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Attorney General

State of California
DEPARTMENT OF JUSTICE



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September 24, 2010

Mr. Steven M. Abreu
President, Mortgage Operations
Ally Financial Inc.
200 Renaissance Center,
Detroit, MI 48265

RE: Demand that Ally Financial, Inc., Halt Foreclosures in California

Dear Mr. Abreu:


The Office of the Attorney General writes to demand that Ally Financial, Inc. demonstrate immediately that it conducts foreclosures in compliance with California Civil Code, section 2923.5 or, if it cannot, halt all foreclosures in California until it can.

Section 2923.5, subdivision (b) provides that a lender may not record a notice of default in California for a California mortgage originated between January 1, 2003 and December 31, 2007, unless it can declare that it "has contacted the borrower, has tried with due diligence to contact the borrower as required by this section, or that no contact was required pursuant to subdivision (h)."

The head of Ally Financial's foreclosure document processing team recently admitted that he approved the commencement of judicial foreclosures without verifying the foreclosures were legally justified or the information in the foreclosure papers was accurate. This admission strongly suggests that any purported verification by Ally Financial that it complied with section 2923.5 before commencing a foreclosure in California is similarly suspect.

Therefore, this Office demands that Ally Financial, Inc. demonstrate immediately that it has in fact complied with Civil Code section 2923.5 or, if it cannot, halt all foreclosures in California until it can.

Sincerely,


BENJAMIN DIEHL
Deputy Attorney General

For EDMUND G. BROWN JR.
Attorney General

BD: