When Wall Street Buys Main Street

The Implications of Single-Family Rental Bonds for Tenants and Housing Markets

By Sarah Edelman, with Julia Gordon and David Sanchez  February 2014
Introduction and summary

Over the past few years, institutional investors have quietly bought approximately 200,000 single-family homes at bargain prices and converted them into rental homes. In some parts of the country, especially those areas that experienced deep price declines during the 2007–2009 housing bust, these firms—along with smaller cash investors—have bought more than half of all homes for sale.¹

In our previous report, “Cash for Homes: Policy Implications of an Investor-Led Housing Recovery,” we explored the questions raised by the presence of investors in our neighborhoods.² While cash investors have helped stabilize and even increase home prices, and while the large supply of single-family rentals can help meet the needs of many families, we do not know whether these new landlords will be responsive to their tenants, maintain affordable rents, or properly care for their properties. We also do not know to what extent they are crowding out potential owner-occupants or artificially inflating home prices. Finally, we do not know what will happen to neighborhoods with a lot of investor activity if and when these investors withdraw, particularly if they leave the market as quickly as they entered it.

In October 2013, an institutional investor created the first triple-A-rated, mortgage-backed security supported by revenue from single-family rental properties, a development that may offer even lower-cost financing to institutional buyers than has been available thus far through bank credit lines.³ A mortgage-backed security is created by pooling assets together and then selling interests in that pool to investors, who then receive regular payments from the asset pool. This process provides access to a much larger pool of investors than would otherwise be feasible, increasing liquidity and generally providing a less expensive source of funding than traditional borrowing from banks or private investors.
In this instance, a subsidiary of the private equity firm Blackstone took out a $479.1 million loan from Deutsche Bank that was secured by a pool of more than 3,000 single-family rental homes. The loan was then turned into a security that was purchased by investors, who now receive monthly rental cash payments from the homes. If the loan is not repaid, the trustee—the legal representative of the bondholders—has the right to seize the homes.4

The emergence of a new form of mortgage-backed securities tied to single-family rentals is certain to have an impact on the housing market, communities, and tenants. Analysts predict that the funding of single-family rental acquisitions through securitization will likely become a dominant model quickly; American Homes 4 Rent and Colony American Homes, two new single-family rental firms, are reportedly preparing to launch single-family rental bonds in the coming months.5 The market for this new asset class is expected to top $70 billion per year by 2016, on par with the bond financing for apartment buildings, casinos, and commercial real estate for this year.6 While institutional investors only represent a fraction of those in the housing market—midsized companies and small mom-and-pop investors who own less than 10 properties are currently far more prevalent in most markets—securitization may begin to shift this balance.

Depending on the success of this new asset class, investor appetite for these types of bonds may boost the size and scope of this relatively new and untested industry to a level that may not be sustainable, either because the industry does not have the capacity to manage thousands of new homes or because a significant increase in purchases inflates home prices.

Furthermore, this new financing structure is likely to have little effect on whether these new investors stay in this business after home prices increase and the business becomes more costly. In the Blackstone deal, for instance, the securities will mature in two to five years, after which the firm must find new financing to repay bondholders or sell the properties. While it is typical for mortgage-backed securities that finance apartment buildings to require refinancing after several years, this extremely short time frame suggests that bondholders may not be ready to make a longer-term bet on the single-family rental industry.
Many of the potential challenges presented by this new, large-scale, single-family rental industry could arise regardless of the type of financing used to acquire and rent out homes. Yet securitization may exacerbate some of these challenges, both by supercharging industry growth and by shifting some of the risk away from investment firms and onto the shoulders of a large and diverse group of bondholders.

In this report, we offer a guide to the Blackstone single-family rental securitization deal, the structure of which is likely to serve as a template for the industry. We then explore the questions that will arise if securitization increases the number and percentage of single-family homes owned by large institutional investors, including the risks to tenants and communities. In conclusion, we call for improved regulatory oversight, increased transparency, and strong tenant protections to guard against any potential downsides to these new developments.
Background: How single-family rental securitization works

Securitization is the process of pooling loans together into a security, or bond, and then selling shares in that bond to investors. Investors are paid by receiving a portion of the principal and interest payments made on the loans. Usually, the bond is divided up into levels, also known as tranches. The most senior tranches, which get paid first, are least risky and offer the lowest returns; more junior tranches are riskier and carry a higher return. Investors choose their tranche based on the amount of risk that they can tolerate and the amount of return that they seek.

