

ResCap Liquidating Trust

Consolidated Financial Statements as of and for the Quarter Ended September 30, 2015 (Unaudited)

These statements were amended on December 1, 2015, to reflect a reclassification on the Consolidated Statement of Cash Receipts and Disbursements. The total receipts are unchanged; however, the attribution of the receipts, across all periods, has been reclassified amongst Receipts on mortgage assets, Other receipts and Litigation/claim recoveries.

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Consolidating Statement of Net Assets in Liquidation

(Unaudited)

In thousands (except per unit)

| | September 30, 2015 | | | | December 31, 2014 |
|-----------------------------------|--------------------------|------------------------|-----------------|---------------------------------------|---------------------------------------|
| | ResCap Liquidating Trust | Cap Re of Vermont, LLC | International | Consolidated ResCap Liquidating Trust | Consolidated ResCap Liquidating Trust |
| Assets: | | | | | |
| Cash and cash equivalents | \$ 110,816 | \$ 3,114 | \$ 7,566 | 121,496 | \$ 311,859 |
| Restricted cash | 137,070 | 52,029 | - | 189,099 | 207,742 |
| Mortgage assets | 219,506 | - | - | 219,506 | 288,438 |
| Other receivables | 2,406 | 8,933 | 1,512 | 12,851 | 15,829 |
| Other assets | - | 56 | 23 | 79 | 18 |
| Total assets | 469,798 | 64,132 | 9,101 | 543,031 | 823,886 |
| Liabilities: | | | | | |
| Claims and settlements | 37,478 | 30,560 | 1,543 | 69,581 | 88,628 |
| DOJ/AG consent settlement | 39,919 | - | - | 39,919 | 52,389 |
| Estimated costs to operate Trust | 204,590 | 2,569 | 5,923 | 213,082 | 203,250 |
| Liability for undistributed funds | 79,618 | - | - | 79,618 | 73,118 |
| Total liabilities | 361,605 | 33,129 | 7,466 | 402,200 | 417,385 |
| Net Assets in Liquidation | \$ 108,193 | \$ 31,003 | \$ 1,635 | \$ 140,831 | \$ 406,501 |
| Total units in the Trust | | | | 100,000,000 | 100,000,000 |
| Net assets per authorized unit | | | | \$ 1.41 | \$ 4.07 |

The Notes to Consolidated Financial Statements are an integral part of these statements.

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Consolidated Statement of Cash Receipts and Disbursements

(Unaudited)

In thousands

| | Quarter ended September 30, 2015 | Year to Date ended September 30, 2015 | Effective Date through September 30, 2015 |
|--|---|--|--|
| Receipts | | | |
| Receipts on mortgage assets | \$ 18,547 | \$ 51,853 | \$ 382,771 |
| Litigation/claim recoveries | 2,784 | 32,324 | 50,480 |
| Other receipts | 6,346 | 11,732 | 76,619 |
| Plan settlements | - | - | 2,100,000 |
| Total receipts | 27,677 | 95,909 | 2,609,870 |
| Disbursements | | | |
| Claims and settlements | (3,303) | (16,412) | (1,615,185) |
| DOJ/AG consent settlement | (10,110) | (12,004) | (51,128) |
| Costs to operate the Trust | (31,545) | (83,000) | (160,060) |
| Declared distribution | - | (200,000) | (2,230,000) |
| Change in undistributed funds | (76) | 6,500 | 79,618 |
| Total disbursements | (45,034) | (304,916) | (3,976,755) |
| Net cash flow | (17,357) | (209,007) | (1,366,885) |
| Cash and restricted cash, beginning of period | 327,952 | 519,602 | 1,677,480 |
| Cash and restricted cash, September 30, 2015 | \$ 310,595 | \$ 310,595 | \$ 310,595 |

The Notes to Consolidated Financial Statements are an integral part of these statements.

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Consolidated Statement of Changes in Net Assets in Liquidation

(Unaudited)

In thousands (except per unit)

