Meet the New Landlords: *The Rise of Single-Family Investors in the Housing Market*

By Sarah Edelman, Center for American Progress

If policymakers need more proof – beyond the nation's 9.1 million underwater homeowners – that the housing market has not yet recovered, they need only take a look at who is buying homes. In the first quarter of 2014, cash buyers, who are often likely to be investors, made about 43 percent of all home purchases.[1] Instead of reselling the homes they purchase as investors have in the past, they are largely choosing to convert them into single-family rental homes. Between 2007 and 2009 alone, 2.75 million single-family homes were converted into rental homes.[2]

While single-family homes have always accounted for a large chunk of all rental housing, the single-family rental industry emerging out of the foreclosure crisis looks different than the historical market. In addition to the smaller companies and individual mom and pop landlords who have collectively purchased millions of single-family homes, large institutional investors have also bought roughly 386,000 single-family homes since 2011, fueling a new industry of property management on a national level.[3]

All of this new investment presents opportunities and risks. Investors have certainly helped to establish a floor on falling home prices in parts of the country by buying up inventory. They are also helping to bring new rental units onto the market at a time when many more families are looking to rent.

This new crop of landlords will shape the future of the single-family rental industry and possibly many of our communities and local housing markets in the process. The large single-family rental companies are trying to demonstrate, for the first time, that it is possible to properly manage and to build a profitable business from thousands of single-family rental homes located across several metro areas.

Yet, even aside from property management challenges, there are risks. First, this investor activity may be inflating prices in some markets. Cash buyers may also be keeping on the sidelines families who can't compete with buyers who can buy in all cash. And despite assurances from the industry that these larger single-family rental companies are here to stay, analysts continue to worry that when home prices rise, companies will put the homes back on the market, dampening home prices once again.

Who are the cash buyers?

As housing markets across the country were flooded with foreclosures, two important trends attracted investors to the single-family rental business. First, after over four million foreclosures, the number of households seeking rental units was rising: in early 2013, the country had 43 million renting households, up 15 percent from the 36.7 million households that were renting before the recession.[4]

At the same time as demand for rental housing grew, home prices were at historic lows, and in certain metro areas the foreclosure inventory was vast, making it easy for investors to buy foreclosed homes. Many households, on the other hand, had severely damaged credit from the housing crisis and recession and were either not in the financial position to buy or could not obtain credit, which became scarce after the housing crisis. By renting out the properties for a period of time, these investors could enjoy solid returns in the near-term with the prospect of a windfall later after home prices rose again. Indeed, larger institutional investors have primarily bought in metro areas like Atlanta and Phoenix where home prices were low, rental demand is strong and where analysts anticipate that home values will appreciate in the coming years.[5]

While larger institutional investors have grabbed headlines, smaller companies and individuals who buy fewer than 10 properties have out-purchased these larger firms in most markets.[6] Early in the foreclosure crisis, it was these smaller companies and individual "mom and pop" investors who flocked to foreclosure auctions and bought single-family homes. There is a great deal of variety among these smaller investors and what they do with the properties they purchase. In some cities, Atlanta and Las Vegas, for example, it was more common for smaller investors to buy and flip quickly toward the beginning of the crisis.[7] Now, while some investors continue to sell homes quickly, many are holding and renting the properties instead.

As home prices bottomed out in 2011, larger private investors began entering this new single-family rental market. Their purchasing peaked during the spring of 2013,

Key Emerging Single Family Rental Companies	Est. number of properties
Invitation Homes	44,500
American Homes 4 Rent	25,505
Colony American Homes	16,549
Progress Residential	10,000
Starwood Waypoint Residential	7,204
American Residential Properties	6,762
Silver Bay Realty Trust	5,748

Sources: Invitation Homes data comes from Moody's pre-sale report, May 2014, Colony American Homes data from Moody's pre-sale report June 3, 2014. Progress Residential data from Bloomberg News July 2014. All other information from 2014 Q1 SEC filings and company websites.

according to the market analyst firm CoreLogic.[8] Although institutional investors represent only a small portion of the overall single-family rental market, they deserve attention because their ownership is concentrated in some of the country's hardest hit metro areas like Phoenix, Atlanta, and Tampa. Their decisions could impact these markets significantly. At least four of the emerging single-family rental companies have structured themselves as publicly traded Real Estate Investment Trusts, which are public real estate companies with shares that can be bought and sold. This shift toward forming public companies signals a hope that the businesses will continue to grow and attract broader investment.

As housing prices inch up, most institutional investors are buying fewer properties than they were at their peak last year. Nonetheless, six years into the housing crisis, cash buyers are still making over 40 percent of home purchases. The foreclosure crisis is far from over in many parts of the country. Roughly 1.7 million households are still at risk of foreclosure[9] and, according to a report from the UC Berkeley Haas Institute, nearly a third of homeowners still owe more on their home than its worth in the majority of the hardest-hit cities in the nation.[10]

How are investors buying homes?

Investors are buying foreclosed homes, distressed mortgages and non-distressed homes. Research shows that institutional investors are now buying more non-distressed homes for sale – new homes and homes for resale through realtors – than distressed homes.[11] They buy foreclosed homes through foreclosure auctions directly from financial institutions and governmental agencies. They buy distressed homes from homeowners through short sales.

Some investors also buy non-performing loans individually or in bulk from financial institutions and governmental agencies before the foreclosure is over. For example,

> *"We believe we have an opportunity to acquire single-family properties through the acquisition of sub-performing and non-performing loan portfolios at attractive valuations. We expect our integrated approach of acquiring sub-performing and non-performing residential mortgage loans and converting them to rental properties will enable us to compete more effectively for attractive investment opportunities."14*
>
> *Altisource Residential Corp. emerging single family rental company*

Altisource Residential, a single-family rental company, primarily buys non-performing loans because such pre-foreclosure loans can be purchased at steeper discounts, than homes that go through the foreclosure process.[12] Single family rental companies Starwood-Waypoint, Americans Homes 4 Rent and Progress Residential are also beginning to purchase pre-foreclosure loans.[13] The seller has an incentive to sell these loans at steeper discounts because by selling before foreclosure, they can both remove non-performing assets from their books and avoid the servicing and maintenance costs associated with foreclosure.

As larger financial institutions ramped up their buying, they have relied primarily on bank lines of credit and private investments to finance their cash purchases.[15] Over the last year, larger single-family rental companies have begun to tap the broader capital markets for financing their businesses by engaging in securitization. Last fall, Blackstone's Invitation Homes sold the first bond backed solely by single-family rental properties. Since this initial Invitation Homes bond, American Homes 4 Rent and Colony American Homes have also offered bonds backed by the homes they have purchased. So far, this market is worth about $3 billion and analysts expect it to grow to $70 billion per year in the coming years.[16]

Historically, financing options for smaller investors were limited. Fannie Mae and Freddie Mac offered individual investors financing for as many as four to 20 properties.[17] However, some of the same firms who have built large single-family rental companies, including Blackstone and Colony Capital, are now offering financing to smaller mom and pop investors and mid-sized single-family rental firms.[18]

Opportunities & Risks

The emergence of a single-family rental industry offers significant social and economic opportunities as well as risks. The nation may add another 4.7 million renting households over the next decade, according to the Joint Center on Housing Studies.[19] Broader availability of rental units to help meet this increased demand, particularly in neighborhoods with good amenities and strong local schools, is an encouraging development. This investment has also helped to prevent further home price decline in hard-hit metro areas. Moreover, if larger single-family rental companies succeed in developing the capacity to manage their rental homes, they may prove to be more consistent landlords than smaller mom and pop landlords.

