

Ally Financial Inc.
Form S-3ASR
January 06, 2012
Table of Contents

As filed with the Securities and Exchange Commission on January 6, 2012

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ALLY FINANCIAL INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

38-0572512
(I.R.S. Employer

Identification Number)

200 Renaissance Center

P.O. Box 200

Detroit, Michigan 48265-2000

(866) 710-4623

Edgar Filing: Ally Financial Inc. - Form S-3ASR

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

David J. DeBrunner

200 Renaissance Center

Detroit, Michigan 48265-2000

(866) 710-4623

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copy to:

Richard A. Drucker, Esq.

Davis Polk & Wardwell LLP

450 Lexington Avenue

New York, NY 10017

(212) 450-4000

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Variable Denomination Adjustable Rate Demand Notes	\$0	100%	\$0	\$0

(1) Estimated solely for the purpose of determining the registration fee. This registration statement covers all investments in the Demand Notes up to \$12.5 billion, with fees based on the total amount of the Demand Notes outstanding from this offering not exceeding \$12.5 billion at a particular time.

(2) Previously paid in connection with the filing of the Registration Statement on Form S-3 on October 1, 2004 (File No. 333-119470), which Registration Statement was withdrawn by the Registrant. Pursuant to Rule 457(p) under the Securities Act, such unutilized filing fee may be applied to the filing fee payable pursuant to this Registration Statement.

Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus included in this Registration Statement also relates to Demand Notes of the Registrant registered and remaining unissued on October 22, 1985 (Registration No. 2-99057), April 9, 1986 (Registration No. 33-4661), June 30, 1986 (Registration No. 33-6717), February 24, 1987 (Registration No. 33-12059), December 30, 1988 (Registration No. 33-26057), October 17, 1989 (Registration No. 33-31596), June 9, 1998 (Registration No. 333-56431), March 31, 2000 (Registration No. 333-33652), October 20, 2003 (Registration No. 333-108862), December 19, 2003 (Registration No. 333-111380), January 19, 2006 (Registration No. 333-131150) and January 16, 2009 (Registration No. 333-156775).

Table of Contents

PROSPECTUS

\$12,500,000,000

Ally Financial Inc.

Ally Demand Notes

The Ally Demand Notes (Demand Notes) are designed to provide investors with a convenient means of investing funds directly in Ally Financial Inc. (Ally Financial or Ally). The Demand Notes pay a floating rate of interest that is determined each Friday by the Ally Demand Notes Committee, with any change in the rate effective on the following Monday. The initial interest rate applicable to the Demand Notes and all subsequent changes to the initial interest rate will be disclosed in prospectus supplements filed in accordance with Rule 424(b) of the Securities Act of 1933, as amended (the Securities Act). The Demand Notes are in book-entry form and have no stated maturity. An investor s Demand Notes are redeemable by such investor on such investor s demand.

The Demand Notes are unsecured and unsubordinated debt obligations of Ally Financial ranking equally with all of our other unsecured, unsubordinated obligations (other than obligations preferred by mandatory provisions of law). The Demand Notes are not obligations of, or guaranteed by, any person or entity (including The Bank of New York Mellon, the Processing Agent for the Demand Notes) other than Ally Financial. Only the assets of Ally Financial are available for the payment of principal and interest. It is possible for investors to lose their investment if Ally Financial is unable to pay its obligations.

An investment in Demand Notes involves risks. Prospective investors in Demand Notes should carefully consider the risk factors beginning on Page 4 of this prospectus, as well as the other information contained or incorporated by reference in this prospectus.

Prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in the Demand Notes and the suitability of the investment in light of their particular circumstances.

You may invest in the Demand Notes by completing the required investment form and by sending your investment by one of the methods described in this prospectus under the heading How to Invest .

The Demand Notes are offered on a continuous basis. No commissions are payable by Ally Financial on sales of the Demand Notes. Ally Financial reserves the right to withdraw, cancel or modify the offer to sell Demand Notes at any time without notice. Ally Financial has the sole right to accept offers to purchase Demand Notes and may reject any proposed purchase of Demand Notes in whole or in part.

For information regarding the Demand Notes,

please call 800-684-8823, or visit www.demandnotes.com

For additional information regarding Ally Financial,

please see Information Incorporated by Reference; Where You Can Find More Information

on Page 5 hereof.

Please read this Prospectus carefully and retain for future reference.

The Demand Notes are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

January 6, 2012

Table of Contents

TABLE OF CONTENTS

	Page
<u>Summary</u>	1
<u>Risk Factors</u>	4
<u>Principal Executive Offices</u>	4
<u>Information Incorporated By Reference: Where You Can Find More Information</u>	5
<u>Disclosure Regarding Forward-Looking Statements</u>	6
<u>Description of Ally Financial Inc.</u>	6
<u>Ratio of Earnings to Fixed Charges</u>	6
<u>Use of Proceeds</u>	7
<u>Plan of Distribution</u>	7
<u>Description of the Ally Demand Notes</u>	7
<u>How to Invest</u>	9
<u>How to Redeem</u>	11
<u>Optional Redemptions by Ally</u>	14
<u>The Indenture</u>	15
<u>Modification, Suspension or Termination of Program</u>	18
<u>Processing Agent</u>	18
<u>Notices and Limitation of Liability</u>	18
<u>Certain ERISA Considerations</u>	19
<u>Dispute Resolution</u>	21
<u>Legal Opinion</u>	21
<u>Experts</u>	21
<u>NOTICE TO USERS OF DEMAND NOTES ELECTRONIC FUNDS TRANSFER</u>	A-1

