

# RMBS Research: Single-Family Rental

## Performance Summary Covering All Morningstar-Rated Securitizations

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### Introduction

Delinquency rates in single-family rental securitizations in February improved for the second consecutive month and the average rate among all transactions now stands at 0.6%. Of the 24 transactions covered in this report, only four have delinquency rates at or above 1.0%. Vacancy rates fell across most transactions in February. Turnover rates were slightly higher in February than in January, but this may be attributable to an increase in lease expirations over the past two months. As of January, the most recent data available, retention rates remain flat and in line with Morningstar Credit Ratings, LLC's expectations. Cash flows for single-family rental transactions remain sufficient to cover bond obligations. This month's report contains the recently issued HPA 2016-1 transaction, which Morningstar rated.

Because historical performance data for single-family rental securitizations is relatively limited, Morningstar publishes its performance summary to provide market participants detailed property-level information on each securitization. The data below summarizes issuer-reported property-level information through February. Page 22 includes a brief summary of the four multiborrower transactions. For deals seasoned at least one year, Morningstar provides DealView® surveillance reports, available on our website, <https://ratingagency.morningstar.com>.

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## Analysis

Morningstar tracks key metrics to gauge the performance of single-family rental transactions. There are a number of ways to view these metrics. For example, the vacancy rate might be calculated based on property count, by cash flow, or by days of occupancy. To account for different reporting across issuers, Morningstar seeks commonality across the issuers' monthly reporting to derive its calculations. Table 1a displays vacancy by the month-end count of empty properties. Table 1b shows the vacancy as a percentage of the total properties in each pool. The vacancy rate is heavily influenced by the number of lease expirations in a given month. Generally, the more leases expiring in a given month, the higher the vacancy rate will be. Because each transaction has a distinct lease expiration schedule, the vacancy rate should not be viewed at one point in time, but rather in the context of its lease expiration cycle, as reported in Tables 2a and 2b and as seen in the charts in Appendix I. Of the 24 transactions in this report, 21 experienced higher percentages of lease expirations in February than in January. This follows a similar trend in January, when 20 of the 23 transactions in the report saw increases in lease expirations. Morningstar believes these increases may lead to higher vacancy and turnover rates in the coming months. For now, though, overall vacancy rates dropped in February, as those higher expirations have not yet translated into unoccupied properties. AH4R 2015-SFR1's vacancy dropped to 5.3% from 6.9% in January and from its peak of 9.0% in November. Vacancy for both CAH 2014-1 and PRD 2015-SFR1 also declined for the sixth consecutive month and stand at 3.4% and 4.1%, respectively.

**Table 1a – Month-End Vacancy (by Count)**


		Year 2015												Year 2016		Total Count
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb			
AH4R 2014-SFR1		169	176	145	140	165	200	177	187	219	206	184	152	3,852		
AH4R 2014-SFR2		268	304	337	294	284	244	203	227	232	212	212	153	4,487		
AH4R 2014-SFR3		246	258	258	271	322	283	281	287	273	226	215	173	4,503		
AH4R 2015-SFR1			185	216	243	255	330	387	388	418	374	323	249	4,661		
AH4R 2015-SFR2									98	120	146	157	176	4,125		
ARP 2014-SFR1		238	231	210	210	206	181	199	208	194	147	148	187	2,875		
CAH 2014-1		105	100	102	138	173	230	225	219	205	157	127	114	3,371		
CAH 2014-2		220	211	130	123	117	146	162	163	165	154	173	184	3,704		
CAH 2015-1						170	181	191	206	203	187	175	161	3,876		
HPA 2016-1													37	2,232		
IH 2013-SFR1		141	110	104	98	100	92	87	95	95	97	136	131	3,207		
IH 2014-SFR1		251	294	265	358	350	325	298	267	199	183	203	229	6,473		
IH 2014-SFR2		114	119	132	168	204	203	180	145	154	127	138	142	3,749		
IH 2014-SFR3		132	129	141	173	194	186	190	169	157	144	141	126	4,015		
IH 2015-SFR1		112	74	88	119	106	135	162	157	160	138	141	146	3,050		
IH 2015-SFR2			104	110	134	144	172	201	203	204	153	138	153	3,523		
IH 2015-SFR3					267	316	354	397	385	365	348	317	315	7,207		
PRD 2014-SFR1		166	142	144	189	139	141	151	161	183	171	161	173	3,138		
PRD 2015-SFR1		97	101	152	230	270	318	295	273	258	233	203	163	3,995		
PRD 2015-SFR2					50	77	110	153	209	242	219	213	220	3,311		
PRD 2015-SFR3										75	77	83	76	3,164		
SBY 2014-1		141	147	158	156	142	151	156	154	154	146	116	107	3,011		
SWAY 2014-1		253	267	260	279	274	254	293	286	284	294	293	268	4,081		
TAH 2015-SFR1					153	167	149	195	207	238	229	236	231	3,505		
Total		2,653	2,952	2,952	3,793	4,175	4,385	4,583	4,694	4,797	4,368	4,233	4,066	93,115		


