GMAC FINANCIAL SERVICES

October 15, 2008



Mr. Russell Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference: Proposed FSP FAS 140-e and FIN 46(R)-e

Dear Mr. Golden:

GMAC Financial Services ("GMAC") is pleased to comment on the Financial Accounting Standards Board's ("FASB's") Proposed FASB Staff Position FAS 140-e and FIN 46(R)-e, Disclosures about Transfers of Financial Assets and Interests in Variable Interest Entities (the "Proposed FSP"). GMAC is a leading, independent, globally diversified, financial services firm with operations in 40 countries and approximately \$228 billion of assets as of June 30, 2008. Our principal lines of business include automotive finance, mortgage (Residential Capital, LLC), and insurance.

We appreciate and applaud the strides that the FASB has undertaken with regard to providing greater transparency to the financial reporting process as a whole. Overall, we support providing enhanced disclosures for financial asset transfers and off-balance sheet structures as an interim step during the deliberations of the significant changes being considered with regard to financial transfers and the consolidation of variable interest entities ("VIE's"). Generally speaking, the objectives of the Proposed FSP defined in paragraphs 6-8 provide a holistic framework for the disclosures, however, we believe that overall the disclosures required by the Proposed FSP are overly expansive. Moreover, we believe the Final FSP should include example disclosures for various structures and/or forms of transferor continuing involvement. Simply speaking, we would urge the FASB to consider simplifying the overall disclosures to emphasize a transferor's:

- continuing involvement beyond normal servicing.
- exposure to future losses or other required support beyond what is currently recognized within the reporting entity's financial statements, and
- significant judgments and assumptions made by the transferor in relation to the transferred assets or the VIE's that receive the transferred assets

Normal Servicing

It would appear that FASB intends to require significant additional disclosure with regard to transfers where the only remaining involvement of the transferor is to service the transferred assets without assuming other forms of variable interest in the transferred assets. Overall, we believe that for transfers where the transferor's only remaining involvement is servicing the transferred assets, the information required by the Proposed FSP would be burdensome to obtain, confusing to a reader of the financial statements, and therefore dilute the overall value of

providing similar information in circumstances where the transferor retains a significant variable interest in the transferred assets. Therefore, we recommend that the FASB limit the new disclosures under the Proposed FSP to transfers and VIE's where the transferor retains exposure through a significant variable interest.

The following specific disclosure references relate to items where we believe minimal benefit will be obtained by including transfers and VIE's where servicing is the only form of continuing involvement of the transferor:

"If the transferor has continuing involvement in financial assets that it has transferred to an SPE (including those transfers that are accounted for as sales and those that are accounted for as secured borrowings) at the date of the latest statement of financial position presented:" (Appendix B, Par 17i)

The intent of the detailed disclosures that follow Appendix B, Paragraph 17i, would seem to be focused on assisting a user of financial statements in assessing the significant risk exposure that remains with the transferor. If an entity's continuing involvement is limited to normal servicing, the quantitative disclosures of this section would be burdensome to obtain and provide little value to the user and in fact could diminish the value of the related disclosures in structures where there is significant risk exposure retained by the transferor. Specifically, we believe these quantitative and qualitative disclosures should only be required in situations where the transferor retains a significant or potentially significant form of continuing involvement in an SPE.

"An enterprise that (a) is a primary beneficiary in a variable interest entity, (b) holds a significant variable interest in a variable interest entity but is not the primary beneficiary, or (c) is a sponsor that holds a variable interest in a variable interest entity (irrespective of the significance of the variable interest) shall disclose:" (Appendix C, Par 22C)

Since servicing by a transferor (sponsor) is generally considered a variable interest, we believe the disclosure requirements under this section are also excessive and overly burdensome when the transferor's variable interest is limited to normal servicing. Therefore, we believe the disclosure requirements under this paragraph should either be limited to 1) situations in which the form of the variable interest is something other than normal servicing or 2) significant variable interests.

Implementation Guidance - Examples

Due to the significant level of judgment and interpretation related to asset transfers to VIE's, we would request that the FASB provide example transactions or structures with both quantitative table layouts and qualitative language or specific items to be considered to assist in the implementation process. We believe this will provide clarity in terms of expectations as well as ensure overall consistency across entities with relation to these disclosures.

Effective Date

We believe that given the significance of the additional required disclosures and the expected issuance date of the final FSP, it would be challenging for many companies to meet the disclosure requirements for year end. Therefore, while we sympathize with users of financial statements who would like the additional incremental information, we believe these disclosure requirements should be effective on the initial target effective date for the FAS 140 and FIN

46(R) amendments which is reporting periods beginning after November 15, 2008. If preparers are forced to rush to comply with this standard, it could lead to inaccurate and inconsistent disclosures.

Conclusion

We appreciate the opportunity to offer our views on the Proposed FSP. As we have pointed out in our comments, we strongly support the efforts of the FASB to enhance overall disclosures on financial asset transfers and VIE's. However, we feel the disclosures should be limited to situations where the entity has a significant variable interest and continuing involvement beyond normal servicing and suggest that the FASB limit the requirements accordingly. Further, given the significant expansion of the disclosure requirements, we believe the FSP should be effective for reporting periods beginning after November 15, 2008.

We urge the FASB to provide additional guidance and consider our aforementioned comments when finalizing the FSP. If you have any questions on any of the comments contained in this letter, please contact me at (215) 734-4886.

Sincerely,

Michael R. Anspach

Director, Global Corporate Accounting Policy

GMAC Financial Services

cc: Mr. Robert Hull, EVP, Chief Financial Officer

Mr. David DeBrunner, VP, Controller and Chief Accounting Officer