Table of Contents

SUMMARY

Our Company and Business

Ally Financial Inc. (formerly GMAC Inc.) is a leading, independent, globally diversified, financial services firm. Founded in 1919, we are a leading automotive financial services company with over 90 years experience providing a broad array of financial products and services to automotive dealers and their customers. We are also one of the largest residential mortgage companies in the United States. We became a bank holding company on December 24, 2008, under the Bank Holding Company Act of 1956, as amended (the BHC Act). Our banking subsidiary, Ally Bank, is an indirect wholly owned subsidiary of Ally Financial Inc. and a leading franchise in the growing direct (online and telephonic) banking market. The terms Ally, the Company, we, our, and us refer to Ally Financial Inc.

Risk Factors

An investment in the Demand Notes involves risks. You should carefully consider these risks before investing in the Demand Notes. Please see the Risk Factors section beginning on page 4 of this prospectus.

The Demand Notes

Issuer	Ally Financial Inc.
Principal Executive Offices of Ally	200 Renaissance Center, Detroit, Michigan 48265 (Telephone Number 866-710-4623)
Title	Ally Demand Notes
Amount	Up to \$12,500,000,000 aggregate principal amount
Investment Options	After completing a Demand Notes investment form, investments may be made by (i) check, (ii) wire transfer, (iii) electronic transfers from a banking account, or (iv) direct investment of regular recurring payments (e.g., paycheck, social security or pension check). See How to Invest beginning on page 9 for further details.
Redemption Options	Demand Notes may be redeemed in whole or in part by (i) writing a redemption check in an amount of \$250 or more, (ii) wire transfer of redemption proceeds of \$1,000 or more to a designated account or other Demand Note, (iii) automatic monthly or quarterly redemption by Automated Clearing House (ACH) of specified amounts of \$100 or more or automatic monthly interest redemption by ACH, (iv) authorizing an ACH redemption in an amount of \$250 or more or (v) full redemption. See How to Redeem beginning on page 11 for further details.
Status	The Demand Notes are unsecured and unsubordinated debt obligations of Ally Financial Inc. ranking equally with all of our other unsecured, unsubordinated obligations (other than obligations preferred by mandatory provisions of law). The Demand Notes are

Table of Contents

not obligations of, or guaranteed by, any person or entity (including the Processing Agent) other than Ally Financial Inc. The Demand Notes are not subject to the protection of the Federal Deposit Insurance Corporation or any other insurance. An investment in Demand Notes does not create a savings, checking or other bank account or depositor relationship between you and Ally Financial Inc., Ally Bank, or The Bank of New York Mellon, the Processing Agent for the Demand Notes.

Ranking	Demand Notes are unsecured and unsubordinated obligations of Ally Financial Inc. and will rank equally and ratably with all other unsecured, unsubordinated indebtedness of Ally Financial Inc.
Maturities	The Demand Notes have no stated maturity and are redeemable on your demand.
Interest	The Demand Notes pay a floating rate of interest that is determined weekly by the Demand Notes Committee. Interest payable on the Demand Notes accrues daily and will be credited to your Demand Notes on the last business day of each calendar month and, unless you have elected automatic monthly interest redemption, will be reinvested in additional Demand Notes. See Description of the Ally Demand Notes Interest Rate.
Demand Notes are not a money market fund, which is generally a diversified fund consisting of investments in short-term debt securities of many companies.	
Principal	The principal amount of your Demand Notes is equal to the total amount of your investments plus accrued and reinvested interest, less fees, if any, and your redemptions.
Transfer	The Demand Notes may not be assigned, transferred or negotiated, except in very limited circumstances set forth in the Demand Notes Program (the Program).
Service Fees	Service fees may be assessed for checks returned to the depository bank because: the principal amount of the investor's Demand Note is insufficient, the required signatures were omitted, or the check was written for an amount less than the \$250 minimum. A service fee will also be assessed for certain administrative matters, including for stop payments requested by you, and for statement processing or other administrative matters.
Processing Agent	The Bank of New York Mellon
Processing Agent and Correspondence Address P.O. Box 358425 Pittsburgh, PA 15252-8425	The Bank of New York Mellon

Table of Contents

Investments by Mail Address
The Bank of New York Mellon

Ally Demand Notes

P.O. Box 535006

Pittsburgh, PA 15253-5006

Redemptions at Option of Ally

The Demand Notes may be redeemed by Ally at any time in its discretion.

Form of Demand Notes

The Demand Notes are offered in the United States by prospectus only. The Demand Notes are in book-entry form.

Trustee

U.S. Bank National Association, 535 Griswold, Suite 550, Detroit, Michigan 48226, under an Indenture dated as of October 15, 1985, as amended and supplemented from time to time.

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred 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 of these securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus or any prospectus supplement or in any such free writing prospectus is accurate as of any date other than their respective dates.

The distribution of this prospectus and the offering of Demand Notes may be restricted in certain jurisdictions. You should inform yourself about and observe any such restrictions. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information in this prospectus is directed to you if you are a resident of the United States. The Demand Notes are being offered only to persons whose registered addresses are in the United States. We do not claim any responsibility to advise you if you are a resident of a country other than the United States with respect to any matters that may affect the purchase or redemption of any Demand Notes or any accrued interest on your Demand Notes. If you are not a resident of the United States, you should consult your own legal, tax and financial advisors with regard to these matters.