**Table 1b – Month-End Vacancy (by Percentage)**

		Year 2015										Year 2016	
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
AH4R 2014-SFR1		4.4	4.6	3.8	3.6	4.3	5.2	4.6	4.9	5.7	5.3	4.8	3.9
AH4R 2014-SFR2		6.0	6.8	7.5	6.6	6.3	5.4	4.5	5.1	5.2	4.7	4.7	3.4
AH4R 2014-SFR3		5.5	5.7	5.7	6.0	7.2	6.3	6.2	6.4	6.1	5.0	4.8	3.8
AH4R 2015-SFR1			4.0	4.6	5.2	5.5	7.1	8.3	8.3	9.0	8.0	6.9	5.3
AH4R 2015-SFR2									2.4	2.9	3.5	3.8	4.3
ARP 2014-SFR1		8.3	8.0	7.3	7.3	7.2	6.3	6.9	7.2	6.7	5.1	5.1	6.5
CAH 2014-1		3.1	2.9	3.0	4.1	5.1	6.8	6.6	6.5	6.1	4.7	3.8	3.4
CAH 2014-2		5.9	5.7	3.5	3.3	3.2	3.9	4.4	4.4	4.5	4.2	4.7	5.0
CAH 2015-1						4.4	4.7	4.9	5.3	5.2	4.8	4.5	4.2
HPA 2016-1													1.7
IH 2013-SFR1		4.4	3.4	3.2	3.1	3.1	2.9	2.7	3.0	3.0	3.0	4.2	4.1
IH 2014-SFR1		3.9	4.5	4.1	5.5	5.4	5.0	4.6	4.1	3.1	2.8	3.1	3.5
IH 2014-SFR2		3.0	3.2	3.5	4.5	5.4	5.4	4.8	3.9	4.1	3.4	3.7	3.8
IH 2014-SFR3		3.3	3.2	3.5	4.3	4.8	4.6	4.7	4.2	3.9	3.6	3.5	3.1
IH 2015-SFR1		3.7	2.4	2.9	3.9	3.5	4.4	5.3	5.1	5.2	4.5	4.6	4.8
IH 2015-SFR2			3.0	3.1	3.8	4.1	4.9	5.7	5.8	5.8	4.3	3.9	4.3
IH 2015-SFR3					3.7	4.4	4.9	5.5	5.3	5.1	4.8	4.4	4.4
PRD 2014-SFR1		5.3	4.5	4.6	6.0	4.4	4.5	4.8	5.1	5.8	5.4	5.1	5.5
PRD 2015-SFR1		2.4	2.5	3.8	5.8	6.8	8.0	7.4	6.8	6.5	5.8	5.1	4.1
PRD 2015-SFR2					1.5	2.3	3.3	4.6	6.3	7.3	6.6	6.4	6.6
PRD 2015-SFR3										2.4	2.4	2.6	2.4
SBY 2014-1		4.6	4.8	5.1	5.1	4.6	4.9	5.2	5.1	5.1	4.8	3.9	3.6
SWAY 2014-1		6.2	6.5	6.4	6.8	6.7	6.2	7.2	7.0	7.0	7.2	7.2	6.6
TAH 2015-SFR1					4.4	4.8	4.3	5.6	5.9	6.8	6.5	6.7	6.6
Total		4.6	4.5	4.5	4.8	5.0	5.2	5.5	5.4	5.3	4.8	4.7	4.4

**Table 2a – Lease Expiration (by Count)**


		Year 2015												Total Count
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
AH4R 2014-SFR1		276	281	344	341	354	296	251	267	205	172	226	256	3,852
AH4R 2014-SFR2		532	641	679	265	249	196	216	207	183	129	223	299	4,487
AH4R 2014-SFR3		280	365	549	631	420	372	295	219	119	155	230	237	4,503
AH4R 2015-SFR1			222	272	474	707	564	470	465	375	260	128	120	4,661
AH4R 2015-SFR2									108	93	130	312	496	4,125
ARP 2014-SFR1		244	189	221	127	121	101	123	107	164	122	188	248	2,875
CAH 2014-1		105	141	174	225	513	401	371	297	217	105	131	145	3,371
CAH 2014-2		382	131	107	83	143	176	161	229	256	234	278	425	3,704
CAH 2015-1						512	387	360	329	252	187	127	153	3,876
HPA 2016-1													74	2,232
IH 2013-SFR1		331	263	237	150	149	116	100	152	139	178	289	313	3,207
IH 2014-SFR1		653	697	692	681	518	377	304	247	134	133	237	347	6,473
IH 2014-SFR2		207	234	316	339	343	267	163	187	197	164	199	201	3,749
IH 2014-SFR3		234	260	343	376	374	239	198	174	200	183	225	198	4,015
IH 2015-SFR1		153	85	85	128	172	236	193	224	210	224	286	235	3,050
IH 2015-SFR2			136	135	154	196	231	254	280	268	213	252	277	3,523
IH 2015-SFR3					334	398	491	488	561	498	482	527	576	7,207
PRD 2014-SFR1		395	374	345	193	71	119	120	153	134	76	136	164	3,138
PRD 2015-SFR1		177	325	520	572	642	464	340	181	77	32	36	61	3,995
PRD 2015-SFR2					50	63	133	245	397	201	77	137	263	3,311
PRD 2015-SFR3										21	7	16	31	3,164
SBY 2014-1		202	199	214	266	165	184	172	192	158	125	163	169	3,011
SWAY 2014-1		276	285	254	224	199	157	99	57	61	176	142	254	4,081
TAH 2015-SFR1					235	270	248	233	232	132	168	211	229	3,505
Total		4,447	4,828	5,487	5,848	6,579	5,755	5,156	5,265	4,294	3,732	4,699	5,771	93,115