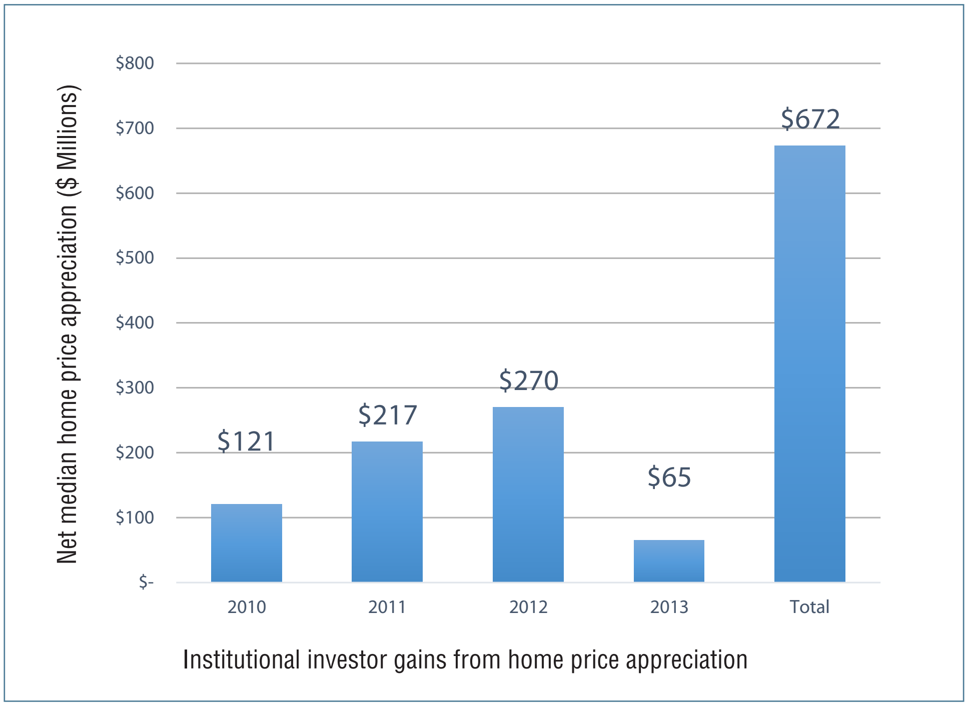
However, in order for these opportunities to be realized, the emerging industry will need to tackle a set of challenges. At a baseline, investors will need to learn how to effectively manage a broad portfolio of scattered homes, which is more difficult than managing rental units concentrated in a single apartment building. It may be hard to address smaller day-to-day maintenance issues in a timely way. It may also be costly and difficult to plan for larger capital repairs such as replacing roofs and heating and cooling systems across a portfolio of homes.

But the policy community has broader issues to wrestle with in considering implications for LMI households. The single-family homes brought to the market by larger single-family rental firms may not be affordable to low- and moderate-income families in the long run. These companies are under pressure to meet the returns they have promised investors and to create a business that posts attractive returns to attract future investors. They are incented to charge as much in rent as local markets will allow. Furthermore, the larger single-family rental firms do not appear to be very active in lower-income urban neighborhoods, instead concentrating their buying primarily in middle-income suburban neighborhoods.[20]

Moreover, at a time when credit is extremely tight and home prices are very low, investors with access to cash have the capacity to buy thousands of homes while families remain on the sidelines. In some cases, investors are beating out prospective owner occupants because they can pay in all cash, eliminating the need for an appraisal and vastly shortening the settlement time period. With cash buyers representing nearly half of home purchases, wealthier individuals and investors are well positioned to take advantage of low home prices while the majority of households cannot, which may further exacerbate economic inequality.

In Phoenix, large investors, which CoreLogic defines as entities that buy more than ten properties in one year, have played a significant role in the housing market during the foreclosure crisis. Between January 2010 and March 2014,

Investor Wealth Gains in Phoenix (March, 2014)



Source: CAP calculations based on Corelogic data on number of institutional investor purchases by month and Case-Schiller median home price data. Institutional investors are defined by Corelogic as investors making more than 10 home purchases in 12 months. Purchase types include REO, short-sale, resale and new home sales. Purchases via auction not included.

median home values increased by 46 percent. An estimate based on the number of homes purchased by large investors during these years shows that these buyers were positioned to capture about $672 million in appreciation gains, about 6 percent of overall gains in the Phoenix housing market (Figure 2). While this rough estimate assumes investors bought homes at the median value, they likely bought homes that were below median home value, and it does not include rehab or maintenance costs, it demonstrates that in many cases, investors instead of homeowners were positioned to benefit from rising home values. The story is likely similar in other metro areas where large investors have been active, like Atlanta, Tampa and Las Vegas.