Table of Contents

RISK FACTORS

Your investment in Demand Notes involves risks. In consultation with your own financial, tax and legal advisors, you should be aware of, and carefully consider, the following risk factors, along with all of the risks and other information provided or referred to in this prospectus and the documents incorporated by reference herein, including the discussions in our Annual Report on Form 10-K for the year ended December 31, 2010 (which may be amended or supplemented in subsequent reports on Form 10-K, Form 10-Q, or Form 8-K) before deciding whether an investment in Demand Notes is suitable for you. The risks described below are intended to highlight risks that are specific to the Demand Notes, but are not the only risks that we face. Additional risks, including those generally affecting our business and the industry in which we operate, risks that we currently deem immaterial and risks generally applicable to companies in our industry, may also impair our business, the value of your investment and our ability to pay interest on or redeem the Demand Notes.

The Demand Notes are not equivalent to a deposit or other bank account.

An investment in Demand Notes does not create a savings, checking or other bank account or depositor relationship between you and Ally Financial Inc., Ally Bank, or The Bank of New York Mellon, acting as Processing Agent for the Demand Notes. The Demand Notes are not subject to the protection of the Federal Deposit Insurance Corporation or any other insurance. The Demand Notes are also not a brokerage account with any broker/dealer and are not protected by the Securities Investor Protection Corporation under the Securities Investors Protection Act of 1970.

The Demand Notes are not a money market fund or other type of diversified investment.

The Demand Notes are not a money market fund, which is generally a diversified fund consisting of short-term debt securities of many companies. The Demand Notes are also not subject to the requirements of the Investment Company Act of 1940, as amended, or the Employee Retirement Income Security Act of 1974, as amended, including requirements relating to the diversification and quality of investments.

The Demand Notes are generally not assignable, transferable or negotiable.

The Demand Notes may not be assigned, transferred or negotiated, except in very limited circumstances set forth in the Program. The Demand Notes are not listed on any securities exchange and there is no secondary market for the Demand Notes. As a result, there is no public valuation with respect to Demand Notes.

The interest rate paid on the Demand Notes may not bear any relation to the investment risk.

The Demand Notes bear interest at a floating rate determined by the Demand Notes Committee, which may consist of officers, directors or employees of Ally. The Demand Notes Committee chooses the interest rate in its sole discretion and the interest rate chosen by the Demand Notes Committee does not necessarily bear any relation to the risks associated with an investment in the Demand Notes or in Ally. The Demand Notes may not provide a basis for comparison with bank deposits or money market funds, which may use a different method of calculating yield, or other investments which pay a fixed yield for a stated period of time.

PRINCIPAL EXECUTIVE OFFICES

Our principal executive offices are located at 200 Renaissance Center, Detroit, Michigan 48265, and our telephone number is 866-710-4623.

Table of Contents

INFORMATION INCORPORATED BY REFERENCE; WHERE YOU CAN FIND MORE INFORMATION

The Securities and Exchange Commission (SEC) allows us to incorporate by reference into this prospectus the information in other documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus. We incorporate by reference in this prospectus the documents listed below:

- (a) Annual Report on Form 10-K for the year ended December 31, 2010 (as amended by the Annual Reports on Form 10-K/A filed on June 29, 2011, August 26, 2011 and January 4, 2012);
- (b) Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2011, June 30, 2011 and September 30, 2011; and
- (c) Current Reports on Form 8-K filed on January 14, 2011, February 11, 2011, February 28, 2011, March 4, 2011, March 25, 2011, March 30, 2011, April 13, 2011, April 19, 2011, April 21, 2011, June 3, 2011, July 22, 2011 and October 11, 2011.

We are also incorporating by reference all future filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), on or after the date of this prospectus and prior to the termination of the offering under this prospectus, except that, unless otherwise indicated, we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K. Notwithstanding the foregoing, we are not incorporating any document or information deemed to have been furnished and not filed in accordance with SEC rules.

We have filed with the SEC a registration statement on Form S-3 (together with all amendments and exhibits, the Registration Statement) under the Securities Act with respect to the Demand Notes. This prospectus, which constitutes part of the Registration Statement, does not contain all of the information set forth in the Registration Statement. Certain parts of the Registration Statement are omitted from the prospectus in accordance with the rules and regulations of the SEC.

Ally is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports and information statements and other information with the SEC. You may read and copy any document that Ally files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of the same documents from the public reference room of the SEC in Washington by paying a fee. Please call the SEC at 1-800-SEC-0330 or visit the SEC's website at <http://www.sec.gov> for further information on the public reference room. In addition, the SEC maintains an Internet site at <http://www.sec.gov>, from which interested persons can electronically access our SEC filings, including the Registration Statement and the exhibits and schedules thereto.

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 (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

Table of Contents

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus 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 that 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 these words or similar expressions is intended to identify forward-looking statements. All statements contained in or incorporated by reference into this prospectus, other than statements of historical fact, including without limitation statements about future events and 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 Form 10-K, Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and the other documents specifically incorporated by reference herein. See Information Incorporated by Reference; 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. Such forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other such factors that affect the subject of these statements, except where expressly required by law.

DESCRIPTION OF ALLY FINANCIAL INC.