Securitization of mortgages happens in the secondary mortgage market, which refers to a market where investors may buy loans that are already made. Historically, when a bank made a mortgage, the bank held that mortgage in its portfolio for the life of the mortgage, which necessarily limited the number of mortgages it could make. When there is a secondary market to buy those mortgages from bank portfolios, banks can trade in those mortgages for cash that they can then lend out to more borrowers, increasing access to mortgage credit in the marketplace.

If the secondary market then securitizes the loan, by pooling mortgages together that are diverse geographically or otherwise, an investor in the pool is theoretically taking less risk than an investor in an individual mortgage, since the risk of that mortgage defaulting is spread more widely.

Previously, this process of securitization had been used for mortgages owned by individual families—residential mortgage-backed securities—and for mortgages on apartment buildings or other large commercial buildings—commercial mortgage-backed securities. Now, Invitation Homes, the rental arm of international private equity firm Blackstone, has found a way to create something of a hybrid of these two, securitizing the rental revenue stream from its portfolio of single-family rental homes.
In many ways, the Invitation Homes bond has more in common with commercial bonds used to finance apartment buildings, malls, and office buildings than with the residential mortgage-backed securities that failed so spectacularly during the 2007–2009 housing crisis. The major difference between the Invitation Homes bond and typical commercial bonds is that the homes financed through the Invitation Homes bond are scattered throughout neighborhoods across five states, while the offices and apartments financed through commercial bonds are generally concentrated primarily in a few large commercial buildings.

In this section, we explain how the Blackstone single-family rental securitization works and what is on the horizon for the industry.

**Structure of the Invitation Homes securitization**

Over the past few years, Invitation Homes has acquired a large number of homes around the country through cash purchases. Now, Invitation Homes has taken these homes and securitized them. To create the new security, a subsidiary of Invitation Homes—referred to as the 2013-1 IH Borrower L.P. in this securitization transaction—essentially purchased those properties using a $479.1 million loan from Deutsche Bank, and that loan was turned into a bond. The loan is secured by mortgages on the homes* and a pledge of 100 percent of the equity in the subsidiary. The loan, or security, is held in a separate corporate entity known as the securitization trust, which is managed by a trustee. If the bondholders do not receive the regular payments they are owed, the trustee can either foreclose on the equity pledge and take full control of the subsidiary and the properties through the equity pledge or foreclose on the mortgages.

Each month the property management company routes tenant checks through to a collection account managed by the trustee, Christiana Trust. This trustee then makes principal and interest payments to bondholders out of the rental cash flow, similar to the way a homeowner’s mortgage payments are passed through to residential mortgage-backed-security bondholders. Investors in more senior tranches are paid first.

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* According to Moody’s, "The mortgages are blanket mortgages, 59 in total, that in the aggregate cover all of the properties. Each mortgage covers all of the properties located in a particular county." See Moody’s Investor Service, “Invitation Homes 2013-SFR1 Pre-sale Report.”
FIGURE 1
How does the Invitation Homes securitization work?

In this deal, Invitation Homes acquires new financing for a pool of single-family rental homes through a bond sale. Deutsche Bank makes a loan to Invitation Homes that is backed by single-family rental homes and sells interests in the loan to bondholders who then receive regular payments from the rental cash flow.
Loan collateral

The loan is backed by homes concentrated primarily in five metropolitan areas: Phoenix, Arizona; Riverside, California; Los Angeles, California; Sacramento, California; and Atlanta, Georgia.7 These metropolitan areas were among the hardest hit during the foreclosure crisis, experiencing steep price declines—nearly 40 percent in Phoenix,8 for example—from peak to trough.*

Payments to bondholders

The bond is divided into six main categories, or tranches, of risk—classes A through F. Close to 60 percent of the bond is triple-A rated.9 These bondholders are the first to receive cash flow from the bond and earn 1.15 percent interest above the London Interbank Offered Rate, or LIBOR, a fluctuating interest rate.10 Class F, which is rated BB, will earn 3.65 percent above LIBOR.11 Investors holding the riskiest slice receive the highest monthly interest payments, but they are also the first to stop receiving payments if the loans supported by the rental income underperform.

