

Ally Financial Inc.
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities and neither Ally nor Treasury is soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 1, 2011

PRELIMINARY PROSPECTUS SUPPLEMENT

TO PROSPECTUS DATED MARCH 1, 2011

Trust Preferred Securities
GMAC Capital Trust I
% Fixed Rate/Floating Rate Trust Preferred Securities, Series 2

Liquidation Amount \$25 Per Trust Preferred Security

Guaranteed to the extent set forth herein by

Ally Financial Inc.

The United States Department of the Treasury (Treasury or the Selling Securityholder) is selling the % Fixed Rate/Floating Rate Trust Preferred Securities, Series 2 of GMAC Capital Trust I (the Series 2 Trust Preferred Securities). Ally Financial Inc. (Ally or the Company) will not receive any proceeds from the sale of Series 2 Trust Preferred Securities by the Selling Securityholder.

A brief description of the Series 2 Trust Preferred Securities can be found under Summary Information Q&A in this prospectus supplement.

Some or all of the Series 2 Trust Preferred Securities may be redeemed at any time on or after February 15, 2016. In addition, the Series 2 Trust Preferred Securities may be redeemed, in whole or in part, at any time if certain changes in tax or investment company law or interpretation occur and certain other conditions are satisfied. However, Ally will not have the right prior to February 15, 2016 to cause the redemption of the Series 2 Trust Preferred Securities as a result of changes in bank regulatory law or interpretation.

The Series 2 Trust Preferred Securities have been approved for listing on the New York Stock Exchange (NYSE) under the trading symbol ALLY PRA , subject to notice of issuance. The Series 2 Trust Preferred Securities are expected to begin trading on the NYSE within 30 days

after they are first issued.

The Series 2 Trust Preferred Securities are rated below investment grade and are subject to risks associated with non-investment grade securities. You are urged to carefully read the Risk Factors section in the accompanying prospectus, where specific risks associated with these Series 2 Trust Preferred Securities are described, along with the other information in this prospectus supplement and the accompanying prospectus before you make your investment decision.

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.

These securities are not deposits or savings accounts. These securities are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

	Per Series 2 Trust Preferred Security	Total
Public offering price	\$	\$
Underwriting commissions (1) (2)	\$	\$
Proceeds to the Selling Securityholder	\$	\$

(1) As part of the amendment to the GMAC Capital Trust I, which resulted in the Series 2 Trust Preferred Securities, Ally paid Treasury a \$ one-time, non-refundable distribution fee, which was calculated to equal all discounts, underwriting commissions, transfer taxes and transaction fees applicable to the sale of Series 2 Trust Preferred Securities.

(2) The Underwriters will receive commissions of \$ per Series 2 Trust Preferred Security, or \$ for all Series 2 Trust Preferred Securities; except that for sales to certain institutions, the commissions will be \$ per Series 2 Trust Preferred Securities.

Distributions on the Series 2 Trust Preferred Securities will accrue from March , 2011 to the date of delivery. Distributions accrued prior to March , 2011 were paid to the Selling Securityholder.

Ally and the Selling Securityholder expect that the Series 2 Trust Preferred Securities will be ready for delivery in book-entry form only through The Depository Trust Company, Clearstream and Euroclear on or about March , 2011.

Joint Book-Running Managers

Citi Deutsche Bank Securities J.P. Morgan Morgan Stanley
Barclays Capital Goldman, Sachs & Co.

March , 2011

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We have not authorized anyone to provide any information other than that contained in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred to 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 or soliciting a purchase of these securities in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make the offer or solicitation. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the cover of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

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The distribution or possession of this prospectus supplement in or from certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement comes are required by Ally to inform themselves about, and to observe any such restrictions, and Ally accepts no liability in relation thereto. See Underwriting.

This prospectus supplement and accompanying prospectus are not an offer to sell these Series 2 Trust Preferred Securities and are not soliciting an offer to buy these Series 2 Trust Preferred Securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. See Underwriting.

Unless the context otherwise requires, references in this prospectus supplement to the Company, we, us, and our refer to Ally Financial Inc. and its direct and indirect subsidiaries (including Residential Capital, LLC, or ResCap) on a consolidated basis, references to Ally refer only to Ally Financial Inc., and references to the Trust refer to GMAC Capital Trust I.

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SUMMARY INFORMATION Q&A

This summary provides a brief overview of the key aspects of Ally, GMAC Capital Trust I, and the Series 2 Trust Preferred Securities. You should carefully read this prospectus supplement and the accompanying prospectus to understand fully the terms of the Series 2 Trust Preferred Securities as well as the tax and other considerations that are important to you in making a decision about whether to invest in the Series 2 Trust Preferred Securities. You should pay special attention to the Risk Factors section in the accompanying prospectus to determine whether an investment in the Series 2 Trust Preferred Securities is appropriate for you.

What Are the Series 2 Trust Preferred Securities?

The Series 2 Trust Preferred Securities and the % Fixed Rate/Floating Rate Common Securities, Series 2 (the Series 2 Common Securities and, together with the Series 2 Trust Preferred Securities, the series 2 securities) represent undivided beneficial interests in Ally s % Fixed Rate/Floating Rate Junior Subordinated Deferrable Interest Debentures due 2040 (the Series 2 Debentures).

The Series 2 Debentures are the only assets designated to series 2 of the Trust (Series 2). The Series 2 Debentures, along with Ally s 8.0% Junior Subordinated Deferrable Interest Debentures due 2040 (the Series 1 Debentures and, together with the Series 2 Debentures, the Debentures) are currently the only assets of the Trust.

Each Series 2 Trust Preferred Security has a liquidation amount of \$25 and entitles the holder to receive periodic cash distributions as described in this prospectus supplement and the accompanying prospectus.

Who Is GMAC Capital Trust I?

GMAC Capital Trust I (referred to in this prospectus supplement as the Trust) is a Delaware statutory trust. Its principal place of business is c/o Ally Financial Inc., 200 Renaissance Center, Detroit, Michigan 48265, and its telephone number is (866) 710-4623.

All of the common securities of the Trust are owned by Ally. The Series 1 Debentures and the Series 2 Debentures are currently the only assets of the Trust. The Series 2 Debentures have the same financial terms as the Series 2 Trust Preferred Securities.

Who Is Ally?

Ally (formerly known as GMAC Inc.) was originally founded in 1919 as a wholly-owned subsidiary of General Motors Corporation (currently General Motors Company or GM). Ally s primary lines of business are Global Automotive Services and Mortgage. 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 Financial Inc.

The mailing address of Ally s principal executive office is 200 Renaissance Center, P.O. Box 200, Detroit, Michigan 48265, and its telephone number is (866) 710-4623.

When Will You Receive Distributions on the Series 2 Trust Preferred Securities?

The only source of cash of Series 2 to make payments on the Series 2 Trust Preferred Securities are payments on the Series 2 Debentures it owns.

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If you purchase the Series 2 Trust Preferred Securities, you are entitled to receive cumulative cash distributions on the liquidation amount of \$25 per Series 2 Trust Preferred Security as follows:

from March , 2011 to but excluding February 15, 2016, at an annual rate of % payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning August 15, 2011; and

from and including February 15, 2016 to but excluding February 15, 2040, at an annual rate equal to three-month LIBOR plus % payable quarterly in arrears on February 15, May 15, August 15 and November 15, beginning May 15, 2016.

Distributions accrued prior to March , 2011 were paid to the Selling Securityholder.

When Will Payment of Your Distributions Be Deferred?

If Ally defers interest payments on the Series 2 Debentures, Series 2 generally will defer distributions on the Series 2 Trust Preferred Securities. A deferral may be for up to 20 consecutive quarters, but a deferral of distributions cannot extend beyond February 15, 2040.

What Are the Consequences of an Extension Period?

During any period in which Ally defers interest on the Series 2 Debentures, which we refer to as an extension period, except as described beginning on page S-15, Ally will not, and will not permit its subsidiaries to:

declare or pay a dividend on, or make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock, or make any guarantee payments relating to the foregoing; or

make any payment of interest, principal or premium on, or repay, repurchase or redeem, any of its debt securities or guarantees that rank equally with or junior to the Series 2 Debentures.

When Can Series 2 Redeem the Series 2 Trust Preferred Securities?