Our Company and Business

Ally Financial Inc. (formerly GMAC Inc.) is a leading, independent, globally diversified, financial services firm. Founded in 1919, we are a leading automotive financial services company with over 90 years experience providing a broad array of financial products and services to automotive dealers and their customers. We are also one of the largest residential mortgage companies in the United States. We became a bank holding company on December 24, 2008, under the Bank Holding Company Act of 1956, as amended (the BHC Act). Our banking subsidiary, Ally Bank, is an indirect wholly owned subsidiary of Ally Financial Inc. and a leading franchise in the growing direct (online and telephonic) banking market.

RATIO OF EARNINGS TO FIXED CHARGES

Our consolidated ratios of earnings to combined fixed charges were as follows for the periods presented:

	Nine months ended September 30,		Year ended December 31,			
	2011(a)	2010(a)	2009(a)	2008(a)	2007(a)	2006(a)
Ratio of earnings to fixed charges (b)	1.02	1.16	0.03	1.53	0.90	1.14

(a) During 2010 and 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

Table of Contents

our Consolidated Financial Statements and Condensed Consolidated Financial Statements. Refer to Note 2 to our Consolidated Financial Statements and Condensed 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 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 deficit amounts for the ratio were \$6,968 million and \$1,350 million for the years ended December 31, 2009 and 2007, respectively.

USE OF PROCEEDS

We will add the proceeds from the sale of the Demand Notes to the general funds of Ally and they will be available for general corporate purposes, which may include the purchase of receivables, the making of loans, the repayment or repurchase of existing indebtedness, the reduction of short-term borrowings or for investment in short-term securities.

PLAN OF DISTRIBUTION

The Demand Notes are being offered on a continuous basis for sale by the Company on its own behalf directly to employees and certain retirees of Ally, GM and Chrysler (including their respective participating subsidiaries and affiliates), to the immediate family members of such employees and retirees, to franchised GM and Chrysler dealers, the employees and affiliates of such dealers, to the stockholders of Ally, GM and Chrysler and to certain customers of Ally and such customers' employees and subsidiaries, as determined by the Demand Notes Committee (each an Eligible Investor and collectively the Investors). Immediate family members are defined as the spouse, children, parents, siblings and grandparents of an eligible employee or retiree. The Demand Notes are being offered only to persons whose registered addresses are in the United States.

No commissions are payable by Ally on sales of the Demand Notes. We reserve the right to withdraw, cancel or modify the offer to sell Demand Notes at any time without notice. We have the sole right to accept offers to purchase Demand Notes and may reject, at our sole discretion, any proposed purchase of Demand Notes in whole or in part.

DESCRIPTION OF THE ALLY DEMAND NOTES

The Demand Notes are issued pursuant to the Demand Notes Program (the Program). The following description is a summary of certain provisions of the Program. It is not intended to be complete and is qualified in its entirety by reference to the complete text of the Program, a copy of which is filed with the SEC. A copy of the Program will be made available to you upon written request to us as provided in [Incorporation by Reference; Where You Can Get More Information](#).

By investing in Demand Notes, an investor is deemed to accept and agree to all provisions of the Program. The Company may amend the Program from time to time in accordance with the terms of the Program.

General Information

All funds invested in Demand Notes, together with accrued interest, redemptions and fees, if any, are recorded on a register maintained by the Processing Agent. No certificate or other instrument evidencing Ally's indebtedness is issued to an investor. The Demand Notes register also includes the name(s), address(es), tax identification or social security number(s) and, in the case of natural persons, date(s) of birth of the registered owner(s) of each Demand Note. In addition, investors may be required to provide certain other information as required by applicable law. We will not accept facsimile signatures on any checks, investment forms, investment change requests or any other document that affects a change in a Demand Note. Subject to applicable law, Demand Notes may be held individually, jointly, in a trust or custodial capacity or in the name of a corporation, business, partnership, LLC or association.

Table of Contents

Investors will be provided with monthly statements showing a summary of all investments and redemptions, the amount of accrued and reinvested interest, and the principal amount of the investor's Demand Notes at the end of the period. With your consent, such statements may be provided to you electronically. Redemption checks which you write will not be returned to you. The redemption check number and the amount of each cashed redemption check will be indicated on your statement.

An investor may obtain its current Demand Notes balance at any time by calling toll free 800-684-8823 or accessing the Demand Notes website at www.demandnotes.com.

The Demand Notes have no stated maturity and may be redeemed, in whole or in part, at the option of the investor; provided, however, that redemptions are subject to certain minimum redemption amounts. (See How to Redeem page 11). The Demand Notes are not subject to any sinking fund.

The Demand Notes are not and will not be listed on any securities exchange and there is no secondary market for them.

Unless you agree otherwise, Ally has no right of set-off against any Demand Note for indebtedness not related to such Demand Note. Ally shall have the right to deduct from the principal amount of a Demand Note any amounts invested by us in error in such Demand Note. In addition, we may, in our sole discretion, put a block on your Demand Notes in connection with an Internal Revenue Service notice, court order or pursuant to any other legal or governmental action or requirement.

We may require a medallion signature guarantee for an investor to add or change such investor's registration, investment options or redemption options with respect to the Demand Notes. A medallion signature guarantee is obtainable from a bank or other financial institution. The medallion signature guarantee is designed to protect an investor in Demand Notes from unauthorized changes by unauthorized persons. A notary stamp does not meet the requirement for a medallion signature guarantee.

