



June 3, 2011

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO BOX 5116
Norwalk, CT 06856-5116

VIA Electronic Mail (director@fasb.org)

File Reference: No. 2011-180

Dear Technical Director and Board Members:

Ally Financial Services (“Ally”) is pleased to comment on Financial Accounting Standards Board’s (“FASB”) Exposure Draft, *Intangibles-Goodwill and Other Testing Goodwill for Impairment* (the “Exposure Draft” or “ED”). Ally Financial Inc. (formerly GMAC Inc.) is one of the world’s largest automotive financial services companies. The company offers a full suite of automotive financing products and services in key markets around the world. Ally’s other business units include mortgage operations and commercial finance, and the company’s subsidiary, Ally Bank, offers online retail banking products. With more than \$174 billion in assets as of March 31, 2011, Ally operates as a bank holding company.

General Comments

We are generally supportive of the provisions in the Exposure Draft that will allow a qualitative assessment of impairment of goodwill prior to performing the two-step impairment assessment prescribed in ASC 350, *Intangibles – Goodwill and Other*. We believe that the addition of a qualitative analysis has the potential to greatly simplify the goodwill impairment assessment process and reduce costs and complexity in that area.

However, we believe it is unclear whether or not an entity in an industry that typically trades or is valued close to book value would be able to qualitatively make an assertion that it is more likely than not that its goodwill is not impaired. We believe that the proposed guidance would allow a qualitative assessment under such circumstances but we have already heard indications from the audit community that they are not likely to support the use of the qualitative assessment without the expectation of significant margins of fair value above carrying value.

We do not believe that the proposed guidance requires a significant margin of fair value over carrying value in prior periods when determining that impairment is more likely than not in the current period and to take a position otherwise defeats the objective of the proposed update to simplify how an entity is required to test goodwill for impairment. We ask that the Board consider providing clarifying statements or examples with respect



to situations such as we have described to ensure that preparers and auditors fully understand the Board's intent. Without additional clarification, we believe the audit firms will significantly limit the use of the qualitative assessments and much of the intended benefit of the proposal will be lost for many companies.

Ally appreciates the opportunity to share our comments with the Board. We urge the FASB staff to consider our comments. If you have any questions on the comments contained in this letter, please contact Mark Sitlinger at 215-734-4887 or me at 215-734-4886.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Anspach".

Michael Anspach
Executive Director, Global Corporate Accounting Policy
Ally

cc: Mr. David DeBrunner, Chief Accounting Officer and Corporate Controller



Appendix A

Questions for Respondents

Question 1: Please describe the entity or individual responding to this request. For example:

a. Please indicate whether you primarily are a preparer, user, or auditor of financial statements or, if other, please specify.

Ally Response: Ally Financial, as a public registrant, is a preparer of financial statements under U.S. GAAP for filing with the U.S. Securities and Exchange Commission, as well as U.S. Banking Regulators, primarily submitted as the Reports of Condition and Income (commonly known as the “Call Report”), as well as mortgage banking and insurance regulators. We also prepare financial statements under local accounting standards (which in certain cases, includes IFRS) for certain of our international business subsidiaries, which also are subject to multiple foreign regulatory requirements. .

b. If you are a preparer of financial statements, please indicate whether your entity is public or nonpublic and describe your primary business and its size (in terms of annual revenue, the number of employees, or other relevant metric).

Ally Response: Ally Financial, Inc. (formerly GMAC, Inc.) is one of the world's largest automotive financial services companies offering a full suite of automotive financing products and services, including leases, around the world. Ally's other business units include mortgage operations and commercial finance and online retail banking products through our Ally Bank subsidiary.

Our primary business is domestic and international automotive financial services for which we are ranked number one in the U.S. market. We are also a top five residential mortgage originator and servicer in the U.S. market.¹ We have approximately 14,400 employees globally.² We are a public registrant with the U.S. Securities and Exchange Commission.

Question 2: For preparers, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why.

Ally Response: We believe that the proposed guidance under the Exposure Draft has the potential to reduce the cost and complexity of testing goodwill for impairment.

¹ Rankings as of September 30, 2010

² Employee data as of December 31, 2010.



Question 3: For preparers, do you expect your entity will choose to perform the qualitative assessment proposed in the amendments, or will your entity choose to proceed directly to performing the first step of the two-step impairment test? Please explain.

Ally Response: In certain circumstances, we will perform the qualitative assessment. As noted in our General Comments, we believe it is unclear if an entity that trades close to book value would be able to qualitatively make an assertion that it is more likely than not that its goodwill is not impaired. As stated, we have already heard indications from the audit community that they are not likely to support the use of the qualitative assessment without the expectation of significant margins of fair value above carrying value.

Question 6: Do you agree that the proposed examples of events and circumstances to be assessed are adequate? If not, what changes do you suggest?

Ally Response: Yes. In general, we believe the principal based guidance supplemented with examples are adequate to assess whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. As indicated in our general comments, we would like additional clarity in circumstances where an entities carrying value is typically near its book value.

Question 7: Do you agree that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear? If not, how can the guidance be improved?

Ally Response: Yes.

Question 8: Do you agree with the Board's decision to make the proposed amendments applicable to both public entities and nonpublic entities? If not, please explain why.

Ally Response: Yes.

Question 9: Do you agree with the proposed effective date provisions? If not, please explain why.

Ally Response: Yes, considering early adoption is permitted.