| | Quarter ended September 30, 2015 | Year to Date ended September 30, 2015 | Effective Date through September 30, 2015 |
|---|---|--|--|
| Net cash flow | \$ (17,357) | \$ (209,007) | \$ (1,366,885) |
| Other non-cash changes: | | | |
| Increase (decrease) in asset value assumptions | 4,733 | (30,158) | (82,937) |
| Increase in costs to operate the Trust | (40,812) | (91,425) | (170,458) |
| Decrease (increase) in DOJ/AG consent settlement | 8 | 465 | (13,568) |
| Basis of assets/liabilities liquidated/resolved | 32,396 | 70,955 | (661,304) |
| Decrease (increase) in distributions held for Beneficiaries | 76 | (6,500) | (79,618) |
| Total non-cash changes | (3,599) | (56,663) | (1,007,885) |
| Total decrease in net assets | (20,956) | (265,670) | (2,374,770) |
| Net assets in liquidation, beginning of period | 161,787 | 406,501 | 2,515,601 |
| Net assets in liquidation, September 30, 2015 | \$ 140,831 | \$ 140,831 | \$ 140,831 |
| Per unit information: | | | |
| | \$ per Unit | \$ per Unit | \$ per Unit |
| Net assets per unit, beginning of period | \$ 1.62 | \$ 4.07 | \$ 25.16 |
| Decrease in net assets per unit | (0.21) | (0.66) | (1.45) |
| Declared distribution per unit | 0.00 | (2.00) | (22.30) |
| Net asset per unit, September 30, 2015 | \$ 1.41 | \$ 1.41 | \$ 1.41 |

The Notes to Consolidated Financial Statements are an integral part of these statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Description of Business and Basis of Presentation

The ResCap Liquidating Trust (“Trust”) was formed in connection with the Plan of Reorganization under chapter 11 of the United States Bankruptcy Code (“Plan”) in the bankruptcy case of Residential Capital, LLC (“ResCap”) and 50 of its direct and indirect subsidiaries (collectively, the “Debtors”). The Plan was confirmed by the bankruptcy court on December 11, 2013 and became effective on December 17, 2013 (“Effective Date”).

Under the terms of the Plan and Liquidating Trust Agreement, units of beneficial interest (“Units”) were issued by the Trust to holders of allowed general unsecured claims (“Allowed Claims”) against the Debtors, other than holders of general unsecured claims in classes for which the Plan prescribes payments of cash. The Units entitle their holders (“Beneficiaries”) to receive a proportionate amount of cash distributions made by the Trust. The Units are issued only in book-entry form in accordance with the procedures of the Depository Trust Company. Certain holders of Allowed Claims are still in the process of providing information needed to be issued their Units.

The Disputed Claims Reserve (“DCR”) was established to hold Units, and cash and other assets for the benefit of holders of general unsecured claims that become Allowed Claims after the Effective Date, unless such claims are satisfied in cash in accordance with the Plan. The Trust makes distributions of Units and cash from the DCR to holders of disputed claims that become Allowed Claims at intervals determined by the Board.

The Consolidated Financial Statements (the “Consolidated Financial Statements”) have not been prepared in accordance with generally accepted accounting principles; rather they have been prepared using a liquidation basis of accounting, which the Trust considers an appropriate basis of accounting at this time. The assets are stated at their estimated net realizable value, which is the non-discounted amount of cash into which an asset is expected to be converted during the liquidation period. Assets are also established for future income expected to be earned by the Trust. Mortgage assets are valued based on projected recoveries for each asset type, and include mortgage loans, servicer advances, interest income, mortgage servicing rights, real estate owned, and trading securities. Costs to dispose of assets are also accrued and are netted in mortgage assets. The Trust also accrues costs that it expects to incur through the end of its liquidation, if and when it has a reasonable basis for estimation. The Trust will record affirmative litigation settlements or judgments when realized and collectability is assured.

The Consolidated Financial Statements include the accounts of the Trust and its majority-owned subsidiaries after eliminating all significant intercompany balances and transactions. The Consolidating Statement of Net Assets in Liquidation combines assets held in bailment and non-material subsidiaries into the Trust entity. Other wholly owned subsidiaries include Cap Re of Vermont, LLC (“Cap Re”), a captive reinsurance company, and RFC Foreign Equity Holding Co (“International”), which holds all international businesses, and has adopted a Plan of Liquidation. Intercompany balances between entities are excluded, consisting of a Trust receivable from Cap Re of \$18.5 million.

The Consolidated Financial Statements as of and for the quarter ended September 30, 2015, are unaudited and reflect all adjustments that are, in management's opinion, necessary for the fair

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presentation of the results for the periods presented. These unaudited Consolidated Financial Statements should be read in conjunction with the unaudited Consolidated Financial Statements, and the related notes, for the year ended December 31, 2014.

2. Restricted Cash

Restricted cash is comprised of the following (in \$000's):

| | September 30, 2015 | December 31, 2014 |
|---|---------------------------|--------------------------|
| Cash held in DCR | 76,801 | \$ 72,024 |
| Cash restricted in Cap Re | 52,029 | 62,304 |
| APSC claims and other administrative claims reserve | 15,805 | 26,307 |
| Escrow from asset sale | 21,643 | 21,689 |
| DOJ/AG consent settlement reserve | 20,000 | 24,324 |
| Distributions held for Beneficiaries | 2,821 | 1,094 |
| Total restricted cash | <u>\$ 189,099</u> | <u>\$ 207,742</u> |

The restricted cash reserve for administrative and other priority claims, secured claims, unsecured convenience claims and certain other unsecured claims ("APSC") was funded to satisfy obligations for APSC and other administrative claims. The Trust's liability for such obligations is not limited by the reserve balance.

