

Ally Financial Inc.
Form 424B5
August 08, 2012
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-171519

Calculation of Registration Fee

| | Maximum | |
|--|---------------------------------|--------------------------------------|
| Title of Each Class of Securities Offered | Aggregate Offering Price | Amount of Registration Fee(1) |
| 4.625% Senior Guaranteed Notes due 2015 | \$600,000,000 | \$68,760 |
| Guarantee of 4.625% Senior Guaranteed Notes due 2015 | | (2) |

- (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.
(2) In accordance with Rule 457(n), no additional registration fee is payable with respect to the guarantees.

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(To Prospectus dated January 3, 2011)

\$600,000,000**Ally Financial Inc.****4.625% Senior Guaranteed Notes due 2015*****Guaranteed by Certain Subsidiaries of Ally Financial Inc.***

This is an offering of \$600,000,000 aggregate principal amount of 4.625% Senior Guaranteed Notes due 2015 (the "notes") of Ally Financial Inc. (Ally). The notes will bear interest at a rate of 4.625% per year. Ally will pay interest on the notes semi-annually on June 26 and December 26, in cash in arrears, of each year, beginning on December 26, 2012. The notes will mature on June 26, 2015.

The notes will be fully fungible with, and form a single series with, the \$1,000,000,000 aggregate principal amount of 4.625% Senior Guaranteed Notes due 2015 of Ally, guaranteed by the note guarantors (as defined below), issued on June 26, 2012 (the "existing notes"). It is expected that the notes offered hereby and the existing notes will be of the same series and will have the same CUSIP number. As a result, the outstanding principal amount of the series of notes, after issuance of the notes offered hereby, will be \$1,600,000,000.

The notes will be unsubordinated unsecured obligations of Ally and will rank equally in right of payment with all of Ally's existing and future unsubordinated unsecured indebtedness and senior in right of payment to all existing and future indebtedness that by its terms is expressly subordinated to the notes. The notes will be effectively subordinated to all existing and future secured indebtedness of Ally to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) of subsidiaries of Ally that are not note guarantors, to the extent of the value of the assets of those subsidiaries.

The notes will be unconditionally guaranteed by Ally US LLC, IB Finance Holding Company, LLC, GMAC Latin America Holdings LLC, GMAC International Holdings B.V. and GMAC Continental Corporation, each a subsidiary of Ally (collectively, the "note guarantors"), on an unsubordinated basis (the "note guarantees"). The note guarantees will be unsubordinated unsecured obligations of each note guarantor and will rank equally in right of payment with all of each applicable note guarantor's existing and future unsubordinated unsecured indebtedness, including each note guarantor's guarantee of certain outstanding Ally notes, and senior in right of payment to all existing and future indebtedness of the applicable note guarantor that by its terms is expressly subordinated to the applicable note guarantee. Each note guarantee will be effectively subordinated to any secured indebtedness of such note guarantor to the extent of the value of the assets securing such indebtedness and will be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables) of any non-guarantor subsidiaries of such note guarantor to the extent of the value of the assets of such subsidiaries. See "Description of Notes" Ranking.

The notes will be issued in denominations of \$2,000 and integral multiples of \$1,000. The notes will not be listed on any exchange, listing authority or quotation system. The notes are not subject to redemption prior to maturity and there is no sinking fund for the notes.

Investing in the notes involves risks. See Risk Factors beginning on page S-10 and incorporated by reference herein to read about the risks you should consider before buying the notes.

| | Per Note | Total |
|---------------------------------------|-----------------|----------------|
| Price to Public(1) | 102.875% | \$ 617,250,000 |
| Underwriting discount | 0.875% | \$ 5,250,000 |
| Proceeds, before expenses, to Ally(1) | 102.000% | \$ 612,000,000 |

(1) Plus accrued interest from June 26, 2012.

The notes are not savings or deposit accounts of Ally or any of its subsidiaries, and are not insured by the Federal Deposit Insurance Corporation (the FDIC) or any other government agency or insurer.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form through The Depository Trust Company (DTC) and its participants, including Euroclear Bank, S.A./N.V. and Clearstream Banking, société anonyme, on or about August 10, 2012.