Administration

We have established a Demand Notes Committee consisting of persons appointed by the Chief Financial Officer or Treasurer (the Demand Notes Committee). The members of the Demand Notes Committee do not receive any compensation for their services as such, but they may be officers, directors or employees of Ally or any of its subsidiaries. The Demand Notes Committee members serve at the pleasure of the Chief Financial Officer or Treasurer until their resignation or removal from office by the Chief Financial Officer or Treasurer. The Demand Notes Committee will consist at all times of at least three members and will act by a majority of its members.

The Demand Notes Committee generally has full power and authority to amend the Program, to interpret its provisions, to waive requirements imposed by the Program, to adopt rules and regulations in connection with the Program, and to set and adjust the rate of interest to be paid on the Demand Notes.

We have appointed The Bank of New York Mellon as Processing Agent to handle the day-to-day administration of the Demand Notes. See Processing Agent.

Dispute Resolution

Any dispute or controversy between you and Ally will be subject exclusively to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association.

Interest Rate

The Demand Notes bear interest at a floating rate as determined by the Demand Notes Committee. The interest rate on the Demand Notes is subject to change on Friday of each week, with any change being effective the following Monday. In deciding on the interest rate, the Demand Notes Committee examines, among other things, the level of interest rates generally and the changes in such interest rates that occur from time to time. The

Table of Contents

Demand Notes Committee has the authority to provide for differing interest rates based on, among other criteria, the size of individual Demand Notes. The Demand Notes Committee has no present intention to have multiple interest rates, but if it decides to do so, you will be notified by mail.

The Demand Notes are not a money market fund, which is generally a diversified fund consisting of investments in short-term debt securities of many companies. Demand Notes are solely the debt obligation of Ally Financial Inc. The rate of interest that the Demand Notes bear for any period is not an indication or representation of future rates of interest for the Demand Notes.

Interest on the Demand Notes accrues in accordance with the provisions governing the different methods of investing in Demand Notes, as described below under "How to Invest". Interest on the Demand Notes is compounded daily, at the rate in effect each day, based on a 365-day year. During a leap year, the interest on the Demand Notes is compounded daily, at the rate in effect each day, based on a 366-day year. Interest payable on the Demand Notes accrues daily and will be credited to your Demand Notes on the last day of each calendar month and, unless you have elected automatic monthly interest redemption, will be reinvested in additional Demand Notes. You may obtain the current interest rate borne by the Demand Notes at any time by calling 800-684-8823 or by accessing the Ally Demand Notes website at www.demandnotes.com.

Fees

Each investor will be provided with a free supply of redemption checks. In addition, investors will not be charged fees for check redemptions or wire redemptions. You may, however, be charged a fee by your commercial bank or financial institution if you make an investment or receive a redemption amount by ACH or wire transfer. In addition, you may incur a charge in obtaining any applicable medallion signature guarantee from the provider of the medallion signature guarantee. Service fees may be assessed for checks returned to the depository bank because: the principal amount of the investor's Demand Note is insufficient, the required signatures were omitted from the check, or the check was written for an amount less than the \$250 minimum. A service fee will also be assessed for certain administrative matters, including for stop payments requested by you, and for statement processing or other administrative matters. These fees will be directly debited from your Demand Notes.

HOW TO INVEST

Following your initial investment, you may invest in Demand Notes at any time, without charge, by check, by wire transfer, by charge to your bank account (ACH) or by any other means permitted by the Program. The minimum initial investment is \$1,000. To make an initial investment in a Demand Note, you must complete the required investment form and provide a personal check. The minimum amount for subsequent investments is generally \$50. You will be required to maintain a minimum \$1,000 investment balance in each of your Demand Notes see

Optional Redemptions By Ally Investor Balance Below Demand Notes Minimum on page 14 of this prospectus. All of your investments are required to be in U.S. dollars and investments by check must be drawn on a financial institution incorporated in the United States. We will reject all checks drawn on a foreign bank or a United States branch of a foreign bank.

The maximum principal amount of all your Demand Notes having the same social security or tax identification number is \$15,000,000. We reserve the right to redeem at our sole discretion your Demand Notes for any amount in excess of \$15,000,000. Upon such a redemption, Ally will mail a check to your address of record or send an ACH transfer (using the designated bank instructions on file).

For purposes of the Demand Notes, a Business Day is a day on which The Bank of New York Mellon, Processing Agent, and the Federal Reserve Bank are fully open for business (a Business Day). We reserve the right at any time, and for any reason, to modify, suspend or terminate any of the investment methods described below.

Table of Contents

Investments by Check

Your initial investment by check (personal checks only) must be accompanied by a properly completed investment form. Your subsequent investments by check (minimum of \$50) must include your 14-digit Demand Notes number assigned to you by The Bank of New York Mellon, as Processing Agent. Initial and subsequent investments by check that are received and processed by the Processing Agent before 10 a.m. Eastern Time are invested in your Demand Notes on the same Business Day as your check is received. An initial investment by check is to be made payable to Ally Demand Notes and mailed to: Ally Demand Notes 154-0510, The Bank of New York Mellon, P.O. Box 535030, Pittsburgh, PA 15253-5030. Any subsequent investments by check are to be made payable to Ally Demand Notes and mailed to Ally Demand Notes, 154-0510, The Bank of New York Mellon, P.O. Box 535006, Pittsburgh, PA 15253-5006. Initial and subsequent investments by check that are received and processed by the Processing Agent after 10 a.m. Eastern Time are invested in your Demand Notes on the next Business Day after the date of the check's receipt. Interest begins to accrue on the day your check is invested. Neither the Processing Agent nor Ally are responsible for delays in the receipt of checks mailed to The Bank of New York Mellon. **Your investment made by check is available for redemption on the sixth Business Day after the Processing Agent processes the investment of your check.** You can confirm the date your investment was made by accessing the Demand Notes website at www.demandnotes.com, by contacting the Processing Agent directly or by utilizing the available automated phone system at 800-684-8823 (toll free).