Additionally, in some metro areas, including Atlanta, Phoenix, Las Vegas, Tampa, Chicago, Miami, Seattle and Minneapolis, analysts suspect that investor purchasing has pushed up the price of less expensive homes, possibly artificially inflating home values and making starter homes less affordable.[21] One rating agency has raised concerns that if large investors withdraw for some reason, their sales "could have a significant impact on market clearing prices" at the neighborhood level.[22] In other words, these sales could pop the bubble, leading to renewed price declines in the markets they helped to prop up. For example, in some neighborhoods in Phoenix, Atlanta, Chicago and other metro areas, investor ownership is highly concentrated, and a sudden departure could not only make home prices vulnerable once again but could destabilize neighborhoods with vacant homes.

Conclusion

Throughout the foreclosure crisis, investors of all kinds have been buying single-family homes. This investment has been an important component of the nation's limited housing recovery. Moving forward, as investors shift from acquiring homes to managing them, the industry should begin to set strong standards so that tenants and neighborhoods are confident that these new landlords are responsible. Local policymakers should monitor new investor landlords – small and large – to make sure they are playing a stabilizing role in neighborhoods. In addition to making sure renting households have access to quality rental units, policymakers should also continue to pursue policies that help qualified borrowers who have the desire to own a home have a better chance at sustainable homeownership. A housing market without owner occupants who are able to take advantage of lower home prices to build wealth will ultimately create a weaker housing market going forward and will likely exacerbate inequality and depressed consumer demand. CI

Endnotes

Understanding the Wealth Gap: How Did We Get Here?

1 Grinstein-Weiss, Michal and Clinton Key, "Homeownership, the Great Recession, and Wealth: Evidence from the Survey of Consumer Finance," Draft, January 2013.

2 Shapiro, Thomas, Tatjana Meschede, and Sam Osoro, "The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide," Institute on Assets and Social Policy, February 2013.

3 Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing," June 2014.

4 Shapiro et. al. 2013.

5 Bocian, Debbie Gruenstein, "The State of Lending in America and its Impact on U.S. Households," Center for Responsible Lending, 2012.

6 U.S. Department of Housing and Urban Development, "Unequal Burden: Income and Racial Disparities in Subprime Lending," 2008.

7 Bocian 2012.

8 Shaprio et. al. 2013.

9 Ibid.

10 Choi 2013.

11 Ibid.

12 McKernan, Signe-Mary, Caroline Ratcliffe, Eugene Steuerle, and Sisi Zhang, "Less Than Equal: Racial Disparities in Wealth Accumulation," Urban Institute, April 2013.

13 Brooks, Jennifer, Kasey Wiedrich, Lebaron Sims, Jr., and Jennifer Medina, "Treading Water in the Deep End: Findings from the 2014 Assets & Opportunity Scorecard," January 2014.

14 Shapiro et. al. 2013.

15 For further details, see Freeman, Allison, "The Continuing Importance of Homeownership: Evidence from the Community Advantage Program," in this issue.

16 Ibid.

17 Bocian 2012.

18 Freeman and Ratcliffe 2012; Bocian 2012.

19 Freeman and Ratcliffe 2012.

20 Todd, Richard M., "A Case for Post-Purchase Support Programs as Part of Minnesota's Emerging Markets Homeownership Initiative," Federal Reserve Bank of Minneapolis, October 2005.

21 Quercia, Roberto G., Lucy S. Gorham, and William M. Rohe, "Sustaining Homeownership: The Promise of Postpurchase Services," Housing Policy Debate, Volume 17, Issue 2, 2006.

22 Fleming, Mark, "In Which Dimension is Credit Constrained?" The MarketPulse, CoreLogic, January 17, 2014.

23 JCHS 2014.

24 Fellowes, Matt, "Credit Scores, Reports, and Getting Ahead in America," Brookings Institution, May 2006; Carrow, Lindy, Sean Hudson, and Amy Terpstra, "Trapped by Credit: Racial Disparity in Financial Well-Being and Opportunity in Illinois," Social Impact Research Center, February 2014.