Series 2 will redeem the Series 2 Trust Preferred Securities on the dates and to the extent the Series 2 Debentures are redeemed. Thus, the Series 2 Trust Preferred Securities may be redeemed, in whole or in part, at the option of Ally at any time on or after February 15, 2016 at a redemption price equal to 100% of the principal amount being redeemed, plus accrued and unpaid interest through the date of redemption. The Series 2 Trust Preferred Securities may also be redeemed, in whole or in part, at any time if certain changes in tax or investment company law or interpretations occur and certain other conditions are satisfied at a redemption price equal to 100% of the liquidation amount being redeemed, plus accrued and unpaid distributions through the date of redemption. Under current rules and regulations, Ally would need the approval of the Board of Governors of the Federal Reserve System to redeem the Series 2 Debentures prior to the maturity of the Series 2 Debentures. See Risk Factors You should not rely on the distributions from the Trust Preferred Securities through their maturity date they may be redeemed at any time if certain changes in tax or investment company law occur and Description of the Series 2 Trust Preferred Securities Special Event Redemption in the accompanying prospectus.

Ally will not have the right prior to February 15, 2016 to redeem the Series 2 Debentures as a result of changes in bank regulatory law or interpretation.

Series 2 must redeem all of the outstanding Series 2 Trust Preferred Securities no later than February 15, 2040.

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What Is Ally's Guarantee of the Series 2 Trust Preferred Securities?

Pursuant to certain amended and restated guarantee agreements (the Amended and Restated Guarantee Agreements), Ally will provide for full and unconditional guarantees, on a subordinated basis, for the benefit of the holders of the respective series of trust preferred securities, of the payment of certain amounts due on that series of trust preferred securities to the extent not paid by or on behalf of such series (the Guarantees).

Ally's Guarantee of the Series 2 Trust Preferred Securities consists of its obligations to make the following payments due on the Series 2 Trust Preferred Securities, to the extent that Series 2 has not made such payments:

any accrued and unpaid distributions that are required to be paid on the Series 2 Trust Preferred Securities;

the redemption price of \$25 per Series 2 Trust Preferred Security, plus all accrued and unpaid distributions to the date of redemption, relating to any Series 2 Trust Preferred Securities called for redemption; and

the lesser of the liquidation distribution for Series 2 Trust Preferred Securities and the value of assets of Series 2 remaining available for distribution to holders of Series 2 Trust Preferred Securities after the satisfaction of certain liabilities to creditors of Series 2, as required by law, upon dissolution, winding-up or termination of Series 2.

Ally has irrevocably guaranteed that if Series 2 has funds available but, for any reason, Series 2 does not make the distribution or redemption payment to the holders of the Series 2 Trust Preferred Securities, then Ally will make the payments directly to the holders of the Series 2 Trust Preferred Securities. The Guarantee does not cover payments when Series 2 does not have sufficient funds available to make payments on the Series 2 Trust Preferred Securities.

Ally's obligations under the Guarantees are subordinated as described in Description of the Guarantees in the accompanying prospectus.

What Is the Anticipated U.S. Federal Income Tax Treatment of the Series 2 Trust Preferred Securities?

Based on the advice of counsel, Davis Polk & Wardwell LLP, the Trust intends to treat (i) each series as a separate entity, and (ii) Series 2 as a grantor trust, in each case for U.S. federal income tax purposes. By purchasing a Series 2 Trust Preferred Security, a holder is deemed to agree to the foregoing treatment. Under this treatment, for U.S. federal income tax purposes, a holder will be treated as owning an undivided beneficial interest in the Series 2 Debentures. However, the treatment of the Trust and Series 2 is uncertain, and the Trust or Series 2 could be treated as a partnership for U.S. federal income tax purposes. If the Trust or Series 2 were treated as a partnership, we do not expect that such treatment would materially change a holder's U.S. federal income tax treatment with respect to the Series 2 Trust Preferred Securities, except that a holder might not be able to make certain elections that would be available if the Trust or Series 2 were not treated as a partnership. See United States Federal Income Tax Considerations Classification of the Trust on page S-41 of this prospectus supplement.

In connection with the issuance of the Series 2 Trust Preferred Securities, Davis Polk & Wardwell LLP, special tax counsel to Ally, will render its opinion that, while there is no authority directly on point and the issue is not free from doubt, the Series 2 Debentures will be treated for U.S. federal income tax purposes as indebtedness of Ally. This opinion is subject to certain customary conditions. By investing in the Series 2 Trust Preferred Securities, each beneficial owner of Series 2 Trust Preferred Securities agrees to treat the Series 2 Debentures as indebtedness for U.S. federal income tax purposes. See United States Federal Income Tax Considerations Classification of the Series 2 Debentures on page S-41 of this prospectus supplement.

