans by activity year and the primary community development purpose of the loans.

Table O – Community Development Lending

Year	Total		Qualifying Category							
			Affordable Housing		Community Development Services		Economic Development		Revitalization or Stabilization	
	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)
2010	0	-	-	-	-	-	-	-	-	-
2011	2	23,098	2	23,098	-	-	-	-	-	-
2012	8	28,320	4	15,150	1	6,000	2	6,300	1	870
2013	1	6,100	1	6,100	-	-	-	-	-	-
Total	**11**	**57,518**	**7**	**44,348**	**1**	**6,000**	**2**	**6,300**	**1**	**870**

Source: Bank records

While the bank did not originate a qualified community development loan in 2010, community development lending increased in 2011 and was strongest during 2012. In 2012, the bank made eight loans totaling $28.3 million. These loans primarily met the affordable housing needs of LMI individuals in the assessment area and the economic development needs of the assessment area. In addition, one of the loans helped to revitalize and stabilize LMI areas in the assessment area, and one loan met community development service needs in the broader regional area. The following provides descriptions of the most notable community development loans:

- The bank played a large role in facilitating a development in West Jordan, Utah to help meet the needs of low-income senior citizens. West Jordan is Utah's fourth largest city with 104,000 residents. A non-profit housing corporation and a local non-profit developer commissioned a study that demonstrated the need for senior housing. As a result, the bank worked with the non-profit housing corporation to acquire property to develop a senior housing project. In this regard, the bank provided a $5 million loan for acquisition and construction and an additional $1.4 million as a permanent mortgage loan. In addition to being the sole lender on this project, the bank was the equity investor through the purchase of low-income housing tax credits. The project resulted in 72 units of new rental housing for low-income seniors primarily on fixed incomes. This property is fully leased with a waiting list of LMI seniors requesting to live on the premises.

- The bank provided a $6.1 million real estate construction loan in South Jordan, Utah to facilitate development of a project resulting in 60 units of housing for low-income seniors. In addition to being the lender, the bank was the equity investor through its investment in low-income housing tax credits. The bank worked closely with a variety of partners to package both the loan and equity part of the transaction.

- The bank provided funding to assist in the development of a senior housing project in Ogden, Utah, in partnership with a non-profit housing corporation. Of the funds extended, approximately $4.5 million was in the form of a construction loan needed to commence the project. The bank also provided the tax credit equity to fund this project that resulted in 72 units of affordable rental housing for low-income seniors.

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 LMI 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 evaluation.

Conclusion:

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

<u>FHA and VA Mortgage Loans</u>

The flexible lending products offered by Ally during the evaluation period consisted primarily 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. Ally 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, Ally participated in 841 FHA loans and 260 VA loans totaling $227.4 million, in the assessment area. Of these loans, 119 FHA loans and 30 VA loans totaling 21.9 million were to LMI geographies in the assessment area.

<u>Program Related Investment (PRI) Community Development Loans</u>

The PRI program is used to channel long-term capital into underserved communities. PRI community development loans play an instrumental role in facilitating community development initiatives. The PRI loan program enables non-profit organizations to allocate funding in a more targeted manner. Low interest rates and longer terms enable non-profit organizations to reach further into distressed communities to provide support. During the evaluation period, the bank originated one loan in the assessment area totaling $6.0 million. In addition, the bank made one loan in the broader regional area totaling $6.0 million.

Table P details Ally's use of innovative and/or flexible loan programs that benefited LMI geographies within the assessment area by number and dollar volume.

Table P – Innovative and/or Flexible Loan Programs		
Program Type	**# of Loans**	**$ of Loans (000)**
FHA & VA Mortgage Loans	149	21,901
PRI Community Development Loans	2	12,000
Source: Bank records		

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 an excellent level of qualified community development investments and grants and exhibits excellent responsiveness to credit and community economic development needs. The majority of Ally's investments address the identified need for affordable housing in the assessment area. During the evaluation period, Ally also obtained qualified investments that helped to meet the affordable housing needs of the broader regional area around the assessment area. Ally occasionally uses complex investments to support community development initiatives, such as Low Income Housing Tax Credit (LIHTC) and Small Business Investment Company (SBIC) investments. While the majority of Ally's other investments were routinely available in the market, Ally's response to obtaining these types of investments was excellent. Ally's total qualified investment and grant activity of $1.1 billion represents 1.2 percent of total assets, and 10.2 percent of securities, as of March 31, 2013. It should be noted that greater weight was placed on investment activity that had a direct impact on the assessment area.