Bondholder remedies for default

As noted above, if the subsidiary borrower, 2013-1 IH Borrower L.P., defaults on the loan, the bondholders can foreclose on the mortgages secured by the 3,207 homes. In addition, the mortgage loans are secured by an equity pledge in the borrower, meaning that in the case of a default, bondholders can take control of the borrower itself and decide whether to sell the homes or continue to rent them. In a commercial-backed mortgage security, bondholders typically must foreclose on each mortgage. In this deal, bondholders can either direct the special servicer to foreclose on the mortgages or simply foreclose on the equity pledge, taking control of all of the properties at once.12 Tenants living in homes that are sold or transferred to new ownership as a result of a loan default may experience hardship or need to find a new place to live, which we will explore later in the report.

* Some analysts have raised questions about whether the prices of the homes in the deal may be too high in the metropolitan areas where investors have been most active over the past year. If the value of the collateral is artificially high due to overheated home prices, investors may not be able to get all of their money back from selling the homes if the loan goes bad. See Adam Tempkin, “Investors Show Concern Over Blackstone Home Rental Bond,” Reuters, November 1, 2013, available at http://www.reuters.com/article/2013/11/01/blackstone-abs-homerental-idUSL1N0IM1C620131101.
What’s on the horizon

This deal is likely the first of many for Invitation Homes and for other single-family rental firms. American Homes 4 Rent is reportedly working with Goldman Sachs Group Inc., Wells Fargo, and JP Morgan Chase & Co. to offer a bond in the coming months. Colony Homes is also reportedly working with JP Morgan Chase & Co. and Credit Suisse Group AG to launch a new single-family rental bond in March. Securities backed by single-family rental homes could grow into a $70 billion-per-year industry by 2016, according to some analysts. Keefe, Bruyette & Woods analysts have estimated that the single-family rental securitization market could grow into a near-$1 trillion market over the next six years.

While the Blackstone deal with Deutsche Bank was a loan made to a single borrower backed by many properties, it is possible that future bonds may include loans made to multiple borrowers. Shortly after the Blackstone-Deutsche Bank bond closed, Blackstone launched a new entity called B2R, which “aspires to be the largest provider of mortgage financing to small and medium-sized buyers of rental homes,” according to Bloomberg. B2R says it will make loans valued between $500,000 and $50 million and then sell bonds backed by those loans.

Other firms are likely to join Blackstone in financing small and medium-sized investors. “That’s the part of the business that will take off,” a lawyer with Sidley Austin told The New York Times recently.

Although little information is available about B2R, or how these small and medium-sized firm bonds will be structured, they may be backed by loans to multiple borrowers—meaning that single-family rental properties owned by multiple investors, each with a different business model, property management capacity, and level of business sophistication, could be packaged into a single security. As a result, verifying the overall quality of the individual investors and the bond could become more challenging for credit-rating agencies and prospective bondholders.
Single-family rental securitization may accelerate industry growth and risks to communities

Securitization offers institutional investors a new and potentially cheaper way to finance their single-family rental businesses, which could fuel dramatic growth in the industry over the next several years. Yet with financing terms of between two and five years, securitization is hardly a guarantee that institutional investors will stay in the market once home prices rise or if the business is not as profitable as expected. If the institutionally owned, single-family rental business is here to stay, we must pay close attention to the industry’s capacity to manage the homes and to maintain affordable rents. If these bonds underperform or if firms exit relatively quickly, we must anticipate the consequences for local housing markets and tenants. In this section, we explore some of the key questions that might arise in either scenario.

Operating rental properties: What potential concerns could arise for tenants?

Are Wall Street firms prepared to manage a broad portfolio of single-family rental homes?

Institutional investors have no track record as single-family rental homeowners, so there is no way to know whether property management at this scale will include obstacles in addition to those faced by traditional investors, who themselves have a mixed track record, or whether they will have advantages over the smaller landlords. While single-family rental is not a new industry, most large institutional investors have been in it for less than three years—not enough time for them to develop the strong systems needed to ensure quality management of tens of thousands of homes across the country, especially as homes age and need more expensive repairs. For example, the average lease in the Blackstone deal had only been in effect for eight months at the time the bond was underwritten, according to Kroll Bond Ratings.
So far, reports are mixed about how institutions are faring as landlords. The Huffington Post recently reported on institutionally owned rentals in Atlanta that were barely habitable. The Charlotte Observer reported that some institutional investor owners are evicting tenants at high rates, though without more details it is hard to know whether they are evicting new tenants or nonpaying tenants who were already living in the homes at the time the firm made the purchases. A new survey from the Right to the City Coalition and Occupy Our Homes Atlanta, two community housing justice organizations, found that the quality of communication between Invitation Homes and tenants varied significantly. In a forthcoming report, they find that some Invitation Homes tenants in Atlanta are provided a specific point of contact at the property management company who they can get in touch with if there is a problem with the home, while the majority are only provided a general phone number and asked to communicate their concerns via voicemail. Overall, more information is needed about institutional investor property management performance.