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Based on the foregoing and Ally's belief that the likelihood of its exercising its option to defer interest payments is remote within the meaning of applicable Treasury regulations, interest payments on the Series 2 Debentures should be taxable to United States holders as ordinary interest income at the time that such payments are accrued or are received (in accordance with such holders' method of tax accounting). If the likelihood of Ally exercising its option to defer interest payments was determined not to be remote, or if a deferral of an interest payment occurred, United States holders would be required to accrue ordinary income for U.S. federal income tax purposes with respect to the Series 2 Debentures, in the form of original issue discount, even though cash distributions may be deferred and even though such holders may be cash-basis taxpayers. See "United States Federal Income Tax Considerations" on page S-41 of this prospectus supplement.

When Could the Series 2 Debentures Be Distributed to You?

Ally has the right to dissolve Series 2 at any time, subject to any required approval of the Board of Governors of the Federal Reserve or the governmental agency with primary oversight of regulatory capital for Ally (the "Capital Regulator"). If Ally terminates Series 2 and does not cause the Series 2 Trust Preferred Securities to be redeemed for cash, Series 2 will redeem the Series 2 Trust Preferred Securities by distributing the Series 2 Debentures to holders of the Series 2 Trust Preferred Securities and the Series 2 Common Securities on a ratable basis.

Will the Series 2 Trust Preferred Securities be Listed on a Stock Exchange?

The Series 2 Trust Preferred Securities have been approved for listing on the NYSE under the trading symbol ALLY PRA, subject to notice of issuance. The Series 2 Trust Preferred Securities are expected to begin trading on the NYSE within 30 days after they are first issued.

Will Holders of the Series 2 Trust Preferred Securities Have Any Voting Rights?

Generally, the holders of the Series 2 Trust Preferred Securities will not have any voting rights. See "Description of the Series 2 Trust Preferred Securities" "Voting Rights" in the accompanying prospectus.

How Will the Series 2 Debentures Rank?

Ally's obligations under the Series 2 Debentures and the Guarantee rank junior to all of Ally's senior indebtedness (as defined in "Description of the Series 2 Debentures" in the accompanying prospectus). This means that Ally cannot make any payments on the Series 2 Debentures or the Guarantee if it defaults on a payment of senior indebtedness and does not cure the default within the applicable grace period or if the senior indebtedness becomes immediately due because of a default and has not yet been paid in full. In addition, Ally's obligations under the Series 2 Debentures and the Guarantee are structurally subordinated to all existing and future liabilities of Ally's subsidiaries.

Are There Any ERISA Consequences?

An employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, commonly referred to as ERISA, or a plan or account to which Section 4975 of the Internal Revenue Code of 1986, as amended, or the Code, applies or any entity whose underlying assets include the assets of any such plan or account will be permitted to purchase, hold or dispose of the securities only subject to the conditions described in "Benefit Plan Investor Considerations" beginning on page S-47 of this prospectus supplement. Purchases by governmental and other plans subject to any substantially similar law will also be subject to similar conditions. Please refer to "Benefit Plan Investor Considerations" on page S-47 of this prospectus supplement for further information.

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In What Form Will the Series 2 Trust Preferred Securities in this Offering Be Issued?

The Series 2 Trust Preferred Securities will be represented by one or more global securities that will be deposited with and registered in the name of The Depository Trust Company or its nominee. This means that you will not receive a certificate for your Series 2 Trust Preferred Securities and that your broker will maintain your position in the Series 2 Trust Preferred Securities. Ally and the Selling Securityholder expect that the Series 2 Trust Preferred Securities will be ready for delivery in book-entry form only through DTC, Clearstream and Euroclear on or about March , 2011.

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**RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO FIXED CHARGES
INCLUDING PREFERRED STOCK DIVIDENDS**

The following table shows (1) the consolidated ratio of earnings to fixed charges and (2) the consolidated ratio of earnings to fixed charges including preferred stock dividends of Ally for each of the five most recent fiscal years.