Joint Book-Running Managers

Citigroup

J.P. Morgan

Morgan Stanley
Co-Managers

RBC Capital Markets

Credit Suisse
CastleOak Securities, L.P.
August 7, 2012

Lloyds Securities

RBS **Scotiabank**
C.L. King & Associates

SOCIETE GENERALE
MFR Securities

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We provide information to you about this offering in two separate documents. The accompanying prospectus provides general information about us and the securities we may offer from time to time. This prospectus supplement describes the specific details regarding this offering. Additional information is incorporated by reference in this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

Neither we nor the underwriters have authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these notes in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying

prospectus or in any such free writing prospectus is accurate as of any date other than their respective dates.

The distribution of this prospectus supplement, the accompanying prospectus or any free writing prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus or any free writing prospectus

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comes should inform themselves about and observe such restrictions. This prospectus supplement, the accompanying prospectus or any free writing prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

References in this prospectus supplement to the Company, we, us, and our refer to Ally Financial Inc. and its direct and indirect subsidiaries on a consolidated basis, unless otherwise indicated or the context otherwise requires, and the term Ally refers only to Ally Financial Inc.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains or incorporates by reference documents containing various forward-looking statements within the meaning of applicable federal securities laws, including the Private Securities Litigation Reform Act of 1995, that are based upon our current expectations and assumptions concerning future events, which are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated.

The words expect, anticipate, estimate, forecast, initiative, objective, plan, goal, project, outlook, priorities, target, intend, may, would, could, should, believe, potential, continue, or the negative of any of those words or similar expressions is intended for forward-looking statements. All statements contained in or incorporated by reference into this prospectus supplement, other than statements of historical fact, including, without limitation, statements about our plans, strategies, prospects and expectations regarding future events and our financial performance, are forward-looking statements that involve certain risks and uncertainties.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and our actual results may differ materially due to numerous important factors that are described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as updated by our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and the other documents specifically incorporated by reference herein. See [Incorporation by Reference; Where You Can Find More Information](#). Many of these risks, uncertainties and assumptions are beyond our control, and may cause our actual results and performance to differ materially from our expectations. Accordingly, you should not place undue reliance on the forward-looking statements contained or incorporated by reference in this prospectus supplement. These forward-looking statements speak only as of the date of this prospectus supplement. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, except where expressly required by law.

INDUSTRY AND MARKET DATA

We obtained the industry, market and competitive position data included in this prospectus supplement and in the documents incorporated by reference herein from our own internal estimates and research as well as from industry and general publications and research, surveys and studies conducted by third parties. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information.

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SUMMARY

This summary highlights some of the information contained, or incorporated by reference, in this prospectus supplement to help you understand our business and the notes. It does not contain all of the information that is important to you. You should carefully read this prospectus supplement in its entirety, including the information incorporated by reference into this prospectus supplement, to understand fully the terms of the notes, as well as the other considerations that are important to you in making your investment decision. You should pay special attention to the Risk Factors beginning on page S-10 and the section entitled Cautionary Statement Regarding Forward-Looking Statements on page S-i.

Unless stated otherwise, the discussion in this prospectus supplement of our business includes the business of Ally Financial Inc. and its direct and indirect subsidiaries. Unless otherwise indicated or the context otherwise requires, the Company, we, us and our refer to Ally Financial Inc. and its direct and indirect subsidiaries on a consolidated basis and the term Ally refers only to Ally Financial Inc.

Ally Financial Inc.

Ally is a leading, independent, globally diversified, financial services firm with operations in 32 countries. Founded in 1919, we are a leading automotive financial services company with over 90 years of experience providing a broad array of financial products and services to automotive dealers and their customers. We also maintain residential mortgage operations in the United States. We became a bank holding company on December 24, 2008, under the Bank Holding Company Act of 1956, as amended. Our banking subsidiary, Ally Bank, is an indirect wholly owned subsidiary of Ally and a leading franchise in the growing direct (online and telephonic) banking market, with \$42.7 billion of deposits at June 30, 2012. Our principal executive offices are located at 200 Renaissance Center, Detroit, Michigan 48265, and our telephone number is (866) 710-4623.