Whether or not institutional investors choose to finance their single-family rental portfolios through securitization, ensuring quality property management will be a key concern for the burgeoning single-family rental industry. Securitization could exacerbate concerns if it causes the industry to grow faster than its capacity to manage the properties. It could also add another layer of complexity and difficulty for tenants trying to reach the owners of properties not being properly maintained, much as we saw with homeowners during the housing crisis who had more trouble obtaining modifications for privately securitized loans. City officials in Indianapolis, Indiana, are already having a difficult time tracking down out-of-state investors, according to a new report from the Indianapolis Housing Finance Agency. In some cases, securitization could make it even harder to clearly identify the owner of a property.

Large, single-family rental firms have claimed that their strategy of managing homes through local contractors is reliable, but some community groups and analysts are not convinced. After all, as Yves Smith notes in the finance blog Naked Capitalism, during the foreclosure crisis national mortgage servicers “... also hired contractors to perform much simpler tasks like securing property, and they failed abysmally.” Fitch Ratings, economists at the Federal Reserve, and Rep. Mark Takano (D-CA) have all recently expressed concerns about the capacity of these new single-family rental operators to properly manage their properties.
With less ‘skin in the game’ after securitization, will firms have less incentive to maintain properties?

Generally, securitization allows firms to take on more leverage, or debt, than they otherwise could. The New York Times recently reported that, “With securitization, landlords could in theory put as little as 25 percent of equity into their properties, while borrowing the rest. Credit lines from banks typically require 40 percent equity.”27

With the financed sale of the homes to its subsidiary, Invitation Homes has recouped, in cash, about 88 percent of the original $542.8 million it spent to buy and rehabilitate the properties in the pool.28 If the loan fails because the rental homes fail to produce sufficient rental cash flow, Invitation Homes will lose the $63.7 million in hard equity it has invested in the pool of securitized properties, as well as the potential yields from selling the homes for more than its initial investment. At the same time, Invitation Homes maintains the opportunity to profit from selling the properties at a higher price as long as the loan performs until maturity.

With less capital on the line, Invitation Homes may have less urgency to make sure that each property performs well. With additional corporate layers standing between Invitation Homes and the tenant, such as the legal borrower of the $479.1 million loan—2013-1 IH Borrower L.P.—Invitation Homes may also have less legal liability if there is a persistent maintenance or environmental problem with one of the properties.

Will this new asset class put upward pressure on rents?

While data are not available for all institutional investor owners, the information available suggests that rents vary significantly depending on the firm and the city in which they own homes.29 Rents on most of the homes pooled together for the Invitation Homes bond, however, are priced in accordance with local rents.30

Rents on homes owned by institutional investors that finance their properties through bank credit lines, private equity investors, or securitization could all experience pressure to raise rents in the coming years for a few reasons.
First, if property management expenses are higher than firms anticipated, or if tenant turnover causes too many hiccups in the rental cash flow, institutional investor owners may need to raise rents in order to continue making monthly payments to bondholders, lenders, or private investors.

Moreover, for the past year and a half, unusually low home prices have bolstered the institutional investor single-family rental strategy. The low acquisition costs of distressed homes have positioned them to make a profit even if they charge modest rents. As acquisition costs increase with rising home prices and this business becomes more expensive, firms may pass new costs on to tenants in the form of higher rents.

Lastly, single-family rental securitization could put a different kind of upward pressure on rents than is present in a mom-and-pop environment, just as securitization put a different kind of pressure on mortgage originators to create excessively risky mortgages. If a new single-family rental bond market emerges and investor appetite for higher yields grows, firms could experience pressure to raise rents to help make future bond sales more attractive.

At the same time, as securitization brings financing costs down, it could also relieve some of the pressure on firms to raise rents. Yet there is no guarantee that firms will choose to pass on any financing cost savings to tenants.

Will cash investors crowd out aspiring owner-occupant buyers?

In recent months, cash investors have made more than half of home purchases in some parts of the country. While many qualified borrowers are not able to access mortgage credit at all in today’s tight lending environment, others who could obtain financing may have trouble competing with an investor willing to purchase in cash, either because they are being outbid or because the cash offer enables sellers to bypass the appraisal process. Securitization could give institutional investors a further advantage by allowing them access to cheap capital, while an owner-occupant would likely pay more for mortgage financing. In the October securitization deal, Invitation Homes was able to borrow at less than half the cost of an average homeowner.