Table Q – Community Development Investments										
Year	Total		Affordable Housing		Community Development Services		Economic Development		Revitalization or Stabilization	
	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)
2010 MBS	2	2,950	2	2,950	-	-	-	-	-	-
2011 MBS	34	86,611	34	86,611	-	-	-	-	-	-
2012 MBS	118	388,621	118	388,621	-	-	-	-	-	-
2013 MBS	60	191,823	60	191,823	-	-	-	-	-	-
Regional/Statewide MBS	54	125,434	54	125,434	-	-	-	-	-	-
Current Period Subtotal	**268**	**795,439**	**268**	**795,439**	-	-	-	-	-	-
Prior Period MBS	122	189,150	122	189,150	-	-	-	-	-	-
MBS Total	**390**	**984,589**	**390**	**984,589**	-	-	**-**	**-**	**-**	**-**
2010	-	-	-	-	-	-	-	-	-	-
2011	3	18,663	3	18,663	-	-	-	-	-	-
2012	4	41,560	3	21,560	-	-	1	20,000	-	-
2013	4	32,747	4	32,747	-	-	-	-	-	-
Regional/Statewide	1	6,000	1	6,000	-	-	-	-	-	-
Current Period Subtotal	**12**	**98,970**	**11**	**78,970**	-	-	**1**	**20,000**	-	-
Prior Period	12	52,754	7	14,607	-	-	5	38,147	-	-
Non-MBS Total	**24**	**151,724**	**18**	**93,577**	-	-	**6**	**58,147**	-	-
Source: Bank records										

Qualified grants and donations totaled approximately $1.42 million. The grants and donations were provided to organizations that were created to meet the community development needs in Ally's assessment area and the broader statewide or regional area. Table R provides a summary of Ally's community development grant and donation activity during the evaluation period.

Table R – Community Development Donations										
Year	Total		Affordable Housing		Community Development Services		Economic Development		Revitalization or Stabilization	
	#	$ (000)	#	$(000)	#	$(000)	#	$(000)	#	$(000)
2010	20	259	2	50	17	184	1	25	-	-
2011	51	507	16	131	27	267	7	89	1	20
2012	47	470	13	134	24	206	9	110	1	20
2013	12	184	5	36	5	118	1	15	1	15
Total	**130**	**1,420**	**36**	**351**	**73**	**775**	**18**	**239**	**3**	**55**
Source: Bank records										

As illustrated in Tables Q and R, the majority of qualified investments and grants serve the affordable housing and other community service needs of LMI individuals. Descriptions of Ally's more notable and/or complex investments and their impact on the assessment area follow:

- Ally participated in 10 Low Income Housing Tax Credit (LIHTC) projects accounting for $72.9 million in investments. A LIHTC is a dollar-for-dollar tax credit for affordable housing investments. It was created under the Tax Reform Act of 1986 that gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income families. LIHTC projects account for nearly 90 percent of all affordable rental housing created. The tax credits are more attractive than tax deductions, as they provide a dollar-for-dollar reduction in a taxpayer's federal income tax. The passive loss rules and similar tax changes made to the Tax Reform Act of 1986 greatly reduced the value of tax credits and deductions to individual taxpayers. As a result, almost all investors in LIHTC projects are corporations.

- Ally was the single investor of a fund investing in tax credits to develop affordable rental housing. This fund invested in seven qualified affordable housing projects; three were located in the state of Utah. The fund was critical in providing 411 units of affordable housing and in helping to address the identified need of affordable housing in the bank's assessment area and broader statewide and regional areas.

- The bank utilizes Small Business Investment Corporations (SBICs) to respond to a need for start-up capital for early-stage small businesses, primarily in Utah. During the evaluation period, the bank made a significant investment in a local SBIC to respond to small business capital needs. The bank made a $20 million investment in an SBIC fund. The fund is located in Salt Lake City. Funding will be provided throughout the Rocky Mountain region with an emphasis on Utah and Idaho.

- The bank supports the Internal Revenue Service Volunteer Income Tax Assistance (VITA) program and Earned Income Tax Credit (EITC) efforts in Utah by working with a local non-profit. With a $20,000 grant from the bank, the non-profit was able to increase the number of site coordinators and volunteers and to increase overall outreach in the community. The VITA program was able to increase volunteer hours by 10 percent (740 hours) due to the grant provided by the bank.

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 LMI geographies or that primarily serve LMI 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 LMI customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve LMI areas or individuals; and 4) their responsiveness to available opportunities for community development services.

Conclusion:

Services do not vary in a way that inconveniences portions of the assessment area, particularly LMI geographies and/or individuals. Ally does not operate any traditional, deposit-taking, retail banking offices where the public can conduct business; rather, Ally is an online bank that solicits and accepts retail deposits via the Internet. However, Ally does offer alternative delivery systems, including bank-by-phone, internet banking, and mobile banking. Ally provides an adequate level of community development services.

Retail Banking Services

<u>Branch Delivery System</u>

Ally’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 Ally does not operate an Automated Teller Machine (ATM) network, customers are able to access any ATM throughout the United States without incurring transaction fees. Ally 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 Ally has no physical presence. Ally operates a website, telephone customer service, and mobile application. Ally's website 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 and lending products that are offered by Ally. In addition, the website offers a live "chat" option for customers to ask questions and to get assistance with opening accounts. Ally 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. In addition, Ally operates a mobile banking platform which allows customers to view account details and transactions, eCheck deposits and transfer funds between accounts.