Our Business

Global Automotive Services is our primary line of business and is centered around our strong and longstanding relationship with automotive dealers and supports our automotive manufacturing partners and their marketing programs. Our Global Automotive Services business serves over 21,000 dealers globally with a wide range of financial services and insurance products. We believe our dealer-focused business model makes us the preferred automotive finance company for thousands of our automotive dealer customers. We have specialized incentive programs that are designed to encourage dealers to direct more of their business to us. In addition, we believe our longstanding relationship with General Motors Company (GM) has resulted in particularly strong relationships between us and thousands of dealers and extensive operating experience relative to other automotive finance companies.

Our mortgage business originates and purchases, sells and retains the servicing on residential mortgage loans in the United States. In addition, we originate and purchase jumbo mortgage loans and retain them in our held for investment mortgage portfolio.

Ally Bank, our direct banking platform, provides our financing operations with a stable and low-cost funding source and facilitates prudent asset growth. Our focus is on building a stable deposit base driven by our compelling brand and strong value proposition. Ally Bank raises deposits directly from customers through a direct banking channel over the internet and by telephone. Ally Bank offers a full spectrum of deposit product offerings including certificates of deposit, savings accounts, money market accounts, IRAs (individual retirement accounts), deposit products, as well as an online checking product. As of the date of the most recent financial statements included in this prospectus supplement, Ally Bank's assets and operating results were divided between our North American Automotive Finance operations and Mortgage operations based on its underlying business activities.

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For more information about our lines of business, please refer to Item 1. Business of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as well as any descriptions of our business in our subsequent Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, which are incorporated by reference herein.

The Note Guarantors

The notes will be guaranteed on a joint and several basis by the following subsidiaries of Ally: Ally US LLC, IB Finance Holding Company, LLC, GMAC Latin America Holdings LLC, GMAC International Holdings B.V. and GMAC Continental Corporation. Debt of the note guarantors or of subsidiaries of the note guarantors that is owed to Ally or other subsidiaries of Ally will rank junior to the note guarantees or will be held by a note guarantor.

Each note guarantor is a first-tier wholly owned subsidiary of Ally. In order to simplify our note guarantor structure and to provide additional flexibility with respect to potential strategic transactions relating to our international operations, Ally is contemplating a series of transactions in which our note guarantors would be merged with and into or otherwise consolidated with IB Finance Holding Company, LLC.

A simplified structure chart of Ally and each of the note guarantors is set forth below:

Ally US LLC. Ally US LLC (US LLC), a Delaware limited liability company, was incorporated on May 30, 2007 and is a wholly owned subsidiary of Ally. All of our employees associated with the U.S. Automotive Finance business and our corporate functions are employed by US LLC, and in connection with this, US LLC acts as a pass-through entity with respect to certain of our payroll obligations and as of June 30, 2012, conducted no other business. The registered office of US LLC is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120.

IB Finance Holding Company, LLC. IB Finance Holding Company, LLC (IB Finance), a Delaware limited liability company, was incorporated on October 10, 2006 and is wholly owned by Ally. The registered office of IB Finance is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120. IB Finance is a holding company that conducts no business other than holding all of the equity interests in Ally Bank. Ally Bank is a Utah chartered commercial non-member bank that raises deposits directly from customers through the direct banking channel via the internet and over the telephone. Ally Bank provides our automotive finance and mortgage loan operations with a stable and low-cost funding source and facilitates prudent asset growth. Neither Ally Bank nor any other subsidiary of IB Finance is directly guaranteeing the notes.