(\$ in millions)	Year ended December 31,				
	2010 (a)	2009 (a)	2008 (a)	2007 (a)	2006 (a)
Earnings					
Consolidated net income (loss) from continuing operations	\$ 1,026	\$ (7,033)	\$ 4,873	\$ (1,918)	\$ 1,840
Income tax expense (benefit) from continuing operations	153	74	(136)	496	22
Equity-method investee distribution			111	65	651
Equity-method investee (losses) earnings	(57)	(10)	533	5	(512)
Minority interest expense	1	1	1	2	9
Consolidated income (loss) from continuing operations before income taxes, minority interest, and income or loss from equity investees	1,123	(6,968)	5,382	(1,350)	2,010
Fixed charges	6,915	7,202	10,218	13,725	14,705
Earnings available for fixed charges	\$ 8,038	\$ 234	\$ 15,600	\$ 12,375	\$ 16,715
Fixed charges					
Interest, discount, and issuance expense on debt	\$ 6,883	\$ 7166	\$ 10,166	\$ 13,665	\$ 14,639
Portion of rentals representative of the interest factor	32	36	52	60	66
Total fixed charges	6,915	7,202	10,218	13,725	14,705
Preferred dividend requirements	2,138	1,224		192	22
Total fixed charges and preferred dividend requirements	\$ 9,053	\$ 8,426	\$ 10,218	\$ 13,917	\$ 14,727
Ratio of earnings to fixed charges (b)	1.16	0.03	1.53	0.90	1.14
Ratio of earnings to fixed charges and preferred dividend requirements (c)	0.89	0.03	1.53	0.89	1.13

- (a) During 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 Consolidated Financial Statements. Refer to Note 2 to the 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 calculation indicates a less than one-to-one coverage for the years ended December 31, 2009 and 2007. Earnings available for fixed charges for the years ended December 31, 2009 and 2007, were inadequate to cover total fixed charges. The deficient amount for the ratio were \$6,968 million for 2009 and \$1,350 million for 2007.
- (c) The ratio calculation indicates a less than one-to-one coverage for the years ended December 31, 2010, 2009 and 2007. Earnings available for fixed charges for the years ended December 31, 2010, 2009 and 2007, were inadequate to cover total fixed charges. The deficient amount for the ratio was \$1,015 million for 2010, \$8,192 million for 2009 and \$1,542 million for 2007.

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WHERE YOU CAN FIND MORE INFORMATION

Ally and the Trust have filed a Registration Statement on Form S-3 (as amended, the Registration Statement on Form S-3) under the Securities Act of 1933, as amended (the Securities Act) with the SEC with respect to the securities being offered pursuant to this prospectus supplement. This prospectus supplement omits certain information contained in the Registration Statement on Form S-3, as permitted by the SEC. Refer to the Registration Statement on Form S-3, including the exhibits, for further information about Ally, the Trust and the securities being offered pursuant to this prospectus supplement. Statements in the accompanying prospectus regarding the provisions of documents filed with, or incorporated by reference in, the Registration Statement on Form S-3 are not necessarily complete and each statement is qualified in all respects by that reference. Copies of all or any part of the Registration Statement on Form S-3 including the documents incorporated by reference herein or the exhibits, may be obtained upon payment of the prescribed rates at the offices of the SEC listed below and through the SEC's website.

Ally files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document Ally files at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can also request copies of these documents, upon payment of a duplicating fee, by writing to the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

The SEC allows Ally to incorporate by reference the information it files with the SEC, which means that it can disclose important information to you by referring you to those documents. The information incorporated by reference herein is considered to be part of this prospectus supplement. Information that Ally files with the SEC will automatically update the information in this prospectus supplement. In all cases, you should rely on the later information over different information included in this prospectus supplement. Ally incorporates by reference the documents listed below:

Annual Report on Form 10-K for the fiscal year ended December 31, 2010; and

Current Reports on Form 8-K filed on January 14, 2011, February 11, 2011 and February 28, 2011.

All documents Ally files pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended (the Exchange Act) after the date of this prospectus supplement and before the completion of the offering of the securities described in this prospectus supplement shall also be incorporated by reference in this prospectus supplement from the date of filing of such documents. In no event, however, will any of the information that Ally furnishes to, pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K (including exhibits related thereto) or other applicable SEC rules, rather than files with, the SEC be incorporated by reference or otherwise be included herein, unless such information is expressly incorporated herein by a reference in such furnished Current Report on Form 8-K or other furnished document.

