

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 Hiptecas 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.