GMAC Latin America Holdings LLC. GMAC Latin America Holdings LLC (Latin America LLC), a Delaware limited liability company, was incorporated on August 18, 2006 and is a wholly owned direct subsidiary of Ally. The registered office of Latin America LLC is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120. Latin America LLC is a holding company that conducts no business other than holding 99.9% of the equity interests in Ally Credit, S.A. de C.V., Sociedad Financiera de Objeto Limitado Filial (Ally Credit), and certain other non-material subsidiaries. As of

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June 30, 2012, Latin America LLC and its Mexican subsidiaries, excluding Ally Credit, had no material assets or liabilities. Ally Credit is a regulated Mexican entity and services all of the tangible assets associated with Ally's Mexican retail and wholesale Automotive Finance business. The majority of the loans made by Ally Credit (including approximately 74.3% of its retail originations and approximately 53.0% of its wholesale originations as of June 30, 2012) have been sold or securitized, in accordance with Ally Credit's funding strategy. All of Ally Credit's employees associated with the Mexican retail and wholesale Automotive Finance business are employed through a service contract with Servicios GMAC S.A. de C.V. (Servicios), a payroll company that employs substantially all of Ally Credit's employees and is 99.9% owned by Latin America LLC. Neither Ally Credit nor Servicios is directly guaranteeing the notes.

GMAC International Holdings B.V. GMAC International Holdings B.V. (GMAC International Holdings), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) was incorporated under the laws of The Netherlands on November 7, 2006, with its seat at The Hague, The Netherlands and is a wholly owned direct subsidiary of Ally. The registered office of GMAC International Holdings is Hogeweg 16, 2585 JD s- Gravenhage, The Netherlands. As of June 30, 2012, we conduct our retail and wholesale Automotive Finance business primarily in the following countries through GMAC International Holdings: Canada and France. GMAC International Holdings holds 100% of the equity interests in GMAC Pan European Auto Receivable Lending (PEARL) B.V. (Pearl). Pearl conducts no business other than investing in the subordinated tranches of certain securitization facilities. GMAC International Holdings also holds 100% of the equity interests in GMAC International Finance B.V. (GMACIF), a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), through which we conduct our international funding operations. GMACIF also provides intercompany lending to our international subsidiaries. As we continue to sell assets or cease asset originations in certain countries, we expect that consolidated assets at GMAC International Holdings will be reduced over time.

GMAC Continental Corporation. GMAC Continental Corporation (Continental Corporation), a Delaware corporation, was incorporated on November 3, 1930 and is a wholly owned direct subsidiary of Ally. The registered office of Continental Corporation is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120. Continental Corporation is a Delaware corporation that has active Automotive Finance foreign branch operations in Belgium. As of June 30, 2012, Continental Corporation also holds approximately 49.5% of the outstanding equity interests in MasterLease Limited, and certain other non-material subsidiaries, through which we may provide services to support our remaining European fleet management and full-service leasing portfolios, which are in run off. Certain of MasterLease Limited's business units were classified as discontinued operations under U.S. GAAP during the fourth quarter of 2009 and have been divested. Continental Corporation's subsidiaries are not directly guaranteeing the notes.

Ratio of Earnings to Fixed Charges

Our ratio of earnings to fixed charges for the six months ended June 30, 2012 and years ended December 31, 2011, 2010, 2009, 2008 and 2007 were 0.81 and 0.99, 1.16, 0.01, 1.53 and 0.90, respectively. See Ratio of Earnings to Fixed Charges.

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Summary of the Notes and the Note Guarantees

*The summary below describes the principal terms of the notes and the note guarantees. Certain of the terms and conditions described below are subject to important limitations and exceptions. The **Description of Notes** section of this prospectus supplement contains more detailed descriptions of the terms and conditions of the notes.*