You may also obtain a copy of any or all of the documents referred to above that may have been or may be incorporated by reference into this prospectus supplement (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address and telephone number:

Ally Financial Inc.

Attention: Investor Relations

440 South Church Street, 14th Floor

Charlotte, North Carolina 28202

Tel: (866) 710-4623

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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 to identify 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, 2010, as updated by our subsequent Annual Reports on 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and the other documents specifically incorporated by reference herein. See [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.

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ALLY FINANCIAL INC.

Ally (formerly known as GMAC Inc.) was originally founded in 1919 as a wholly-owned subsidiary of General Motors Corporation (currently General Motors Company or GM). 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 Financial Inc. 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 and Mortgage are our primary lines of business.

Global Automotive Services

Our Global Automotive Services operations offer a wide range of financial services and insurance products to over 18,000 automotive dealerships and their retail customers. We have deep dealer relationships that have been built over our 90-year history and our dealer-focused business model encourages dealers to use our broad range of products through incentive programs like our Dealer Rewards program, which rewards individual dealers based on the depth and breadth of our relationship. Our automotive finance services include providing retail installment sales contracts, loans, and leases, offering term loans to dealers, financing dealer floorplans and other lines of credit to dealers, fleet leasing, and vehicle remarketing services. We also offer vehicle service contracts and commercial insurance primarily covering dealers wholesale vehicle inventories in the United States and internationally. We are a leading provider of vehicle service contracts with mechanical breakdown and maintenance coverages.

We have significantly streamlined our international presence in recent years to focus on strategic operations and improve financial performance. Our International Automotive Finance operations will focus the majority of originations in five core international markets: Germany, the United Kingdom, Brazil, Mexico, and our joint venture in China.

A significant portion of our Global Automotive Services business is conducted with or through GM- and Chrysler Group LLC (Chrysler)-franchised dealers and their customers.

On November 30, 2006, we entered into an agreement with GM that, subject to certain conditions and limitations, whenever GM offers vehicle financing and leasing incentives to customers, it would do so exclusively through Ally. Most recently, this agreement was modified on May 22, 2009. As a result of these modifications: (1) through December 31, 2010, GM could offer retail financing incentive programs through a third-party financing source under certain specified circumstances and, in some cases, subject to the limitation that pricing offered by the third party meets certain restrictions, and after December 31, 2010, GM can offer any incentive programs on a graduated basis through third parties on a nonexclusive, side-by-side basis with Ally provided that the pricing of the third parties meets certain requirements; (2) Ally will have no obligation to provide operating lease financing products; and (3) Ally will have no targets against which it could be assessed penalties. The modified agreement will expire on December 31, 2013. A primary objective of Ally under the agreement continues to be supporting distribution and marketing of GM products.

On August 6, 2010, we entered into an agreement with Chrysler (which replaced a term sheet that was originally effective on April 30, 2009) to make available automotive financing products and services to Chrysler dealers and customers. We are Chrysler's preferred provider of new wholesale financing for dealer inventory in the United States, Canada, and Mexico, along with other international markets upon the mutual agreement of the parties. We provide dealer financing and services and retail financing to qualified Chrysler dealers and customers.

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as we deem appropriate according to our credit policies and in our sole discretion. Chrysler is obligated to provide us with certain exclusivity privileges including the use of Ally for designated minimum threshold percentages of certain Chrysler retail financing subvention programs. The agreement extends through April 30, 2013, with automatic one-year renewals unless either we or Chrysler provides sufficient notice of nonrenewal. During 2010, Chrysler also selected Ally to be the preferred financing provider for Fiat vehicles in the United States. Under this agreement, our North American Automotive Finance operations will offer retail financing, leasing, wholesale financing, working capital and facility loans, and remarketing services for Fiat vehicles in the United States.