**Table 2b – Lease Expiration (by Percentage)**


		Year 2015										Year 2016	
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
AH4R 2014-SFR1		7.2	7.3	8.9	8.9	9.2	7.7	6.5	6.9	5.3	4.5	5.9	6.6
AH4R 2014-SFR2		11.9	14.3	15.1	5.9	5.5	4.4	4.8	4.6	4.1	2.9	5.0	6.7
AH4R 2014-SFR3		6.2	8.1	12.2	14.0	9.3	8.3	6.6	4.9	2.6	3.4	5.1	5.3
AH4R 2015-SFR1			4.8	5.8	10.2	15.2	12.1	10.1	10.0	8.0	5.6	2.7	2.6
AH4R 2015-SFR2									2.6	2.3	3.2	7.6	12.0
ARP 2014-SFR1		8.5	6.6	7.7	4.4	4.2	3.5	4.3	3.7	5.7	4.2	6.5	8.6
CAH 2014-1		3.1	4.2	5.1	6.6	15.1	11.8	11.0	8.8	6.4	3.1	3.9	4.3
CAH 2014-2		10.3	3.5	2.9	2.2	3.9	4.7	4.3	6.2	6.9	6.3	7.5	11.5
CAH 2015-1						13.2	10.0	9.3	8.5	6.5	4.8	3.3	3.9
HPA 2016-1													3.3
IH 2013-SFR1		10.3	8.2	7.4	4.7	4.6	3.6	3.1	4.7	4.3	5.6	9.0	9.8
IH 2014-SFR1		10.1	10.8	10.7	10.5	8.0	5.8	4.7	3.8	2.1	2.1	3.7	5.4
IH 2014-SFR2		5.5	6.2	8.4	9.0	9.1	7.1	4.3	5.0	5.3	4.4	5.3	5.4
IH 2014-SFR3		5.8	6.5	8.5	9.4	9.3	6.0	4.9	4.3	5.0	4.6	5.6	4.9
IH 2015-SFR1		5.0	2.8	2.8	4.2	5.6	7.7	6.3	7.3	6.9	7.3	9.4	7.7
IH 2015-SFR2			3.9	3.8	4.4	5.6	6.6	7.2	7.9	7.6	6.0	7.2	7.9
IH 2015-SFR3					4.6	5.5	6.8	6.8	7.8	6.9	6.7	7.3	8.0
PRD 2014-SFR1		12.6	11.9	11.0	6.1	2.3	3.8	3.8	4.9	4.3	2.4	4.3	5.2
PRD 2015-SFR1		4.4	8.1	13.0	14.3	16.1	11.6	8.5	4.5	1.9	0.8	0.9	1.5
PRD 2015-SFR2					1.5	1.9	4.0	7.4	12.0	6.1	2.3	4.1	7.9
PRD 2015-SFR3										0.7	0.2	0.5	1.0
SBY 2014-1		6.6	6.5	6.9	8.6	5.4	6.0	5.7	6.4	5.2	4.2	5.4	5.6
SWAY 2014-1		6.8	7.0	6.2	5.5	4.9	3.8	2.4	1.4	1.5	4.3	3.5	6.2
TAH 2015-SFR1					6.7	7.7	7.1	6.6	6.6	3.8	4.8	6.0	6.5
Total		7.7	7.3	8.3	7.3	7.9	6.9	6.2	6.0	4.7	4.1	5.2	6.2

Tables 3a and 3b show the number of months of vacancy the February unoccupied properties have experienced. In other words, if a property is unoccupied as of the February property tape, these tables summarize the number of total months the property has been vacant since the transaction cutoff date. Depending on the length of performance history, the overall vacancy may be in line with the number of consecutive vacant months, but this might not always be the case for those properties that have gone through multiple leasing cycles. Table 3a shows historical months of vacancy by count, and Table 3b is as a percentage of the February vacancies. Properties do not tend to be vacant for greater than three to four months. Of the vacant properties in PRD 2015-SFR1, 31.9% have been unoccupied for at least five months, the highest concentration in this report. However, none of these properties in this deal have been unoccupied for more than 10 months. CAH 2014-1, PRD 2014-SFR1, AH4R 2014-SFR1, and SWAY 2014-1 are the other transactions where at least 20% of vacant properties have not been occupied for five months or longer. In addition, 7.0% of the vacant properties in IH 2014-SFR2 have been unoccupied for at least 10 months, which is the same percentage as last month.



**Table 3a – Historical Months of Vacancy for February Vacancies (by Count)**

		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		39	27	30	22	16	11	3	2	1	0	1	0	152
AH4R 2014-SFR2		47	34	29	20	14	4	2	2	1	0	0	0	153
AH4R 2014-SFR3		62	46	26	17	10	5	3	2	1	1	0	0	173
AH4R 2015-SFR1		92	64	34	34	15	6	4	0	0	0	0		249
AH4R 2015-SFR2		106	26	20	14	10								176
ARP 2014-SFR1		75	30	28	21	19	5	4	4	1	0	0	0	187
CAH 2014-1		26	22	18	17	10	5	6	6	1	2	0	1	114
CAH 2014-2		70	42	32	12	13	8	2	1	4	0	0	0	184
CAH 2015-1		58	48	28	14	7	2	1	3					161
HPA 2016-1		37												37
IH 2013-SFR1		54	36	22	9	3	4	0	0	0	0	0	3	131
IH 2014-SFR1		85	58	36	15	12	9	4	2	0	0	1	7	229
IH 2014-SFR2		52	36	18	13	5	3	4	1	0	0	3	7	142
IH 2014-SFR3		57	26	21	12	6	1	2	1	0	0	0	0	126
IH 2015-SFR1		72	38	12	13	5	1	0	1	0	0	0	4	146
IH 2015-SFR2		75	38	26	5	6	0	2	1	0	0	0		153
IH 2015-SFR3		171	71	45	7	9	0	2	2	1	7			315
PRD 2014-SFR1		57	32	20	25	13	10	8	1	4	1	2	0	173
PRD 2015-SFR1		33	31	24	23	18	14	12	3	3	2	0	0	163
PRD 2015-SFR2		83	43	23	29	24	12	5	0	1				220
PRD 2015-SFR3		24	22	8	11	11								76
SBY 2014-1		37	26	22	11	6	4	0	1	0	0	0	0	107
SWAY 2014-1		77	58	58	18	11	14	13	4	2	2	0	11	268
TAH 2015-SFR1		115	50	26	26	7	5	1	1	0				231
Total		1,604	904	606	388	250	123	78	38	20	15	7	33	4,066