Community Development Services

The institution has provided an adequate level of community development services that focus on meeting the community needs and opportunities within the assessment area. Ally's employees and officers contributed their financial expertise to organizations serving the community development needs of the assessment area, frequently in leadership positions. Table S details Ally's qualified service hours by the year and by the primary community development purpose of the service.

Table S – Community Development Services

Year	Total		Affordable Housing		Community Development Services		Economic Development		Revitalization or Stabilization	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
2010	26	61.15	14	26.15	12	35.00	-	-	-	-
2011	41	252.55	22	77.05	18	175.00	1	0.50	-	-
2012	28	142.50	14	82.50	11	54.00	3	6.00	-	-
2013	16	244.80	8	46.80	6	186.00	2	12.00	-	-
Total	**111**	**701.00**	**58**	**232.50**	**47**	**450.00**	**6**	**18.50**	**-**	**-**

Source: Bank records

Bank employees and officers contributed a total of 701 qualified community development service hours benefiting Ally's assessment area over the evaluation period. As illustrated in Table S, the majority of the service hours were focused on meeting the financial service needs of LMI individuals within its assessment area. Ally has fewer than 60 employees in the Salt Lake City area. However, despite the limited number of employees, several serve on local area boards and loan committees. Examples of the community development service activities where Ally officers and staff provided financial expertise include the following:

- Members of the bank provide financial expertise while serving on the Board of a non-profit, multi-bank community development financial institution. The organization provides financing and management support to firms without traditional funding, primarily those that are socially and economically disadvantaged. The loan programs are designed to help small business owners who cannot qualify for traditional small business loans in Ally's assessment area and the broader statewide area.

- Members of the bank provide financial expertise while serving on the Board and 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 LMI individuals in Ally's assessment area and the broader statewide or regional area.

- Ally took a leadership role in developing and delivering Wallet Wise, its financial literacy training program. The program was launched in July 2011. Wallet Wise is a proprietary and free program that teaches consumers the basics of personal finance. The financial literacy training is targeted to LMI individuals. The program offers community-based, in-person sessions, as well as online courses available through www.allywalletwise.com.

  Wallet Wise includes the following credit, budget, banking/investing, and automobile finance topics:

  - Budgeting covers the steps of creating and sticking to a Wallet Wise budget plan;
  - Banking/investing evaluations the basics of saving and investing money and products specific to these efforts;
  - Credit covers the main points of applying for and maintaining a strong credit history; and
  - Automobile finance outlines payment options when buying or leasing a vehicle and also evaluations automobile insurance options.

Discriminatory or Other Illegal Credit Practices

Violations of the Equal Credit Opportunity Act (ECOA) pertaining to the bank's indirect automobile financing operations were identified by the Consumer Financial Protection Bureau (CFPB) during a targeted review of AFI and Ally in September 2012. Consistent with industry practice, AFI and Ally limited the amount of discretion that automobile dealers could use to mark up a consumer's interest rate above the interest rate that AFI and Ally would finance or purchase a loan from a dealer. The CFPB identified that AFI and Ally did not monitor whether discrimination on a prohibited basis occurred through the charging of markups across its portfolio of retail installment contracts that were purchased from all of their dealer relationships collectively. The CFPB also noted that AFI and Ally did not offer comprehensive fair lending training to its network of dealers.

In a Consent Order dated December 20, 2013, AFI and Ally agreed to pay restitution to consumers, to establish a new compliance framework, and to work closely with the CFPB and Department of Justice (DOJ) to prevent future discrimination. Through the Consent Order, AFI and Ally management have committed to implement a compliance program that will include automobile dealer education, taking prompt corrective action against dealers when there are dealer disparities noted, and conducting portfolio-wide analysis of pricing disparities. AFI and Ally have taken affirmative actions to address the items included in the Consent Order including revisions of policies and procedures and making payment to a CFPB settlement fund that will be used to provide restitution to harmed consumers.

The violation was considered in Ally's CRA rating. Based on Ally's CRA performance, enhancements to policies and procedures noted during the examination, consideration of the corrective actions taken, and the commitment to work on a going forward basis with the CFPB and DOJ to prevent discrimination, a downgrade of the bank's overall CRA rating to less than satisfactory was not warranted.

APPENDIX A

SCOPE OF EXAMINATION TABLE

Ally Bank
SCOPE OF EXAMINATION: Ally Bank was examined in accordance with the "Large Bank" CRA evaluation procedures.
TIME PERIOD REVIEWED: Loan analysis: January 2011 through December 2012. Community development loans, investments, and services: July 19, 2010 through June 7, 2013.
PRODUCTS REVIEWED: HMDA (1-4 Family Residential Mortgage Loans, Purchase, Refinance, Home Improvement, Multi-family Loans), small business loans, and motor vehicle loans.

LIST OF AFFILIATES AND PRODUCTS REVIEWED

AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
AFI	Affiliate	Motor Vehicle

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

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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.

Census tract: A small subdivision 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. Census tracts 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.

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

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and

dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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 non-relatives 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

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.

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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.

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.

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.

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.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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.

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.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent and less than 120 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

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.

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.