*For a description of certain considerations that should be taken into account in connection with an investment in the notes, see **Risk Factors** beginning on page S-10.*

| | |
|----------------------|---|
| Issuer | Ally Financial Inc. |
| Notes Offered | \$600,000,000 aggregate principal amount of 4.625% Senior Guaranteed Notes due 2015 (the "notes"). The notes will be fully fungible with, and form a single series with, the \$1,000,000,000 aggregate principal amount of 4.625% Senior Guaranteed Notes due 2015 of Ally, guaranteed by the note guarantors, issued on June 26, 2012 (the "existing notes"). It is expected that the notes offered hereby and the existing notes will be of the same series and will have the same CUSIP number. |
| Maturity Date | The notes will mature on June 26, 2015. |
| Interest | The notes will bear interest at a rate of 4.625% per year, payable semi-annually, in arrears, on June 26 and December 26 of each year, commencing on December 26, 2012. The interest payment made on December 26, 2012 will include accrued interest from June 26, 2012. |
| Ranking | <p>The notes will constitute unsubordinated unsecured indebtedness of Ally.</p> <p>The notes will:</p> <ul style="list-style-type: none">rank equally in right of payment with all of Ally's existing and future unsubordinated unsecured indebtedness;rank senior in right of payment to all of Ally's existing and future indebtedness that by its terms is expressly subordinated to the notes;be effectively subordinated to Ally's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness; and |

be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables) of Ally's subsidiaries not guaranteeing the notes to the extent of the value of the assets of such subsidiaries.

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As of June 30, 2012, the Company had approximately \$98.0 billion in principal amount of total debt outstanding, consisting of \$48.4 billion and \$49.6 billion in principal amount of unsecured and secured debt, respectively. As of June 30, 2012, Ally on a standalone basis had approximately \$44.7 billion in aggregate principal amount of total debt outstanding, all of which was unsecured.

Note Guarantees

The note guarantees will constitute unsubordinated unsecured indebtedness of each note guarantor and will:

rank equally in right of payment with all existing and future unsubordinated unsecured indebtedness of such note guarantor;

rank senior in right of payment to all existing and future indebtedness of such note guarantor that by its terms is expressly subordinated to the note guarantee of such note guarantor;

be effectively subordinated to the note guarantors' existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness; and

be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables) of such note guarantor's non-guarantor subsidiaries to the extent of the value of the assets of such subsidiaries.

The obligations of a note guarantor under its note guarantee will be limited to the maximum amount that will result in the obligations of such note guarantor under the note guarantee not to be deemed to constitute a fraudulent conveyance or fraudulent transfer under applicable law. See Risk Factors Risks Related to the Note Guarantees. Because each note guarantor's liability under the note guarantees may be reduced, voided or released under circumstances, you may not receive any payments from some or all of the note guarantors.

Redemption

The notes are not subject to redemption prior to maturity.

Certain Covenants

The indenture governing the notes contains covenants that, among other things,

limit Ally's ability to:

i grant liens on its assets to secure indebtedness without equally and ratably securing the notes; and

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- i merge or consolidate, or transfer or dispose of all or substantially all of its assets; and

require Ally to provide certain periodic and interim reports to the holders of the notes.

The notes will contain covenants that will, among other things:

require Ally to use the net sale proceeds of any sale, disposal or transfer of equity interests of any note guarantor held by Ally in a transaction following which Ally ceases to own a majority of the equity interests of such note guarantor to make an investment in one or more note guarantors or subsidiaries of note guarantors, including any subsidiary of Ally that becomes a note guarantor or a subsidiary of a note guarantor, as described in Description of Notes Certain Covenants Limitation on Sale of Equity Interests of Note Guarantors ;

limit the ability of Ally's subsidiaries (other than any note guarantor) to guarantee the payment of certain other debt;

limit the ability of Ally and its subsidiaries to make payments to holders of notes in return for a consent, waiver or amendment to the terms of the notes; and

require Ally to provide certain additional financial information to the holders of the notes and to prospective investors, upon their request, under certain circumstances, as described in the last sentence of Description of Notes Certain Covenants SEC Reports and Reports to Holders.