**Table 3b – Historical Months of Vacancy for February Vacancies (by Percentage)**

		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		25.7	17.8	19.7	14.5	10.5	7.2	2.0	1.3	0.7	0.0	0.7	0.0	100.0
AH4R 2014-SFR2		30.7	22.2	19.0	13.1	9.2	2.6	1.3	1.3	0.7	0.0	0.0	0.0	100.0
AH4R 2014-SFR3		35.8	26.6	15.0	9.8	5.8	2.9	1.7	1.2	0.6	0.6	0.0	0.0	100.0
AH4R 2015-SFR1		36.9	25.7	13.7	13.7	6.0	2.4	1.6	0.0	0.0	0.0	0.0	0.0	100.0
AH4R 2015-SFR2		60.2	14.8	11.4	8.0	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
ARP 2014-SFR1		40.1	16.0	15.0	11.2	10.2	2.7	2.1	2.1	0.5	0.0	0.0	0.0	100.0
CAH 2014-1		22.8	19.3	15.8	14.9	8.8	4.4	5.3	5.3	0.9	1.8	0.0	0.9	100.0
CAH 2014-2		38.0	22.8	17.4	6.5	7.1	4.3	1.1	0.5	2.2	0.0	0.0	0.0	100.0
CAH 2015-1		36.0	29.8	17.4	8.7	4.3	1.2	0.6	1.9	0.0	0.0	0.0	0.0	100.0
HPA 2016-1		100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
IH 2013-SFR1		41.2	27.5	16.8	6.9	2.3	3.1	0.0	0.0	0.0	0.0	0.0	2.3	100.0
IH 2014-SFR1		37.1	25.3	15.7	6.6	5.2	3.9	1.7	0.9	0.0	0.0	0.4	3.1	100.0
IH 2014-SFR2		36.6	25.4	12.7	9.2	3.5	2.1	2.8	0.7	0.0	0.0	2.1	4.9	100.0
IH 2014-SFR3		45.2	20.6	16.7	9.5	4.8	0.8	1.6	0.8	0.0	0.0	0.0	0.0	100.0
IH 2015-SFR1		49.3	26.0	8.2	8.9	3.4	0.7	0.0	0.7	0.0	0.0	0.0	2.7	100.0
IH 2015-SFR2		49.0	24.8	17.0	3.3	3.9	0.0	1.3	0.7	0.0	0.0	0.0	0.0	100.0
IH 2015-SFR3		54.3	22.5	14.3	2.2	2.9	0.0	0.6	0.6	0.3	0.0	0.0	0.0	100.0
PRD 2014-SFR1		32.9	18.5	11.6	14.5	7.5	5.8	4.6	0.6	2.3	0.6	1.2	0.0	100.0
PRD 2015-SFR1		20.2	19.0	14.7	14.1	11.0	8.6	7.4	1.8	1.8	1.2	0.0	0.0	100.0
PRD 2015-SFR2		37.7	19.5	10.5	13.2	10.9	5.5	2.3	0.0	0.5	0.0	0.0	0.0	100.0
PRD 2015-SFR3		31.6	28.9	10.5	14.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
SBY 2014-1		34.6	24.3	20.6	10.3	5.6	3.7	0.0	0.9	0.0	0.0	0.0	0.0	100.0
SWAY 2014-1		28.7	21.6	21.6	6.7	4.1	5.2	4.9	1.5	0.7	0.7	0.0	4.1	100.0
TAH 2015-SFR1		49.8	21.6	11.3	11.3	3.0	2.2	0.4	0.4	0.0	0.0	0.0	0.0	100.0
Total		39.4	22.2	14.9	9.5	6.1	3.0	1.9	0.9	0.5	0.4	0.2	0.8	100.0

Morningstar's calculation of delinquency is based on the number of properties flagged as delinquent in the monthly property-level data. Each issuer uses its own criteria for classifying a tenant as delinquent. Table 4 summarizes the delinquency definition for each issuer and contains details on the length of time that must pass from a tenant's due date to be considered delinquent. The length of time is either based on a day count of 30 days, or is based on the calendar month. The slight distinction, for example, either results in a property with payment due on Feb. 1 considered as delinquent after 30 days or as delinquent on March 1. None of the issuers factor a grace period into their delinquency definition, meaning their respective measures of past due begin if payment has not been received by the stated due date. Previously, SWAY Residential incorporated a grace period; however, as a result of the January 2016 merger of Colony American Homes and SWAY, the SWAY 2014-1 delinquency flag is based on the Colony delinquency definition. In addition to timing, these conditions can also differ by the total dollar threshold an issuer uses to classify a tenant as delinquent and by the types of overdue payments that the issuer uses to count toward that threshold. For example, most issuers use only base rent to determine the dollar amount of delinquency. However, American Residential Properties, Silver Bay Realty, and Tricon American Homes each count total receivables to determine the past due amount. Progress Residential includes certain fees above base rent but not total receivables. Table 5a shows the month-end count of delinquencies based on these definitions, and Table 5b shows delinquency as a percentage of the total number of properties in each pool. Any review of delinquency should be viewed within the context of the delinquency definitions outlined in Table 4. Overall delinquency rates have declined for the second consecutive month. The combined delinquency rate across all transactions dropped to 0.6% from 0.8% in January and 1.0% in December. Only two transactions experienced delinquency rates of more than 1.0%, down from six deals in January. Delinquency rates dropped for 19 transactions and only increased for SWAY 2014-1. ARP 2014-SFR1 continues to have the highest delinquency rate at 2.2%.