Activity during the quarter and year to date to date ended September 30, 2015 related to the APSC claims restricted cash reserve is as follows (in \$000's):

| | Quarter ended September 30, 2015 | Year to Date ended September 30, 2015 |
|------------------------------|---|--|
| Balance, beginning of period | \$ 42,624 | \$ 47,946 |
| Additions – cash / assets | | - |
| Withdrawals – Allowed Claims | (5,176) | (10,498) |
| Balance, September 30, 2015 | <u>\$ 37,448</u> | <u>\$ 37,448</u> |

The DOJ/AG Consent Settlement restricted cash reserve was originally funded to satisfy obligations under the DOJ/AG Consent Settlement. The Trust's liability for such obligations is not limited by the reserve balance. The reserve must maintain a minimum balance of \$20.0 million until April 5, 2016, at which time the reserve can be reduced in accordance with a prescribed formula. See Note 8 Commitments and Contingencies for further information.

Activity during the quarter ended and year to date ended September 30, 2015 related to the DOJ/AG Consent Settlement restricted cash reserve is as follows (in \$000's):

| | Quarter ended September 30, 2015 | Year to Date ended September 30, 2015 |
|------------------------------|---|--|
| Balance, beginning of period | \$ 39,368 | \$ 24,324 |
| Additions | | 19,368 |
| Releases / Payments | (19,368) | (23,692) |
| Balance, September 30, 2015 | <u>\$ 20,000</u> | <u>\$ 20,000</u> |

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3. Mortgage Assets

Mortgage assets are comprised of the following (in \$000's):

| | September 30, 2015 | | December 31, 2014 | |
|---------------------------|--------------------|-------------------|-------------------|-------------------|
| | Gross Balance | Liquidation Value | Gross Balance | Liquidation Value |
| Mortgage loans | \$ 262,362 | \$ 163,759 | \$ 314,936 | \$ 222,882 |
| Servicing advances | 64,357 | 31,344 | 62,060 | 40,525 |
| Mortgage servicing rights | 154 | 35 | 306 | 56 |
| Interest receivable | 18,218 | 18,218 | 15,149 | 15,149 |
| Real estate owned | 10,312 | 5,347 | 15,468 | 8,967 |
| Trading securities | 803 | 803 | 859 | 859 |
| Total mortgage assets | \$ 356,206 | \$ 219,506 | \$ 408,778 | \$ 288,438 |

4. Claims and Settlements

Claims and settlements are comprised of the following (in \$000's):

| | September 30, 2015 | December 31, 2014 |
|---|--------------------|-------------------|
| Bankruptcy related claims: | | |
| APSC claims and other administrative claims | \$ 37,448 | \$ 47,102 |
| ETS unsecured claim | 30 | 1,069 |
| Subtotal – bankruptcy related claims | 37,478 | 48,171 |
| Settlements: | | |
| Cap Re reserves | 30,560 | 39,322 |
| Other settlements | 1,543 | 1,135 |
| Subtotal – settlements | 32,103 | 40,457 |
| Total claims and settlements | \$ 69,581 | \$ 88,628 |

5. Estimated Costs to Operate the Trust

Estimated costs to operate the Trust are comprised of the following (in \$000's):

| | September 30, 2015 | December 31, 2014 |
|----------------------------------|--------------------|-------------------|
| Professional fees | \$ 101,762 | \$ 85,657 |
| Compensation | 34,397 | 29,574 |
| Document management | 19,388 | 33,398 |
| Information technology | 17,926 | 13,078 |
| Transition services | 8,758 | 5,261 |
| Other operating costs | 30,851 | 36,282 |
| Total costs to operate the Trust | \$ 213,082 | \$ 203,250 |

Estimated costs to operate the Trust include incurred costs and estimates of all future cash outlays required to operate the Trust throughout its lifetime.