The guarantee agreement will contain covenants that will, among other things:

limit the ability of the note guarantors to merge or consolidate, or to sell or convey all or substantially all of their assets; and

limit the ability of the note guarantors or any subsidiary of a note guarantor to:

- i grant liens on their assets to secure certain indebtedness without equally and ratably securing the notes;

i grant liens on their assets to secure any debt of Residential Capital, LLC (ResCap) or any subsidiary of ResCap;

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- i guarantee any debt of ResCap or any subsidiary of ResCap;
- i engage in certain asset sales to Ally or any subsidiary or other affiliate of Ally that is not a note guarantor or a subsidiary of a note guarantor; and
- i engage in certain transactions with affiliates of Ally.

Market for the Notes

Although the underwriters have advised us that they intend to make a market in the notes, they are not obligated to do so, and any market making with respect to the notes may be discontinued without notice. We do not intend to list the notes on any securities exchange. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained.

Use of Proceeds

We intend to use the proceeds from this offering for general corporate purposes, including the retirement of outstanding indebtedness. See Use of Proceeds.

Considerations for Benefit Plan Investors

For a discussion of certain prohibited transactions and fiduciary duty issues pertaining to purchases by or on behalf of an employee benefit plan, see Certain Benefit Plan and IRA Considerations.

Risk Factors

For a discussion of risks that you should consider carefully before making an investment in the notes, please read Risk Factors.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$612,000,000, after deducting the underwriting discount and before estimated offering expenses payable by us and excluding accrued interest. We estimate that our expenses, other than the underwriting discount, will be approximately \$500,000.

We intend to use the net proceeds from this offering for general corporate purposes, including the retirement of outstanding indebtedness. Pending the application of the proceeds, we may invest the proceeds in short-term securities.

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Our consolidated ratio of earnings to fixed charges were as follows for the periods presented:

| | Six months ended June 30, 2012(a) | 2011(a) | 2010(a) | Year ended December 31, | | |
|---------------------------------------|--|----------------|----------------|--------------------------------|----------------|----------------|
| | | | | 2009(a) | 2008(a) | 2007(a) |
| Ratio of earnings to fixed charges(b) | 0.81 | 0.99 | 1.16 | 0.01 | 1.53 | 0.90 |

- (a) During 2011, 2010 and 2009, we committed to sell certain operations of our International Automotive Finance operations, Insurance operations, Mortgage operations, and Commercial Finance Group. We report these businesses separately as discontinued operations in the Condensed Consolidated Financial Statements, which are incorporated by reference into this prospectus supplement. Refer to Note 2 to the Condensed Consolidated Financial Statements for further discussion of our discontinued operations. All reported periods of the calculation of the ratio of earnings to fixed charges exclude discontinued operations.
- (b) The ratio indicates a less than one-to-one coverage for the six months ended June 30, 2012, and the years ended December 31, 2011, 2009, and 2007. Earnings for the six months ended June 30, 2012, and the years ended December 31, 2011, 2009, and 2007 were inadequate to cover fixed charges. The deficient amounts for the ratio were \$526 million for the six months ended June 30, 2012, and \$19 million, \$6,918 million, and \$1,401 million for the years ended December 31, 2011, 2009, and 2007, respectively.

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RISK FACTORS

Your decision whether to acquire the notes will involve risk. The risks described below are intended to highlight risks that are specific to the notes being offered and the related guarantees, but are not the only risks we face.

*You should be aware of, and carefully consider, the following risk factors, along with all of the risks and other information provided or referred to in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein, including the discussion in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, each as supplemented by the risk factor included in our Current Report on Form 8-K dated May 14, 2012, in each case including all of the risks discussed in the Risk Factors section thereof, before deciding whether to participate in the offering of the notes. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See *Cautionary Statement Regarding Forward-Looking Statements* in this prospectus supplement.*

Risks Relating to the Notes

Our substantial level of indebtedness could materially adversely affect our ability to generate sufficient cash to fulfill our obligations under the notes, our ability to react to changes in our business and our ability to incur additional indebtedness to fund future needs.