Investments by Wire Transfer

Once you have made your initial Demand Notes investment by personal check, you may make subsequent investments (minimum of \$50) by transferring funds via bank wire. To do so, an investor must comply with instructions provided in the applicable program documents. The bank wire must include the designation Ally Demand Notes, your name (as registered on your Demand Notes) and address, your 14-digit Demand Notes number. We charge no fees for the receipt of wire transfers or ACH credits; however, your commercial bank or financial institution may charge you a fee if you make an investment by wire transfer.

An investment by wire transfer of funds to the Processing Agent is invested in your Demand Notes on the Business Day the funds are received by the Processing Agent in proper form and begins to accrue interest on that day provided the funds have been received by the Processing Agent by 2:00 p.m. Eastern Time. Funds received after 2:00 p.m. Eastern Time are invested and begin to accrue interest on the next business day. Neither the Processing Agent nor Ally is responsible for delays in the transfer and wiring of funds. **Your investment made by wire transfer is available for redemption on the same Business Day the Processing Agent processes the investment of your wire transfer into your Demand Notes.** You can confirm the date your investment was made by accessing the Demand Notes website at www.demandnotes.com, by contacting the Processing Agent directly or by utilizing the available automated phone system at 800-684-8823 (toll free).

Investments by Automatic Monthly, Periodic or *Ad hoc* Electronic Transfer from a Bank Account

You may elect to authorize the Processing Agent to make an automatic monthly or periodic charge or an ad hoc charge, in each case of \$50 or more from up to two of your personal banking account(s). Upon receipt of proper authorization, the Processing Agent will prepare an ad hoc electronic transfer or, in the case of monthly or periodic transfers, an automatic electronic transfer using up to two transfer dates each month, in each case drawn against your bank account(s) for the amount authorized and on the Business Day you have requested. The proceeds from the electronic transfer are invested in your Demand Notes and begin to accrue interest on the same Business Day that the Processing Agent receives the electronic transfer. If the transfer day falls on a weekend, the transfer will be initiated on the next Business Day; provided, however, if an ACH automatic investment is set for the last weekend of a month, the investment will be made on the last Business Day of that month.

Table of Contents

You may elect up to two transfer dates for any amount of \$50 or more using up to two different bank accounts. **Your investments made by electronic transfer are available for redemption on the sixth Business Day after the Processing Agent processes the investment of your electronic transfer.** You can confirm the date your investment was made by accessing the Demand Notes website at www.demandnotes.com, by contacting the Processing Agent directly or by utilizing the available automated phone system at 800-684-8823 (toll free). An investor with banking instructions on file may make an ad hoc investment (subject to the \$50 investment minimum) by accessing the Demand Notes website at www.demandnotes.com or by calling the Processing Agent during the Processing Agent's regular business hours toll free at 1-800-684-8823.

To establish the automatic monthly or periodic charge to your banking account(s), you must elect this option on your investment form, available from the Demand Notes website at www.demandnotes.com, or obtain the necessary authorization form directly from the Processing Agent. You may change the amount(s) or day of transfer of your automatic monthly investment (subject to the \$50 monthly minimum) or terminate your automatic or periodic investment entirely at any time by providing written notice to the Processing Agent. Your notice is effective as soon as practicable after it is received by the Processing Agent. There is a 10 business day set-up period each time you add, change or terminate the banking instruction(s) for either of the above investment options.

A Complete Discussion of Your Rights and Responsibilities if You Use Electronic Funds Transfers Is Contained in Appendix A Hereto.

Investments by Direct Investment of Full or Partial Paycheck, Pension or Social Security Check

After your initial Demand Note investment, you may elect to invest in Demand Notes by instructing your place of employment, other issuer of regularly recurring payments, or, in the case of social security checks, the Social Security Administration, to invest all or a portion of your net paycheck, annuity or pension checks, social security checks or other recurring payments directly into your Demand Notes and authorizing the Processing Agent to receive such investments. Investments by direct investment may be made by electronic transfer or by check.

The proceeds from direct investments made by electronic transfer of funds are invested in your Demand Notes and begin to accrue interest on the same Business Day that the Processing Agent receives the electronic transfer. If the transfer day falls on a weekend, the transfer will be initiated on the next Business Day. **Your investments made by electronic transfer are available for redemption on the sixth Business Day after the Processing Agent processes the investment of your electronic transfer.** You can confirm the date your direct investment was made by accessing the Demand Notes website at www.demandnotes.com, by contacting the Processing Agent directly or by utilizing the available automated phone system at 800-684-8823 (toll free).