25 Ibid.

26 CoreLogic Home Price Index Report, May 2014.

27 JCHS 2014.

28 RealtyTrac, "All-Cash Share of U.S. Residential Sales Reaches New High in First Quarter Even as Institutional Investor Share of Sales Drops to Lowest Level Since Q1 2012," May 8, 2014.

29 JCHS 2014.

30 REIS 2014.

31 U.S. Census, American Community Survey, 2012.

32 http://cfed.org/assets/CFEDHouseholdFramework_HorizLogo.pdf

The Continuing Importance of Homeownership: Evidence from the Community Advantage Program

1 Corporation for Enterprise Development (CFED). 2008. Assets & Opportunity Special Report: Net Worth, Wealth Inequality and Homeownership During the Bubble Years. Washington, DC: CFED.

2 Shapiro, T., T. Meschede, and S. Osoro. 2013. The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide. Waltham, MA: Brandeis University's Institute on Assets and Social Policy.

3 Bocian, D. G., P. Smith, W. Li. 2012. Collateral Damage: The Spillover Costs of Foreclosure. Durham, NC: Center for Responsible Lending.

4 Grinstein-Weiss, M., C. Key, S. Guo, Y. Yeo, and K. Holub. 2011. Homeownership and Wealth Among Low- and Moderate-Income Households. UNC Center for Community Capital Working Paper. Chapel Hill, NC: UNC Center for Community Capital.

5 Freeman, A. and R.G. Quercia. 2014. Low and Moderate-Income Homeownership and Wealth Creation. UNC Center for Community Capital Working Paper. Chapel Hill, NC: UNC Center for Community Capital.

6 Freeman, A. and B. Desmarais. 2011. Portfolio Adjustment to Home Equity Accumulation among CRA Borrowers. Journal of Housing Research 20(2): 141-160.

The Promise of Child Development Accounts: Current Evidence and Future Directions

1 Wolff, E.N. (2012). The Asset Price Meltdown and the Wealth of the Middle Class. NBER Working Paper 18559. Cambridge, MA: National Bureau of Economic Research. http://www.nber.org/papers/w18559.

2 Ibid.

3 Kochhar, R., Fry, R., & Taylor, P. (2011). Wealth gaps rise to record highs between whites, blacks and Hispanics. Pew Research Center. Washington, DC: Pew Social & Demographic Trends. http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/

4 https://www.census.gov/newsroom/releases/archives/population/cb12-90.html

5 Sherraden, M. W. (1991). Assets and the poor: A new American welfare policy. Armonk, NY: M. E. Sharpe; Elliot, W. (2014). Redeeming the American Dream: Children's Savings Accounts (CSAs)

Build Children's Capacity For Economic Mobility. Washington, DC: Corporation for Enterprise Development (CFED). http://cfed.org/assets/pdfs/CSA_Redeeming_The_American_Dream_Report.pdf.

6 Conley, D. (1999). Being black, living in the red: Race, wealth, and social policy in America. Berkeley: University of California Press; Williams Shanks, T. R. (2007). The impact of household wealth on child development. Journal of Poverty, 11(2), 93–116. doi:10.1300/J134v11n02_05; Williams Shanks, T. R., Kim, Y., Loke, V., & Destin, M. (2010). Assets and child well-being in developed countries. Children and Youth Services Review. doi:10.1016/j.childyouth.2010.03.011; Elliott, W., Destin, M, & Friedline, T. (2011). Taking stock of ten years of research on the relationship between assets and children's educational outcomes: Implications for theory, policy and intervention. Children and Youth Services Review, 33(11), 2312—2328.