**Table 4 – Delinquency Definition**



Issuer	Definition
American Homes 4 Rent	Past due one calendar month or more (not dependent on day count) and owing \$200 or more
American Residential Properties	Past due 30 days or more (not dependent on calendar month) and owing \$500 or more <sup>1</sup>
Colony American Homes	Past due one calendar month or more (not dependent on day count) and owing \$200 or more
Home Partners of America	Past due 30 days or more (not dependent on calendar month) and owing \$500 or more
Invitation Homes	Past due 30 days or more (not dependent on calendar month) and owing 25% of one month's rent or more
Progress Residential	Past due 30 days or more (not dependent on calendar month) and owing \$200 or more <sup>2</sup>
Silver Bay Realty	Past due 30 days or more (not dependent on calendar month) and owing \$500 or more <sup>1</sup>
SWAY Residential	Past due one calendar month or more (not dependent on day count) and owing \$200 or more <sup>3</sup>
Tricon American Homes	Past due 30 days or more (not dependent on calendar month) and owing \$500 or more <sup>1</sup>

<sup>1</sup>Based on total receivables

<sup>2</sup>Includes Section 8 rent, pet fees, and MTM fees but excludes late fees and damage fees

<sup>3</sup>As of January 2016, SWAY reporting was converted to the Colony American Homes delinquency definition. Before January 2016, SWAY defined delinquencies as past due 30 days or more following a calendar month grace period, and owing \$500 or more.

**Table 5a – Month-End Delinquency (by Count)**


		Year 2015										Year 2016		Total Count
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
AH4R 2014-SFR1		40	23	46	35	35	30	36	18	21	34	22	9	3,852
AH4R 2014-SFR2		49	37	39	34	44	33	25	26	30	36	31	16	4,487
AH4R 2014-SFR3		24	25	36	28	22	18	17	22	22	30	20	13	4,503
AH4R 2015-SFR1			39	61	38	32	33	32	24	26	27	23	17	4,661
AH4R 2015-SFR2									18	23	26	30	13	4,125
ARP 2014-SFR1		54	65	73	87	62	62	58	55	49	48	63	62	2,875
CAH 2014-1		20	21	27	27	15	20	20	17	16	17	29	18	3,371
CAH 2014-2		32	27	47	34	28	34	35	20	22	27	34	27	3,704
CAH 2015-1						26	28	27	25	27	25	19	19	3,876
HPA 2016-1													9	2,232
IH 2013-SFR1		16	26	33	32	32	28	26	30	32	36	9	9	3,207
IH 2014-SFR1		48	25	48	47	40	46	59	46	67	81	45	26	6,473
IH 2014-SFR2		30	29	32	31	36	33	28	24	25	33	22	18	3,749
IH 2014-SFR3		22	29	33	39	27	31	34	28	32	32	23	25	4,015
IH 2015-SFR1		29	27	33	39	33	39	36	30	33	37	22	17	3,050
IH 2015-SFR2			24	17	28	24	30	27	31	30	35	21	10	3,523
IH 2015-SFR3					90	98	87	100	93	86	113	70	40	7,207
PRD 2014-SFR1		26	16	23	32	30	25	26	38	30	31	42	26	3,138
PRD 2015-SFR1		23	26	31	32	29	30	32	43	47	41	45	27	3,995
PRD 2015-SFR2					42	41	38	43	40	52	55	40	32	3,311
PRD 2015-SFR3										16	26	31	20	3,164
SBY 2014-1		25	16	19	45	40	35	29	29	31	26	32	18	3,011
SWAY 2014-1*		5	7	8	15	20	24	29	29	20	15	42	53	4,081
TAH 2015-SFR1					83	76	68	80	74	61	50	46	34	3,505
Total		443	462	606	838	790	772	799	760	798	881	761	558	93,115

\*Using SWAY Residential delinquency definition before January 2016 and Colony American Homes delinquency definition beginning in January 2016

**Table 5b – Month-End Delinquency (by Percentage)**


		Year 2015						Year 2016					
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
AH4R 2014-SFR1		1.0	0.6	1.2	0.9	0.9	0.8	0.9	0.5	0.5	0.9	0.6	0.2
AH4R 2014-SFR2		1.1	0.8	0.9	0.8	1.0	0.7	0.6	0.6	0.7	0.8	0.7	0.4
AH4R 2014-SFR3		0.5	0.6	0.8	0.6	0.5	0.4	0.4	0.5	0.5	0.7	0.4	0.3
AH4R 2015-SFR1			0.8	1.3	0.8	0.7	0.7	0.7	0.5	0.6	0.6	0.5	0.4
AH4R 2015-SFR2									0.4	0.6	0.6	0.7	0.3
ARP 2014-SFR1		1.9	2.3	2.5	3.0	2.2	2.2	2.0	1.9	1.7	1.7	2.2	2.2
CAH 2014-1		0.6	0.6	0.8	0.8	0.4	0.6	0.6	0.5	0.5	0.5	0.9	0.5
CAH 2014-2		0.9	0.7	1.3	0.9	0.8	0.9	0.9	0.5	0.6	0.7	0.9	0.7
CAH 2015-1						0.7	0.7	0.7	0.6	0.7	0.6	0.5	0.5
HPA 2016-1													0.4
IH 2013-SFR1		0.5	0.8	1.0	1.0	1.0	0.9	0.8	0.9	1.0	1.1	0.3	0.3
IH 2014-SFR1		0.7	0.4	0.7	0.7	0.6	0.7	0.9	0.7	1.0	1.3	0.7	0.4
IH 2014-SFR2		0.8	0.8	0.9	0.8	1.0	0.9	0.7	0.6	0.7	0.9	0.6	0.5
IH 2014-SFR3		0.5	0.7	0.8	1.0	0.7	0.8	0.8	0.7	0.8	0.8	0.6	0.6
IH 2015-SFR1		1.0	0.9	1.1	1.3	1.1	1.3	1.2	1.0	1.1	1.2	0.7	0.6
IH 2015-SFR2			0.7	0.5	0.8	0.7	0.9	0.8	0.9	0.9	1.0	0.6	0.3
IH 2015-SFR3					1.2	1.4	1.2	1.4	1.3	1.2	1.6	1.0	0.6
PRD 2014-SFR1		0.8	0.5	0.7	1.0	1.0	0.8	0.8	1.2	1.0	1.0	1.3	0.8
PRD 2015-SFR1		0.6	0.7	0.8	0.8	0.7	0.8	0.8	1.1	1.2	1.0	1.1	0.7
PRD 2015-SFR2					1.3	1.2	1.1	1.3	1.2	1.6	1.7	1.2	1.0
PRD 2015-SFR3										0.5	0.8	1.0	0.6
SBY 2014-1		0.8	0.5	0.6	1.5	1.3	1.1	1.0	1.0	1.0	0.9	1.1	0.6
SWAY 2014-1*		0.1	0.2	0.2	0.4	0.5	0.6	0.7	0.7	0.5	0.4	1.0	1.3
TAH 2015-SFR1					2.4	2.2	1.9	2.3	2.1	1.7	1.4	1.3	1.0
Total		0.8	0.7	0.9	1.0	0.9	0.9	1.0	0.9	0.9	1.0	0.8	0.6

\*Using SWAY Residential delinquency definition before January 2016 and Colony American Homes delinquency definition beginning in January 2016

When evaluating an issuer's ability to keep tenants in a property, Morningstar considers a retention rate. Once again, differences in monthly reporting affect the calculation that Morningstar uses. Typically, a renewal rate would review those tenants that were retained with a full-term lease. Considering the different methods issuers use to designate tenants with either a renewal or a month-to-month status, Morningstar opted to report the retention rate instead of the renewal rate. The retention rate is defined as those properties that retained previous tenants on full-term leases plus those properties that kept the previous tenant on a month-to-month basis divided by the total number of leases due to expire in that period. Because lease expiration profiles change over time as previous tenants renew or new tenants occupy vacant properties, Morningstar seeks to rely on more recently published reporting of lease expirations, rather than solely using the lease expiration schedule from the cutoff date. To compute the January retention rate, Morningstar looks for all January lease expirations in the October property tape. Morningstar looks three months back to more accurately account for tenants that renew their leases in months before their scheduled lease expiration. Certain issuers have indicated that they proactively work to renew tenants a few months before the lease expiration date, and so the current retention rate calculation should capture these renewals. In January, Morningstar revised its method for determining the eligible properties to be included in the retention rate calculation. Because Morningstar is looking three months back to determine its sample, there are instances when tenants vacate properties between the time Morningstar determines its sample and the month in which the tenant must make a decision to stay in the property. Starting in January, Morningstar excludes those vacated properties from its retention rate calculation. In the current example, properties that become vacant or that have move out dates in either November or December will be removed from the retention calculation. This additional condition also affects the lease expirations reported in Tables 2a and 2b because Morningstar also looks three months back to determine the lease expirations it reports in these tables. If there is not enough seasoning in the deal to look three months back, Morningstar relies on the cutoff tape lease expiration profile. As a result, the first three months of retention rate reported in Table 6 will use the cutoff tape to find the sample of lease expirations. After isolating those properties with January lease expirations, Morningstar looks at the most recent property tape to determine the lease status of the properties. In this example, Morningstar uses the February property tape to determine the lease status. Morningstar continues to rely on the issuer's labeling of vacant, renewal, new lease, or MTM, to the extent that these notations are available in each tape. January retention rates continue to be strong and remain in line with those of December. All transactions report a retention rate of at least 70.9%. The January retention rate for PRD 2015-SFR1 increased to 77.8% from 59.4% in December, but this jump may be explained by a small sample size, as only 36 leases expired in January and 32 leases expired in December. The retention rate for PRD 2014-SFR1 dropped to 75.7% from 85.5% in December.


**Table 6 – Monthly Retention Rate of Expiring Leases**

		Year 2015					Year 2016						
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
AH4R 2014-SFR1		78.3	82.6	79.7	70.7	78.0	75.7	80.9	74.5	76.1	76.7	78.8	TBD
AH4R 2014-SFR2		75.2	75.8	75.1	65.7	73.5	73.5	69.0	72.5	76.5	76.0	78.5	TBD
AH4R 2014-SFR3		75.7	75.9	75.0	76.7	70.7	71.2	71.5	73.1	67.2	73.5	77.4	TBD
AH4R 2015-SFR1			73.0	69.1	75.1	73.0	72.2	69.1	76.1	75.2	76.5	71.9	TBD
AH4R 2015-SFR2									79.6	72.0	78.5	80.1	TBD
ARP 2014-SFR1		85.2	79.4	81.4	80.3	78.5	76.2	74.8	78.5	79.3	77.9	73.4	TBD
CAH 2014-1		75.2	82.3	70.1	79.6	72.7	75.1	75.5	75.8	75.6	76.2	80.2	TBD
CAH 2014-2		75.7	82.4	73.8	68.7	76.9	76.7	73.9	83.8	78.9	85.0	77.7	TBD
CAH 2015-1						75.2	72.6	73.9	76.0	71.8	75.9	70.9	TBD
HPA 2016-1													TBD
IH 2013-SFR1		76.4	77.9	81.0	78.0	71.8	72.4	79.0	78.9	78.4	80.9	80.6	TBD
IH 2014-SFR1		78.1	80.2	77.2	74.3	76.1	76.7	73.4	79.4	79.1	82.0	80.2	TBD
IH 2014-SFR2		83.1	77.8	77.5	74.9	69.1	77.5	77.3	77.5	78.2	78.0	76.9	TBD
IH 2014-SFR3		79.1	78.5	76.7	77.1	71.7	72.8	73.7	79.9	79.5	79.2	80.4	TBD
IH 2015-SFR1		79.7	77.6	76.5	78.9	80.2	74.6	72.5	76.3	77.1	81.3	78.3	TBD
IH 2015-SFR2			70.6	71.9	79.2	75.0	68.8	68.9	75.4	81.7	79.3	81.0	TBD
IH 2015-SFR3					72.2	73.9	77.2	74.0	78.6	79.9	79.0	83.3	TBD
PRD 2014-SFR1		76.7	76.7	76.5	74.1	60.6	73.1	75.0	71.2	81.3	85.5	75.7	TBD
PRD 2015-SFR1		72.3	75.7	75.2	76.9	78.3	76.5	72.1	75.1	71.4	59.4	77.8	TBD
PRD 2015-SFR2					70.0	79.4	82.0	74.3	76.8	73.1	81.8	73.7	TBD
PRD 2015-SFR3										66.7	85.7	87.5	TBD
SBY 2014-1		76.7	79.9	79.4	74.4	78.8	81.5	83.1	80.7	80.4	80.0	83.4	TBD
SWAY 2014-1		76.1	78.9	79.1	69.6	76.4	78.3	77.8	73.7	75.4	75.0	76.1	TBD
TAH 2015-SFR1					82.1	85.9	83.9	84.1	83.6	88.6	83.3	85.8	TBD
Total		77.4	77.9	76.3	75.1	74.9	75.3	74.2	77.2	77.4	78.9	79.1	TBD

TBD – To Be Determined

In Table 7, Morningstar reviews the retention rate of those properties in a month-to-month status. This table looks at previous tenants that went to a month-to-month status and either renewed or remained in the property on a month-to-month basis. For the MTM retention rate, Morningstar looks for MTM tenants in the previous month's property tape, and then looks to the current month for their occupancy status. For example, the January 2016 retention rates are the February statuses of January MTM tenants. In Tables 8a and 8b, Morningstar shows the count and percentage of properties with MTM tenants. Securitizations with higher concentrations of MTM tenants typically report higher retention rates of their MTM leases. MTM tenants are usually subject to a monthly fee, which may encourage them to eventually sign full-term leases. Overall, both the percentage of MTM tenants and the retention rate of MTM tenants in January remain in line with those of December. TAH 2015-SFR1 again has the largest percentage of MTM tenants at 14.9%, but this is a drop from 15.5% last month and is the lowest level that has been reported for this deal since issuance. The retention rate of MTM leases dropped for IH 2015-SFR2 to 65.8% in January from 82.9% in December and for IH 2015-SFR3 to 73.7% from 83.7%. However, these deals do not contain high percentages of MTM leases. AH4R 2014-SFR1 has the highest retention rate of MTM leases at 94.8%. HPA 2016-1 did not contain any properties occupied by MTM tenants in February.



**Table 7 – Monthly Retention Rate of Month-to-Month Leases**


		Year 2015						Year 2016					
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
AH4R 2014-SFR1		84.8	85.1	80.1	86.2	83.1	88.4	84.9	88.3	85.0	91.1	94.8	TBD
AH4R 2014-SFR2		82.6	85.1	77.2	79.6	79.9	81.2	83.6	83.2	90.5	86.4	90.7	TBD
AH4R 2014-SFR3		78.4	76.4	73.0	72.5	76.1	80.4	82.9	80.0	85.5	84.6	86.2	TBD
AH4R 2015-SFR1			86.2	79.3	78.8	71.4	80.3	82.5	81.8	86.1	86.1	88.6	TBD
AH4R 2015-SFR2									84.3	82.0	87.5	83.8	TBD
ARP 2014-SFR1		92.0	94.2	88.6	86.1	90.8	88.1	84.2	90.7	88.9	88.6	84.7	TBD
CAH 2014-1		83.8	82.3	76.2	76.6	73.2	73.3	75.0	81.9	70.3	82.0	81.3	TBD
CAH 2014-2		76.2	79.7	76.5	73.3	82.0	72.4	80.4	89.1	65.5	86.3	81.5	TBD
CAH 2015-1						58.3	76.9	67.2	83.8	80.3	81.0	84.3	TBD
HPA 2016-1													TBD
IH 2013-SFR1		75.0	76.6	76.9	72.6	78.0	76.7	91.9	88.6	88.1	82.0	87.7	TBD
IH 2014-SFR1		82.4	79.3	65.0	72.0	70.1	78.7	74.6	85.0	86.4	80.4	84.5	TBD
IH 2014-SFR2		76.5	87.5	76.7	77.6	83.0	85.7	73.3	75.6	76.5	87.9	90.9	TBD
IH 2014-SFR3		87.9	76.3	73.2	78.8	67.3	73.2	76.2	79.1	78.0	80.0	87.1	TBD
IH 2015-SFR1		87.8	79.4	80.0	80.0	70.8	87.5	68.6	78.1	76.3	91.9	87.5	TBD
IH 2015-SFR2			81.8	71.0	85.7	75.9	82.8	79.4	71.9	71.4	82.9	65.8	TBD
IH 2015-SFR3					82.3	84.2	83.3	83.1	83.1	80.9	83.7	73.7	TBD
PRD 2014-SFR1		92.3	83.7	78.2	83.3	83.8	82.8	85.5	87.0	80.8	86.2	87.5	TBD
PRD 2015-SFR1		81.8	78.2	74.7	65.3	64.4	70.0	67.3	80.2	73.9	85.9	80.4	TBD
PRD 2015-SFR2					82.4	57.1	75.0	71.4	76.9	57.1	69.0	75.0	TBD
PRD 2015-SFR3										84.6	75.0	70.0	TBD
SBY 2014-1		92.9	90.2	89.3	87.7	89.8	85.1	87.8	91.3	90.7	92.3	93.7	TBD
SWAY 2014-1		83.3	86.3	84.3	87.0	87.6	77.9	84.8	86.5	88.1	87.8	89.6	TBD
TAH 2015-SFR1					90.1	93.8	94.0	93.6	93.6	95.5	93.8	91.1	TBD
Total		85.3	85.3	79.9	82.3	82.4	83.8	83.9	86.5	85.9	88.0	87.9	TBD