Direct investments made by checks mailed to the Processing Agent that are received and processed by the Processing Agent before 10 a.m. Eastern Time will be invested in your Demand Note on the same Business Day as the check is received. Direct investments made by checks mailed to the Processing Agent that are received and processed by the Processing Agent after 10 a.m. Eastern Time will be invested in your Demand Note on the next Business Day after the check is received. Interest will begin to accrue on the day the check is invested. **Your direct investment made by check is available for redemption on the sixth Business Day after the Processing Agent processes the investment of the check.** For a direct investment made by check, the check must be in U.S. dollars and drawn on a financial institution incorporated in the United States.

To terminate your direct investments, you must notify the issuer(s) of such check(s) or other payment(s).

HOW TO REDEEM

You may redeem all or part of your Demand Notes by following the procedures described below. **If the amount to be redeemed represents an investment made by check or charge to your bank account, the**

Table of Contents

redemption instructions will not be honored if the instructions are received within five Business Days from the receipt of such investment check or electronic transfer. We reserve the right at any time to modify, suspend or terminate any of the redemption methods described below. No redemption proceeds are paid in cash. Interest on a redeemed investment accrues to, but does not include, the date of redemption.

A medallion signature guarantee may be required in certain circumstances in order for you to add or change your redemption options. Our purpose in requiring a medallion signature guarantee is to prevent potential fraud or misrepresentation and is for your protection. A medallion signature guarantee must be signed by an authorized signatory and the statement "Signature Guaranteed" must appear with the signature. A notarized signature is not a medallion signature guarantee. In certain instances, additional documentation may be required including, but not limited to, copies of trust instruments, birth certificates, death certificates, or court appointments as executor or administrator. Any request for a change to your method of redemption or notice regarding your Demand Notes must be mailed in accordance with instructions provided in the applicable program documents.

Redemption by Written Check

Each investor in Demand Notes will be provided with a free supply of checks. You may redeem your Demand Notes by writing a check, payable to the order of anyone, in an amount of \$250 or more. **If the amount of the redemption check is greater than the principal amount of your Demand Notes or is for less than \$250, or if the check does not include the required signatures, the check will not be honored and a fee will be debited from your Demand Notes by the Processing Agent. Checks are deposited and processed through normal bank clearing systems.** There is no limit on the number of checks you may write. We will not accept facsimile signatures on checks.

The Processing Agent may review any Demand Notes check to verify its validity. Where there is more than one registered owner of a Demand Note, only the signature of one registered owner is required on the check. When your check is presented to the Processing Agent for payment, the Processing Agent redeems your Demand Notes in an amount sufficient to cover the check. If you request a stop payment of a check, the Processing Agent assesses a service charge for each stop payment request made and such fee will be debited from your Demand Note. Your stop payment will be acted upon without verification or confirmation by the Company or the Processing Agent.

Redemption by Wire

If you select this option on the investment form, you may redeem your Demand Notes, in part, during the Processing Agent's regular business hours but prior to 2:00 p.m. Eastern Time, by having redemption proceeds of \$1,000 or more wired to a pre-designated bank account or Demand Notes. By use of this option, you authorize the Processing Agent to act on telephone or written redemption instructions from any person or persons representing themselves to be the registered owners of the Demand Notes. The Processing Agent's record of your instructions is binding.

To select the Redemption by Wire option, you must designate on the investment form Demand Notes or an account at a bank in the United States to receive the redemption proceeds. For proceeds that will be wired to a bank account, you must also provide the Processing Agent with a voided specimen check or deposit slip from such bank. For proceeds that will be wired to Demand Notes, you must provide the relevant Demand Notes number. Once established, you may utilize this option by accessing the Demand Notes website or by calling the Processing Agent during regular business hours through the automated phone system at 800-684-8823 (toll free).

Upon receipt of wire redemption instructions, the Processing Agent will redeem your Demand Notes sufficient to cover the amount specified in your wire redemption instructions. **If the redemption instructions are received by 2:00 p.m. Eastern Time on any Business Day, the Processing Agent will wire the redemption proceeds to the pre-designated bank account or Demand Note on the same Business Day.** If the

Table of Contents

redemption instructions are received after 2:00 p.m. Eastern Time on any Business Day, the Processing Agent will wire the redemption proceeds to the pre-designated bank account or Demand Note on the next Business Day.

You may add or change the Redemption by Wire instructions only upon written request to the Processing Agent accompanied by a medallion signature guarantee of each registered owner (including joint owners) of the Demand Notes.

Neither the Processing Agent nor Ally is responsible for delays in the wiring of funds through the banking system or for the authenticity of redemption instructions.

Automatic Monthly or Quarterly ACH Redemption or Monthly Interest ACH Redemption

If you select this option on the investment form, you authorize the Processing Agent to automatically redeem (a) on a monthly or quarterly basis a specified part of your Demand Notes (minimum \$100) or (b) on a monthly basis, the interest accrued and posted to your Demand Notes. These options are available only if your Demand Notes have a principal amount of \$5,000 or more and if there are designated bank account instructions for redemption by ACH on file. You can also select this option by accessing the Demand Notes website at www.demandnotes.com.

If you select either the automatic monthly or quarterly redemption option, the Processing Agent will establish the third business day prior to the end of the relevant month or quarter, as the case may be, as the redemption date. If you select the monthly interest redemption option, the Processing Agent will establish the last calendar day of such month as the redemption date. On the established redemption date, the Processing Agent will redeem your Demand Notes by an amount equal to the redemption amount that you have specified (minimum \$100) or, if you have elected Monthly Interest ACH Redemption, the interest amount that would have been credited to your Demand Notes for that month. The Processing Agent will send, via ACH transfer, the funds to your designated bank account. The funds will settle on the second Business Day following the established redemption date. This option will only be available if you have designated bank account instructions on file.