7 Elliott, W. & Beverly, S. (2011). Staying on course: The effects of savings and assets on the college progress of young adults. American Journal of Education, 117(3), 343-374; Oyserman, D. (2013). Not just any path: Implications of identity-based motivation for disparities in school outcomes. Economics of Education Review, 33, 179-190.

http://dx.doi.org/10.1016/j.econedurev.2012.09.002

8 Sherraden, Assets and the poor.

9 Cramer, R. Black, R. & King, J. (2014). Children's Savings Accounts: Research, Practice, and Implications for Policy Design. Washington, DC: New America Foundation. http://www.newamerica.net/publications/policy/childrens_savings_accounts_0

10 A 529 plan is a tax-advantaged savings plan designed to encourage saving for future college costs. 529 plans, legally known as "qualified tuition plans," are sponsored by states, state agencies, or educational institutions and are authorized by Section 529 of the Internal Revenue Code. http://www.sec.gov/investor/pubs/intro529.htm

11 Government Accountability Office. (2012). Higher Education: A Small Percentage of Families Save in 529 Plans, GAO-13-64, December 2012. Washington, DC: Government Accountability Office. http://www.gao.gov/products/GAO-13-64.

12 Ibid.

13 Mason, L.R., Nam, Y., Clancy, M., Loke, V., & Kim, Y. (2009). SEED Account Monitoring Research: Participants, Savings, and Accumulation. Research Report 09-05, St. Louis, MO: Washington University, Center for Social Development, March 2009 http://csd.wustl.edu/Publications/Documents/RP09-05.pdf; Williams Shanks, T.R., Mandell, L., Adams, D. (2013). Financial Education and Financial Access: Lessons Learned from Child Development Account Research. Innovations, 167-183. http://www.youtheconomicopportunities.org/sites/default/files/uploads/resource/INNOVATIONS_YOUTH-AND-ECONOMIC-OPPORTUNITY_Shanks-et-al_with-intro.pdf.

14 Beverly, S. & Sherraden, M. (1999). Institutional Determinants of Savings: Implications for Low-Income Households and Public Policy. Journal of Socio-Economics, 457-473; Beverly, S., Sherraden, M., Cramer, R., Williams Shanks, T.R., Nam, Y., & Zhan, M. (2008). "Determinants of Asset Holdings." In Signe-Mary McKernan & Michael Sherraden (editors), Asset Building and Low-Income Families. Washington, DC: The Urban Institute Press p. 89-151.

15 Beverly, S. G., Elliott, W., & Sherraden, M. (2013). Child Development Accounts and college success: Accounts, assets, expectations, and achievements. (CSD Perspective 13-27). St. Louis, MO: Washington University, Center for Social Development. http://csd.wustl.edu/Publications/Documents/P13-27.pdf.

16 Ibid.

17 Human Resources and Skills Development Canada (2010). Formative Evaluation of the Additional Canada Education Savings Grant and Canada Learning Bond. Gatineau, Quebec: Evaluation Directorate, Strategic Policy and Research Branch, Human Resources and Skills Development Canada, SP-951-05-10E, November 2009. http://www.esdc.gc.ca/eng/publications/evaluations/learning/2009/november.shtml.

18 Ibid.

19 Child Trust Fund. (2014). Child Trust Fund-Overview. Retrieved https://www.gov.uk/child-trust-funds/overview.

20 Prabhakar, R. (2007).Attitudes Toward the Child Trust Fund: What Do Parents Think? British Journal of Politics and International Relations, pp. 713-729.

21 Child Trust Fund, Child Trust Fund-Overview.

22 Beverly, Elliott, & Sherraden, Child Development Accounts and college success; Ministry of Education Singapore (2014). Post-Secondary Education Account: Additional support for Singaporeans to pursue further education. Press Release, August 22, 2005. Retrieved http://www.moe.gov.sg/media/press/2005/pr20050822.htm.

23 Ibid; Loke, V., & Cramer, R. (2009). Singapore's Central Provident Fund: A national policy of life-long asset accounts. Washington, DC: New America Foundation. http://www.newamerica.net/files/0409singapore_report_and_appendix.pdf.

24 Beverly, S. G., Clancy, M., & Sherraden, M. (2014). Testing Universal College Savings Accounts at Birth: Early Research from SEED for Oklahoma Kids. (Research Summary 14-08). St. Louis, MO: Washington University, Center for Social Development. http://csd.wustl.edu/Publications/Documents/RS14-08.pdf.

25 Huang, J., Sherraden, M., Kim, Y., & Clancy, M. (2014). Effects of Child Development Accounts on early social-emotional development: An experimental test. JAMA Pediatrics, 168(3), 265–271. doi:10.1001/jamapediatrics.2013.4643.

26 Beverly, Clancy, & Sherraden, Testing Universal College Savings Accounts at Birth.

27 Phillips, L. & Stuhldreher, A. (2011). Kindergarten to College (K2C): A First-in-the-Nation Initiative to Set All Kindergartners on the Path to College. Asset Building Program Report, September. Washington, DC: New America Foundation. http://assets.newamerica.net/sites/newamerica.net/files/policydocs/K2CFinal9_26_2011_0.pdf.

28 San Francisco Office of Financial Empowerment (2014). Kindergarten to College. Retrieved http://sfofe.org/programs/k-to-c.

29 Clancy, M. & Sherraden, M. (2014). Automatic Deposits for All at Birth: Maine's Harold Alfond College Challenge. (CSD Policy Report 14-05). St. Louis, MO: Washington University, Center for Social Development. http://csd.wustl.edu/Publications/Documents/PR14-05.pdf.

30 Huang, J., Beverly, S., Clancy, M., Lassar, T., & Sherraden, M. (2013). Early program enrollment in a statewide Child Development Account Program. Journal of Policy Practice, 12(1), 62–81.

31 Clancy & Sherraden, Automatic Deposits for All at Birth.

32 http://collegekickstart.nv.gov

33 Cuyahoga County (2014). College Savings Account Program. Retrieved http://collegesavings.cuyahogacounty.us/.

35 Williams Shanks, T.R. & Robinson, C. (2013). Assets, Economic Opportunity and Toxic Stress: A Framework for Understanding Child and Educational Outcomes. Economics of Education Review,33,154-170. http://dx.doi.org/ 10.1016/j.econedurev.2012.11.002.

Local Government Solutions to Household Financial Instability: The Supervitamin Effect

1 Loke, Vernon, Margaret Libby, and Laura Choi. "Increasing Financial Capability among Economically Vulnerable Youth: MY Path Pilot and Year Two Updates," Community Investment Center Working Paper, Federal Reserve Bank of San Francisco, December 2013. http://www.frbsf.org/community-development/files/wp2013-03.pdf

Responding to a Growing Retirement Savings Crisis: A Promising Proposal in Illinois

1 National Institute on Retirement Security – "The Retirement Savings Crisis: Is it Worse Than We Think" – June 2013

2 http://www.ebri.org/pdf/briefspdf/EBRI_IB_011-13.No392.Particip.pdf

3 Cowan, S. (2012). Coming Up Short: The scope of retirement insecurity among Illinois workers. Chicago: Woodstock Institute.

4 According to a 2006 survey by the National Federation of Independent Businesses (NFIB), under 4 percent of businesses with 20 to 249 employees completed payroll by hand.

Meet the New Landlords: The Rise of Single-Family Investors in the Housing Market

Realty Trac Staff, "All-cash Share of U.S. Residential Sales Reaches New High in First Quarter Even as Institutional Investor Share of Sales Drops to Lowest Level Since Q1 2012." Realty Trac, May 5, 2014, available at http://www.realtytrac.com/content/foreclosure-market-report/q1-2014-us-institutional-investor-and-cash-sales-report-8052.

2 Joint Center on Housing Studies, "America's Rental Housing: Evolving Markets and Needs," Harvard University: December, 2013.

3 Matthew Goldstein, "Investors Who Bought Foreclosed Homes in Bulk Look to Sell," New York Times, June 27, 2014 available at http://dealbook.nytimes.com/2014/06/27/investors-who-bought-foreclosed-homes-in-bulk-look-to-cash-in/.

4 U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement Internet Release Date November 2013; US Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement Internet Release Date July 2008

5 Raven Molloy and Rebecca Zarutskie, "Business Investor Activity in the Single Family Housing Market," FEDS Notes December 5, 2013 available at http://www.federalreserve.gov/econresdata/notes/feds-notes/2013/business-investor-activity-in-the-single-family-housing-market-20131205.html.