A long-lasting housing recovery will require stable home-price appreciation and a new generation of homeowners who will become move-up buyers, supporting their communities and the housing market going forward. Relying too heavily on institutional investors, or creating an environment in which it is challenging for an average family to purchase a home, could undermine a stable, lasting housing recovery.

Exiting the market: Does securitization increase risks for tenants and the housing market?

Over the past year, Fitch Ratings has repeatedly noted that cash investors are responsible for massive home-price increases in some parts of the country, calling into question the health of the housing recovery and whether price increases will be sustained if investors suddenly withdraw. Opening a floodgate of financing for cash investors through securitization heightens these concerns. With homes concentrated in a handful of metropolitan areas, a move to sell a large portfolio of homes when a bond matures—or in the case of a loan default—could trigger a return to home-price declines in these neighborhoods and leave many tenants with an uncertain future.

What happens when the bond matures?

As described above, the Invitation Homes bond will mature in two to five years. During the life of the bond, the bondholders receive monthly payments from the rental cash flow but are not fully repaid on the loan until the bond matures. When the bond matures, the borrower—2013-1 IH Borrower L.P., the subsidiary of Invitation Homes—must repay the full balance of the loan to the bondholders. This is often referred to as a balloon payment. Typically, a borrower meets this obligation by refinancing the loan. However, if the borrower is unable to find a new lender willing to refinance the loan, they may need to liquidate the properties, selling the pool of single-family home properties to raise the necessary capital. Bondholders can also agree to lengthen the terms of the deal, giving the borrower more time to repay the loan in order to avoid default.

Fitch Ratings has voiced concerns that if the worst-case scenario occurred in the Invitation Homes deal and the borrower sold the homes in order to repay the loan, “the impact of a large scale listing at the neighborhood level could have a significant impact on market clearing prices.” In other words, if hundreds or thousands
of properties are sold in one metropolitan area at once in order to repay a loan, home prices in those areas could decline. Invitation Homes and bondholders are likely to do all they can to avoid this scenario, as the price declines would prevent them from realizing as much as they could on home sales. But it is one possible outcome if the pool does not perform as anticipated.

Tenants could also suffer if the borrower decides to sell many homes to pay back bondholders. Historically, smaller investors have often evicted tenants when selling properties because it’s been easier to sell them without a tenant, though it’s not clear if that dynamic applies to these much larger portfolios of loans. While a tenant would likely be protected through the term of his or her lease—unless the lease contains language that limits the tenant’s rights—a sale or change in ownership might make it difficult for him or her to renew a lease or could require a tenant to move more quickly than anticipated.

What happens if the Invitation Homes subsidiary defaults?

A loan default, which could occur if the rental properties do not generate enough rental income to pay investors their due, could pose similar challenges to local housing prices and to tenants. If the special servicer decided to sell all of the homes, that would no doubt affect the local housing market and tenants. If the special servicer decided to continue renting the homes, there is a possibility that property management could suffer due to efforts to cut costs to salvage the portfolio.
Moving forward: Managing a new asset class and single-family rental industry

As more families send their rent checks each month to faraway investors, it is crucial to put in place policies to ensure that these properties are stable, secure places to live. State and local policymakers, federal regulators, and the industry itself should take proactive steps to protect families and the local housing markets in which they live.

The single-family rental industry should establish industry-wide standards

Managing large portfolios of single-family rental homes is a challenging new endeavor that could become more manageable as businesses professionalize and share best practices. Some operators seem better equipped to respond to property servicing needs and to maintain lower eviction rates. This industry should be exchanging lessons learned and establishing industry-wide standards. Without such action, poorer-performing companies are likely to tarnish the reputation of the entire industry.

State and local lawmakers should ensure adequate protections for tenants and housing markets

The rights and responsibilities of landlords and tenants differ dramatically among state and local jurisdictions. As cities and states prepare for a growing renter population and for the presence of larger institutions that will be operating rental units across the country, they should examine and update their tenant protections. Doing so is especially imperative, as the potential for many rental homes clustered together within residential neighborhoods, high tenant turnover due to eviction,
steep rent increases, or poor property management could dampen the values of homes in a neighborhood. Renter protections that provide tenants with protection from such practices not only help those tenants but also protect the health of the local housing market.