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6. Distributions to Beneficiaries and Disputed Claims Reserve

Releases to Beneficiaries represent distribution of Units and cash for certain Beneficiaries who subsequently provided the necessary information to the Trust. Distributions on Allowed Claims represent Units and related cash released from the DCR for claims that became Allowed Claims between December 17, 2013 and September 30, 2015, and includes Units and cash designated as Distributions Held for Beneficiaries, pending receipt of certain information from the holders. Allowed Claims after September 30, 2015 will receive their Units at the next Unit distribution date.

| | Quarter ended September 30, 2015 | | | |
|---------------------------------|----------------------------------|-------------|------------------------|--------------------|
| <u>Units</u> | Distributed to Beneficiaries | Held by DCR | Held for Beneficiaries | Total Distribution |
| Balance, June 30, 2015 | 96,426,302 | 3,448,188 | 125,510 | 100,000,000 |
| Declared distribution | | | | |
| Releases to Beneficiaries | 3,391 | | (3,391) | - |
| Distributions on Allowed Claims | | (4,392) | 4,392 | - |
| Balance, September 30, 2015 | 96,429,693 | 3,443,796 | 126,511 | 100,000,000 |

| | Quarter ended September 30, 2015 | | | |
|---------------------------------|----------------------------------|---------------------------|--------------------------------------|--------------------|
| <u>Cash (in 000's)</u> | Distributed to Beneficiaries | Distributions Held by DCR | Distributions Held for Beneficiaries | Total Distribution |
| Balance, June 30, 2015 | \$ 2,150,306 | \$ 76,895 | \$ 2,799 | \$ 2,230,000 |
| Declared distribution | | | | - |
| Releases to Beneficiaries | 76 | | (76) | - |
| Distributions on Allowed Claims | | (98) | 98 | - |
| Balance, September 30, 2015 | \$ 2,150,382 | \$ 76,797 | \$ 2,821 | \$ 2,230,000 |

| | Year to date ended September 30, 2015 | | | |
|---------------------------------|---------------------------------------|-------------|------------------------|--------------------|
| <u>Units</u> | Distributed to Beneficiaries | Held by DCR | Held for Beneficiaries | Total Distribution |
| Balance, December 31, 2014 | 96,398,151 | 3,547,976 | 53,873 | 100,000,000 |
| Declared distribution | - | - | - | - |
| Releases to Beneficiaries | 31,542 | - | (31,542) | - |
| Distributions on Allowed Claims | - | (104,180) | 104,180 | - |
| Balance, September 30, 2015 | 96,429,693 | 3,443,796 | 126,511 | 100,000,000 |

| | Year to date ended September 30, 2015 | | | |
|---------------------------------|---------------------------------------|---------------------------|--------------------------------------|--------------------|
| <u>Cash (in 000's)</u> | Distributed to Beneficiaries | Distributions Held by DCR | Distributions Held for Beneficiaries | Total Distribution |
| Balance, December 31, 2014 | \$ 1,956,882 | \$ 72,024 | \$ 1,094 | \$ 2,030,000 |
| Declared distribution | 192,850 | 7,096 | 54 | 200,000 |
| Releases to Beneficiaries | 650 | - | (650) | - |
| Distributions on Allowed Claims | - | (2,323) | 2,323 | - |
| Balance, September 30, 2015 | \$ 2,150,382 | \$ 76,797 | \$ 2,821 | \$ 2,230,000 |

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Activity during the quarter and year to date ended September 30, 2015 related to disputed claims is as follows (\$ in 000's):

| | Quarter ended September 30, 2015 | | Year to Date ended September 30, 2015 | |
|--------------------------------------|-------------------------------------|--------------------|--|--------------------|
| | Number of Claims | Asserted Amount | Number of Claims | Asserted Amount |
| Disputed Claims, beginning of period | 146 | \$ 300,823 | 278 | \$ 314,980 |
| Amount established during the period | 1 | - | 12 | - |
| Allowed Claims | (1) | (2,000) | (8) | (12,239) |
| Disallowed Claims | (2) | (6,161) | (129) | (8,975) |
| Reclassified to Convenience Claims | - | - | (9) | (1,104) |
| Disputed Claims, September 30, 2015 | 144 | \$ 292,662 | 144 | \$ 292,662 |

Distributions of Units will be made to holders of Allowed Claims based on the following issuance ratios, consistent with the distributions made as of the Effective Date:

- For holders of claims against the ResCap Debtors: 0.014305344 Units per dollar of Allowed Claim;
- For holders of claims against the GMACM Debtors: 0.011848742 Units per dollar of Allowed Claim;
- For holders of claims against the RFC Debtors: 0.003528361 Units per dollar of Allowed Claim.

These issuance ratios may be subject to reduction based upon the total value of future Allowed Claims and the balance of the Units held in the Disputed Claims Reserve.

At the discretion of the Board, Units in the DCR corresponding to claims that have been disallowed may be cancelled and any related cash made available for distribution to all Beneficiaries or added to the Administrative Expenses Set Aside. Alternatively, such Units and cash may be retained in the DCR for satisfaction of Allowed Claims in the future.