If on the established redemption date for any Automatic Monthly or Quarterly ACH Redemption or Monthly Interest ACH Redemption, your Demand Notes does not have a principal amount of \$5,000 or more, the Processing Agent will not honor the redemption. You may terminate the Automatic Monthly or Quarterly ACH Redemption Option or Monthly Interest ACH Redemption Option by providing written notice to the Processing Agent. Such notice is effective as soon as practicable after receipt by the Processing Agent.

You may also request the Automatic Monthly or Quarterly ACH Redemption or Monthly Interest ACH Redemption Option after you have submitted the investment form by providing the Processing Agent with a written request to add the desired automatic redemption option to the Demand Notes and by providing a set of bank account instructions. Your written request requires the signatures of all registered owners (including joint owners) of the Demand Notes exactly as the name(s) appear on the Demand Notes investment form and each signature must have a medallion signature guarantee from a banking or financial institution.

Ad hoc ACH Redemption

If you select this option on the investment form, you authorize the Processing Agent to act on telephonic, electronic, or written redemption instructions from any person or persons representing themselves to be the registered owners of the Demand Notes. You may authorize, either through the automated phone system at 800-684-8823 (toll free), through a customer service representative, or by accessing the Demand Notes website, the Processing Agent to redeem your Demand Notes by an amount of \$250 or more upon request. **If the ACH redemption request is received by 8:30 a.m. Eastern Time on any Business Day, then the funds will settle on the second Business Day following such request.** If the request is received by the Processing Agent after 8:30 a.m. Eastern Time on any Business Day, then the funds will settle on the third Business Day following the date of such request. The Processing Agent's record of your instructions is binding.

Table of Contents

You may also request the Ad hoc ACH Redemption Option subsequent to submitting the investment form by providing the Processing Agent with a written request to add the option to the Demand Notes and by providing a set of bank account instructions. Your written request requires the signatures of all registered owners (including joint owners) of the Demand Notes exactly as the name(s) appear on the Demand Notes investment form and each signature must have a medallion signature guarantee from a banking or financial institution.

A COMPLETE DISCUSSION OF YOUR RIGHTS AND RESPONSIBILITIES IF YOU USE ELECTRONIC FUNDS TRANSFERS IS CONTAINED IN APPENDIX A HERETO.

Full Redemption of a Demand Note

You may redeem your Demand Notes in full by providing telephone or written instructions to the Processing Agent to affect a full redemption. Written instructions must state your intention to redeem in full your Demand Notes and must be mailed in accordance with the instructions provided in the applicable program documents.

Upon receiving your instructions, the Processing Agent will redeem in full your Demand Notes, including accrued and unpaid interest to the date of redemption. The Processing Agent will send, via ACH, the redemption proceeds using the designated bank instructions for redemption on file for the Demand Notes. If there are no bank instructions on file, a bank check will be mailed to the registered address.

OPTIONAL REDEMPTIONS BY ALLY

Ally may redeem, at any time in its discretion, all or any part of the Demand Notes. See The Indenture Redemption of Demand Notes.

Investor Misuse of Redemption Provisions

We reserve the right to redeem immediately any Demand Notes of an investor who we believe, in our sole judgment and discretion, is abusing or misusing the redemption provisions of the Demand Notes, e.g., the writing of multiple checks where the amounts of the checks are greater than the principal amount of the Demand Notes. Ally will notify an investor of its intention to redeem such Demand Notes on the third Business Day following the date of the Notice. A final check or an ACH transfer (using the designated bank redemption instructions on file) will be sent to the investor in an amount equal to the principal amount of the Demand Notes, including accrued and unpaid interest. In the event that a Demand Note with a principal amount below \$0 is redeemed, the investor will be liable to us for the amount required to restore the principal amount to \$0 as of the date the Demand Notes were redeemed.

Investor Balance Below Demand Notes Minimum

We may redeem, in our discretion, any particular Demand Note that maintains a principal amount of less than \$1,000 for a period consisting of the two consecutive months immediately following the month in which the average principal amount of the Demand Note falls below \$1,000. If your Demand Notes has an average principal amount of less than \$1,000, you will receive written notice from us reminding you of the minimum investment requirement and providing you with the proposed date of redemption of your Demand Notes. If your Demand Notes are redeemed, you will be mailed a check or receive an ACH transfer (using the designated bank redemption instructions on file) in an amount equal to the principal amount of such Demand Note, including accrued and unpaid interest. In the event that Demand Notes with a principal amount below \$0 are redeemed, you will be liable to Ally for the amount required to restore the principal amount to \$0 as of the date the Demand Notes were redeemed.

Notice of Redemption

Ally will give prior written notice of at least thirty days but not more than ninety days to investors whose Demand Notes are subject to full or partial redemption. See The Indenture Redemption of Demand Notes.

Table of Contents

Investor Balance Above Demand Notes Maximum

We may partially redeem, in our discretion, any particular Demand Notes having the same social security or tax identification number that exceed \$15,000,000 in the aggregate. If your Demand Notes is so partially redeemed by us, you will be mailed a check to your address of record or receive an ACH transfer (using the designated bank redemption instructions on file) in an amount equal to the principal amount above \$15,000,000.