What’s more, as ownership and responsibility becomes more complex through securitization, more work is needed to make sure that the various corporate relationships are clear and understandable to tenants and surrounding communities. Tenants and neighbors should know whom to call—or sue—for a problem that is not being adequately addressed by their property management company. State and local governments should require large landlords to provide tenants with a phone number and a specific point of contact at the property management company as well as contact information for the owner of the property, rather than just relying on somewhat-anonymous property management websites.

Federal regulators should monitor institutional investors in single-family rental homes and securitizations of these homes

As pensions, mutual funds, and other money managers funnel more money into large-scale, single-family rental operators, federal regulators should begin monitoring this industry more closely. Federal Reserve economists have called for closer attention to this industry, noting that “financial stability concerns may become more significant should debt financing becomes (sic) more prevalent or if the share of homes owned by investors in certain markets rises significantly further.”

The same Federal Reserve brief also warns that, “To the extent that public markets develop for bonds backed by the underlying income or assets of investor portfolios, there is greater risk of the development of shadow banking activities on these securities or derivatives referencing them” and calls for greater monitoring of these markets.

Regulators do not need to wait until this industry poses a systemic risk before taking steps to make sure that institutional investors manage the underlying assets—the homes—responsibly. While a slew of new rules are in place to make residential mortgages safer and mortgage-servicing practices more consumer and investor friendly, this new rental industry lacks such standards. Without a strong, consumer-focused foundation, this industry is likely to cause problems for communities and financial markets alike.
• The Department of Housing and Urban Development can ensure that these investor owners are in compliance with fair housing laws that prohibit discrimination against renters based on race, national origin, sex, familial composition, or disability.36

• The Consumer Financial Protection Bureau can monitor consumer complaints and review the tenant-facing practices of the large investors, such as excessive fees, failure to maintain the homes, improper eviction processes, or other harmful practices.

• The Securities and Exchange Commission can finish the Dodd-Frank-mandated study of the credit-rating agencies to ensure that bond ratings are fair and reliable. One of the misaligned incentives that contributed to the 2008 financial crisis was having securitizers pay rating agencies to obtain agency bond ratings, which has been widely viewed as a significant conflict of interest.37 This practice continues today, and the triple-A rating obtained from three credit-rating agencies on the Invitation Homes bond was crucial to obtaining broad investor interest.38
Conclusion

Cash investors—both smaller investors and larger institutional firms—have played an important role in many markets. Through purchases of foreclosed homes, they have helped lift home prices and reduce the number of vacant homes plaguing some neighborhoods. At the same time, the sheer scope of investor activity in the market right now relative to owner-occupant purchases is unprecedented, as is the size of these large, single-family rental portfolios.

Securitization is likely to grow the size and scale of the large-scale, scattered-site, institutionally owned, single-family rental market still further. In this report and in our September report, “Cash for Homes,” we have explored some of the potential risks to communities and the housing market if investors do not properly manage the homes, if investors crowd out families hoping to buy a home, and if investors leave the housing market as quickly as they entered it. While these risks exist regardless of how investors finance their operations, cheaper financing through securitization may propel industry growth, heightening all of these concerns. Policymakers need to pay close attention to these developments to protect consumers, ensure healthy housing markets, and limit risks to renters, neighborhoods, and financial markets that stem from misaligned incentives.
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7 Ibid.


9 Bloomberg, “Blackstone’s Big Bet on Rental Homes,”


11 Ibid.


14 Gittelsohn and Perlberg, “Goldman Sachs Said to Lead American Homes 4 Rent Bond Deal.”

15 Ibid.


18 Ibid.

19 Corkery, “Wall Street’s New Housing Bonanza.”


27 Corkery, “Wall Street’s New Housing Bonanza.”

28 Kroll Bond Ratings, “Invitation Homes 2013-SFR1 Presale Report.”

29 Center for American Progress analysis based on American Homes 4 Rent, Silver Bay Realty Trust, and American Residential Properties’ average rents as of September 2013 by metropolitan area from Securities and Exchange Commission 10-Q filings and RentRange.com’s average rent for three-bedroom homes by city.
Rents on Invitation Homes properties are slightly over market rate in Los Angeles and slightly under market rate in Phoenix and Atlanta. See Kroll Bond Ratings, “Invitation Homes 2013-SFR1 Presale Report.”

Corkery, “Wall Street’s New Housing Bonanza.”


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