We have a substantial amount of indebtedness, which requires significant interest and principal payments. As of June 30, 2012, we had approximately \$98.0 billion in principal amount of indebtedness outstanding. Our existing and future secured indebtedness will rank effectively senior to the notes offered hereby to the extent of the value of the assets securing such indebtedness. We may incur additional indebtedness from time to time. If we do so, the risks related to our high level of indebtedness could be increased.

Our substantial level of indebtedness could have important consequences to holders of the notes, including the following:

making it more difficult for us to satisfy our obligations with respect to our indebtedness, including the notes;

requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing funds available for other purposes;

increasing our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have relatively less indebtedness;

limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; and

limiting our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, research and development and other corporate purposes.

In addition, a breach of any of the restrictions or covenants in our debt agreements could cause a cross-default under other debt agreements. A significant portion of our indebtedness then may become immediately due and payable. We are not certain whether we would have, or be able to obtain, sufficient funds to make these accelerated payments. If any of our indebtedness is accelerated, our assets may not be sufficient to repay in full such indebtedness and our other indebtedness.

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We may not be able to generate sufficient cash to service all of our indebtedness, including the notes.

Our ability to make scheduled payments of principal and interest or to satisfy our obligations in respect of our indebtedness, to refinance our indebtedness or to fund capital expenditures will depend on our future operating performance. Prevailing economic conditions (including interest rates), regulatory constraints, including, among other things, on distributions to us from our subsidiaries and required capital levels with respect to certain of our banking and insurance subsidiaries, and financial, business and other factors, many of which are beyond our control, will also affect our ability to meet these needs. We may not be able to generate sufficient cash flows from operations, or obtain future borrowings in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness when needed on commercially reasonable terms or at all.

Our subsidiaries that are not note guarantors (including subsidiaries of the note guarantors that are not note guarantors) will not guarantee the notes and will not be restricted under the indenture for the notes. Your right to receive payments on the notes and the note guarantees are effectively subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries.

Our subsidiaries that are not note guarantors will not guarantee the notes and will not be restricted under the indenture for the notes. Accordingly, in the event of a bankruptcy or insolvency, the claims of creditors of those non-guarantor subsidiaries would also rank effectively senior to the notes, to the extent of the assets of those subsidiaries. None of the non-guarantor subsidiaries, or any of their respective subsidiaries, has any obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their liabilities, including trade creditors, will generally be entitled to payment of their claims from the assets of those non-guarantor subsidiaries before any assets are made available for distribution to us. The notes and the indenture and the guarantee agreement relating thereto will permit us to sell our interests in (through merger, consolidation or otherwise) the non-guarantor subsidiaries, or sell all or substantially all of the assets of any of the non-guarantor subsidiaries, in each case, without the consent of the holders of the notes in certain circumstances.

Our less than wholly owned subsidiaries may also be subject to restrictions on their ability to distribute cash to us in their financing or other agreements. As a result, we may not be able to access their cash flows to service our debt obligations, including obligations in respect of the notes.

The notes and the note guarantees will be effectively subordinated to our and the note guarantors' existing and future secured indebtedness which is secured by a lien on certain of our assets or certain assets of the note guarantors.

As of June 30, 2012, we had approximately \$49.6 billion in aggregate principal amount of secured indebtedness outstanding. The notes and the note guarantees will not be secured by any of our assets. As a result, our and the note guarantors' existing and future secured indebtedness will rank effectively senior to the indebtedness represented by the notes and the note guarantees, to the extent of the value of the assets securing such indebtedness. In the event of any distribution or payment of our or the note guarantors' assets in any foreclosure, dissolution, winding-up, liquidation or reorganization, or other bankruptcy proceeding, our or the note guarantors' secured creditors will have a superior claim to their collateral, as applicable. If any of the foregoing occurs, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. The existing and future liabilities of our subsidiaries, excluding those subsidiaries that do guarantee the notes, will be structurally senior to the indebtedness represented by the notes to the extent of the value of the assets of such subsidiaries.

In addition, if we default under any of our existing or future secured indebtedness, the holders of such indebtedness could declare all of the funds borrowed thereunder, together with accrued interest, immediately due

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and payable. If we are unable to repay such indebtedness, the holders of such indebtedness could foreclose on the pledged assets to the exclusion of the holders of the notes, even if an event of default exists under the indenture governing the notes at such time. In any such event, because the notes will not be secured by any of our assets, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims in full.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

The notes are issues of securities for which there is no established public market. The underwriters have advised us that they intend to make a market in the notes, as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in any of the notes and they may discontinue their market-making activities at any time without notice. Therefore, an active market for any of the notes may not develop or, if developed, it may not continue. The liquidity of any market for the notes will depend upon, among other things, the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. A liquid trading market may not develop for the notes. If a market develops, the notes could trade at prices that may be lower than the initial offering price of the notes. If an active market does not develop or is not maintained, the price and liquidity of the notes may be adversely affected. Historically, the market for non-investment grade debt securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for any of the notes may not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your notes.

A court could deem the issuance of the notes to be a fraudulent conveyance and void all or a portion of the obligations represented by the notes.

In a bankruptcy proceeding by Ally, a trustee, debtor in possession, or someone else acting on behalf of the bankruptcy estate may seek to recover transfers made or void obligations incurred prior to the bankruptcy proceeding on the basis that such transfers and obligations constituted fraudulent conveyances. Fraudulent conveyances are generally defined to include transfers made or obligations incurred for less than reasonably equivalent value or fair consideration when the debtor was insolvent, inadequately capitalized or in similar financial distress or that rendered the debtor insolvent, inadequately capitalized or unable to pay its debts as they become due, or transfers made or obligations incurred with the intent of hindering, delaying or defrauding current or future creditors. A trustee or such other parties may recover such transfers and avoid such obligations made within two years prior to the commencement of a bankruptcy proceeding. Furthermore, under certain circumstances, creditors may generally recover transfers or void obligations outside of bankruptcy under applicable fraudulent transfer laws, within the applicable limitation period, which are typically longer than two years. In bankruptcy, a representative of the estate may also assert such claims. If a court were to find that Ally issued the notes under circumstances constituting a fraudulent conveyance, the court could void all or a portion of the obligations under the notes. In addition, under such circumstances, the value of any consideration holders received with respect to the notes could also be subject to recovery from such holders and possibly from subsequent transferees.

Therefore, a note could be voided, or claims in respect of a note could be subordinated to all other debts of Ally, if Ally at the time it incurred the indebtedness evidenced by the notes received less than reasonably equivalent value or fair consideration for the issuance of the notes, and:

was insolvent or rendered insolvent by reason of such issuance or incurrence;

was engaged in a business or transaction for which Ally's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

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The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a debtor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than all of its assets at fair valuation;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

We cannot assure you as to what standard a court would apply in determining whether Ally would be considered to be insolvent. If a court determined that Ally was insolvent after giving effect to the issuance of the new securities, it could void the notes, or potentially impose other forms of damages.

With respect to certain actions under the indenture governing the notes, holders of the notes will vote together as a single class with holders of all other debt securities issued under the indenture governing the notes that are adversely affected by such actions; therefore the voting interest of a holder of notes under the indenture with respect to such actions will be diluted.

For purposes of the indenture governing the notes, the notes offered hereby, the existing notes and all other debt securities issued thereunder will generally constitute a single class of debt securities. Therefore, any action under the indenture governing the notes other than those actions affecting only the notes will require the consent of the holders of not less than $66\frac{2}{3}\%$ in aggregate principal amount of the debt securities issued thereunder that are affected thereby. See Description of Notes Modification of the Indenture. Consequently, any action requiring the consent of holders of the notes under the indenture governing the notes may also require the consent of holders of a significant portion of the remaining debt securities issued thereunder, and the individual voting interest of each holder of the notes may be accordingly diluted with respect to such actions. In addition, holders of debt securities could vote in favor of certain actions under the indenture that holders of the notes vote against, and the requisite consent to such action could be received nonetheless. We also may, from time to time, issue additional debt secu