7. Subsidiary Distributions

During 2015, the goal of the Trust has been to wind down the operations of its international subsidiaries. During this quarter, the Trust placed GMAC-RFC Europe Limited and GMAC-RFC Espana Hipotecas SL into liquidation. In addition, the Trust's international subsidiaries declared and paid distributions of \$19.6 million to RFC Foreign Equity Holdings Co, a US subsidiary of the Trust and parent entity to the international subsidiaries, which also adopted its own Plan of Liquidation. As part of this Plan of Liquidation, RFC Foreign Equity Holdings Co distributed \$15.9 million to the Trust.

8. Commitments and Contingencies

DOJ/AG Consent Settlement

On February 9, 2012, Ally Financial, Inc., ResCap and certain of ResCap's subsidiaries reached an agreement in principle with respect to investigations into procedures followed by mortgage servicing companies and banks in connection with mortgage origination and servicing activities and foreclosure home sales and evictions ("DOJ/AG Consent Settlement") which was subsequently filed as a consent judgment in the US District Court. On and after the Effective Date, the Trust must continue to perform the remaining obligations under the DOJ/AG Consent Settlement, other than certain obligations assumed by the purchasers of ResCap's mortgage servicing rights in the sales that occurred during the chapter 11 cases pursuant to section 363 of the United States Bankruptcy Code (the "Section 363

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Sales”). Under the terms of the DOJ/AG Consent Settlement, the Trust is obligated for certain Office of Mortgage Settlement Oversight (“OMSO”) costs related to the purchasers in the Section 363 Sales.

The Trust estimated and established a liability for its DOJ/Consent Settlement obligations and related costs and expenses of \$39.9 million and \$52.4 million as of September 30, 2015 and December 31, 2014, respectively.

Litigation

Claims have been asserted against the Trust. At this time, the Trust cannot estimate the possible financial effect of these claims.

Affirmative Litigation

The Trust is pursuing various affirmative litigation matters. These include:

- Indemnity and breach of contract claims against correspondent lenders that sold loans to Residential Funding Company LLC (“RFC”) (a subsidiary of ResCap), seeking recovery of liabilities and losses that RFC incurred by virtue of its purchase from the defendants of residential mortgage loans that breached the defendants’ representations and warranties.

Year to date ended September 30, 2015, the Trust entered into five settlement agreements with correspondents in exchange for \$28.9 million. The agreements provide for the full and final resolution of pending litigation against the correspondents and a mutual release of all claims relating to residential mortgage loans that the correspondents sold to RFC.

In addition, in 2015, one new case was filed, and one case was dismissed. As of September 30, 2015, there were 74 total filed cases pending; one case dismissed and on appeal; and tolling agreements with 6 other correspondent lenders.

- Claims pursuant to transactions with foreign subsidiaries. During 2015, five matters related to the Trust’s foreign subsidiaries were settled.
- Other affirmative litigation matters. The Trust is party to certain other affirmative litigation, principally in adversary proceedings before the bankruptcy court seeking avoidance of transfers made to creditors prior to the commencement of the bankruptcy. The Trust also is party to an action against certain insurers for failure to cover certain settlement costs.
- Reservation of rights. The Trust has reserved its rights with respect to other affirmative claims it may bring in the future.

At this time, the Trust cannot predict the outcome of these litigations or estimate the possible financial effect of these matters on the Consolidated Financial Statements, and as such, neither contingent gains nor any contingent costs to pursue these matters are currently recorded.

Other

Prior to the formation of the Trust, on March 18, 2013, the U.S. Attorney’s Office for the Central District of California served an investigative subpoena on Residential Capital, LLC pursuant to 12 U.S.C. 1833a (Financial Institutions Reform, Recovery, and Enforcement Act of 1989, or FIRREA). On February 13, 2014, and March 2, 2015, supplemental subpoenas were served on Residential Capital, LLC. The subpoenas seek documents and information related to the Debtor’s securitization activities, including

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the purchase of loans from third-parties. The Trust continues to cooperate with the U.S. Attorney's Office in connection with its investigation.

9. Subsequent Events

Events subsequent to September 30, 2015 were evaluated through December 1, 2015, the date on which these Consolidated Financial Statements were issued.

Subsequent to September 30, 2015, three additional settlements were reached with correspondent lenders.

Subsequent to September 30, 2015, Trust's international subsidiaries declared and paid an additional distribution of \$1.4 million to RFC Foreign Equity Holding Co, which then declared and paid an additional distribution to the Trust of \$0.7 million.