6 Corelogic

7 JCHS at 17 http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w13-11_herbert_lew_moyano.pdf at 16.

8 Sam Khater, The Rise of Institutional Investors, Corelogic: April 2014. On file.

9 Corelogic, "Corelogic National Foreclosure Report May 2014," Corelogic: 2014 available at http://www.corelogic.com/research/foreclosure-report/national-foreclosure-report-may-2014.pdf.

10 Peter Dreier, Saqib Bhatti, Rob Call, Alex Schwartz and Gregory Squires, "Underwater America: How the So-Called Housing "Recovery" is Bypassing Many American Communities,"Haas Institute for a Fair and Inclusive Society: 2014 available at http://diversity.berkeley.edu/sites/default/files/HaasInsitute_UnderwaterAmerica_PUBLISH_0.pdf.

11 Khater

12 Altisource 10-q

13 See Matthew Goldstein, "Sour Mortgages Attract Institutional Dollars," New York Times April 27, 2014 available at: http://dealbook.nytimes.com/2014/04/27/soured-mortgages-attract-institutional-dollars/; Starwood Waypoint Residential Trust, "Starwood Waypoint Residential Trust Acquires Large Pool of Non-Performing Loans," Press release, June 27, 2014, available at http://investors.starwoodwaypoint.com/file.aspx?IID=4423541&FID=24226520; and John Gittelsohn and Heather Perlberg, "Wall Street Landlords Buy Bad Loans for Cheaper Homes," Bloomberg News, February 21, 2014, available at http://www.bloomberg.com/news/2014-02-21/wall-street-landlords-buy-bad-loans-for-cheaper-homes-mortgages.html

14 For example, Cerberus Capital Management, L.P. has been providing lines of credit to institutional investors with a 6 percent to 7 percent interest rate. See Heather Perlberg and John Gittlesohn, "Blackstone Raises $5

Billion Rental Bet With Lending Arm," Bloomberg, July 8, 2013, available at http://www.bloomberg.com/ news/2013-07-08/blackstone-raises-5-billion-rental- bet-with-lending-arm.html. With its securitization, Invitation Homes is now paying investors interest rates ranging from 1.314 percent to 3.814 percent. See Bloomberg, "Blackstone's Big Bet on Rental Homes," December 20, 2013,

15 John Gittelsohn, Heather Perlberg, and Sarah Mulholland, "Deutsche Bank Opening Rental Bond Spigot to Cerberus," Bloomberg, October 31, 2013.

16 National Association of Realtors, "Fannie Decides Mom-and-Pop Real Estate Investors Deserve More Credit," Housinglogic: October, 2012, available at http://www.houselogic.com/blog/fannie-mae-freddie-mac/fannie-mae-gives-more-credit-to-small-investors/#.

17 See B2R Finance, Colony American Finance, First Key Lending.

18 JCHS at 14: http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs_americas_rental_housing_2013_1_0.pdf

19 JCHS at 12; Michael Minutelli, "Atlanta Neighborhood Development Partnership: A Look at Private Equity Investors and the Atlanta Foreclosure Residential Market," Piece by Piece Regional Foreclosure Response Initiative Neighborhood Investment Conference, October 2013 available at: http://www.piecebypieceatlanta.org/nic/index.html.

20 Floyd Norris, "Investors Are Pushing Starter-Home Prices Up," New York Times: July 4, 2014 available at: http://www.nytimes.com/2014/07/05/business/economy/investors-spur-surge-in-home-prices.html.

21 "Fitch: Too Soon for 'AAA' on Single Family Rental Securitizations," Fitch Ratings

Native Americans and the Low Income Housing Tax Credit Program: Lessons from the California Tribal Pilot Program

1 See <http://www.nahma.org/Leg%20area/National%20Consensus%20Letter%20LIHTC%20ACTION%208-26-11_FINAL.pdf>

2 For final pilot language, see California Tax Credit Allocation Committee, "Regulations Implementing the Federal and State Low Income Housing Tax Credit Laws," California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10315(c)(2), <http://www.treasurer.ca.gov/ctcac/programreg/2014/20140129/regulations.pdf>