In 2010, we also further diversified our Global Automotive Services customer base by establishing agreements with other manufacturers. In March 2010, we were selected by Spyker Cars N.V., which purchased Saab Automobile from GM, as the preferred source of wholesale and retail financing for qualified Saab dealers and customers in North America and internationally. Additionally, in November 2010, we were selected as the recommended provider of finance and insurance products and services for Saab dealerships in the United States. In April 2010, we were selected by Thor Industries, Inc. (Thor) as the preferred financial provider for its recreational vehicles. Thor is the world's largest manufacturer of recreation vehicles, including brands such as Damon, Four Winds, Airstream, Dutchmen, Komfort, Breckenridge, CrossRoads, General Coach, and Keystone RV.

Mortgage

Our Origination and Servicing operations is one of the leading originators of conforming and government-insured residential mortgage loans in the United States. We also originate and purchase high-quality government-insured residential mortgage loans in Canada. We are one of the largest residential mortgage loan servicers in the United States and we provide collateralized lines of credit to other mortgage originators, which we refer to as warehouse lending. We finance our mortgage loan originations primarily in Ally Bank in the United States and in ResMor Trust in Canada.

Our Legacy Portfolio and Other operations primarily consists of loans originated prior to January 1, 2009, and includes noncore business activities including discontinued operations, portfolios in runoff, and cash held in the ResCap legal entity.

Corporate and Other

Our Commercial Finance Group is included within our Corporate and Other segment. Our Commercial Finance Group provides senior secured commercial lending products to small and medium sized businesses primarily in the United States. Corporate and Other also includes certain equity investments, the amortization of the discount associated with new debt issuances and bond exchanges, most notably from the December 2008 bond exchange, as well as the residual impacts of our corporate funds-transfer-pricing (FTP) and treasury asset liability management (ALM) activities.

Ally Bank

Ally Bank, our direct banking platform, provides our Automotive Finance and Mortgage operations with a stable, low-cost funding source and facilitates prudent asset growth. Ally Bank funded 64% of our U.S. retail automotive loans in the fourth quarter of 2010. Ally Bank raises deposits directly from customers over the internet and by telephone, referred to as direct banking. Ally Bank has quickly become a leader in online banking with our recognizable brand, accessible 24/7 customer service, and a full spectrum of competitively priced products. We have attempted to distinguish Ally Bank with our Talk Straight, Do Right, Be Obviously Better branding and products that are Easy to Use with No Fine Print, Hidden Fees, Rules, or Penalties. Our products and customer experience have earned top honors from Money Magazine, Kiplinger's Personal Finance Magazine, and Change Sciences Group.

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SELLING SECURITYHOLDER

The United States Department of the Treasury (Treasury or the Selling Securityholder) acquired the Series 2 Trust Preferred Securities offered by this prospectus supplement from Ally in connection with Ally s participation in the Troubled Asset Relief Program (TARP). TARP was established pursuant to the Emergency Economic Stabilization Act of 2008, as amended (EESA), which was enacted into law on October 3, 2008 in response to the financial crisis. See Summary Securities Being Offered The Trust Preferred Securities in the accompanying prospectus.

Ally s relationship with Treasury includes, among other things, (i) the transactions and arrangements entered into in connection with Treasury s acquisition of Trust Preferred Securities from the Trust and Ally; (ii) the transactions and arrangements entered into in connection with Treasury s acquisition of approximately \$11.4 billion in aggregate liquidation preference of our Fixed Rate Cumulative Mandatorily Convertible Preferred Stock, Series F-2 and the recent conversion of 110,000,000 shares of Ally s Fixed Rate Cumulative Mandatorily Convertible Preferred Stock, Series F-2 into 531,850 shares of Ally s common stock; (iii) the arrangements established by the Amended and Restated Governance Agreement, dated as of May 21, 2009, by and among Ally, Treasury and Ally s other common stockholders (the Governance Agreement); (iv) the Master Transaction Agreement entered into among Ally, Treasury, Chrysler and U.S. Dealer Automotive Receivables Transition LLC on May 21, 2009, in connection with the Master Automotive Financing Agreement between Ally and Chrysler; and (v) Treasury s ownership of approximately 73.8% of Ally s outstanding common stock.

Ally s operations are regulated by various U.S. governmental authorities, including in certain respects, by Treasury. Additionally, as of February 25, 2011, Treasury held 981,971 shares of Ally s common stock, 118,750,000 shares of Fixed Rate Cumulative Mandatorily Convertible Preferred Stock, Series F-2 and 2,667,000 8.0% Trust Prefer