TBD – To Be Determined

**Table 8a – Month-to-Month Tenants (by Count)**


		Year 2015										Year 2016		Total Count
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
AH4R 2014-SFR1		172	156	167	164	193	212	231	244	258	248	248	260	3,852
AH4R 2014-SFR2		169	206	250	259	213	190	173	183	169	172	153	166	4,487
AH4R 2014-SFR3		126	119	165	186	214	203	193	191	159	145	147	172	4,503
AH4R 2015-SFR1			87	102	126	168	209	224	257	266	287	275	240	4,661
AH4R 2015-SFR2									53	64	65	93	134	4,125
ARP 2014-SFR1		345	365	353	317	286	265	235	216	206	193	177	159	2,875
CAH 2014-1		88	62	68	70	119	133	122	79	82	61	48	47	3,371
CAH 2014-2		236	155	126	91	81	78	82	59	66	62	54	53	3,704
CAH 2015-1						129	126	128	99	92	78	51	48	3,876
HPA 2016-1													0	2,232
IH 2013-SFR1		86	86	88	69	61	52	44	56	51	71	78	99	3,207
IH 2014-SFR1		87	124	155	153	157	125	87	77	71	75	83	95	6,473
IH 2014-SFR2		48	61	60	72	72	65	55	47	52	51	54	58	3,749
IH 2014-SFR3		43	56	70	81	94	79	57	57	62	50	58	63	4,015
IH 2015-SFR1		54	41	38	34	32	39	45	52	55	61	59	64	3,050
IH 2015-SFR2			39	44	40	43	39	46	50	56	61	68	73	3,523
IH 2015-SFR3					84	101	109	110	118	128	149	131	144	7,207
PRD 2014-SFR1		146	169	154	128	111	88	76	72	75	67	67	83	3,138
PRD 2015-SFR1		55	58	86	111	108	117	115	102	89	65	56	58	3,995
PRD 2015-SFR2					17	15	22	34	42	53	36	28	44	3,311
PRD 2015-SFR3										13	12	10	9	3,164
SBY 2014-1		252	258	229	248	236	242	212	235	237	223	211	213	3,011
SWAY 2014-1		200	191	140	108	208	217	186	171	154	143	134	148	4,081
TAH 2015-SFR1					603	545	557	544	585	538	533	542	522	3,505
Total		2,107	2,233	2,295	2,961	3,186	3,167	2,999	3,045	2,996	2,908	2,825	2,952	93,115

**Table 8b – Month-to-Month Tenants (by Percentage)**


		Year 2015					Year 2016						
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
AH4R 2014-SFR1		4.5	4.0	4.3	4.3	5.0	5.5	6.0	6.3	6.7	6.4	6.4	6.7
AH4R 2014-SFR2		3.8	4.6	5.6	5.8	4.7	4.2	3.9	4.1	3.8	3.8	3.4	3.7
AH4R 2014-SFR3		2.8	2.6	3.7	4.1	4.8	4.5	4.3	4.2	3.5	3.2	3.3	3.8
AH4R 2015-SFR1			1.9	2.2	2.7	3.6	4.5	4.8	5.5	5.7	6.2	5.9	5.1
AH4R 2015-SFR2									1.3	1.6	1.6	2.3	3.2
ARP 2014-SFR1		12.0	12.7	12.3	11.0	9.9	9.2	8.2	7.5	7.2	6.7	6.2	5.5
CAH 2014-1		2.6	1.8	2.0	2.1	3.5	3.9	3.6	2.3	2.4	1.8	1.4	1.4
CAH 2014-2		6.3	4.2	3.4	2.4	2.2	2.1	2.2	1.6	1.8	1.7	1.5	1.4
CAH 2015-1						3.3	3.2	3.3	2.6	2.4	2.0	1.3	1.2
HPA 2016-1													0.0
IH 2013-SFR1		2.7	2.7	2.7	2.2	1.9	1.6	1.4	1.7	1.6	2.2	2.4	3.1
IH 2014-SFR1		1.3	1.9	2.4	2.4	2.4	1.9	1.3	1.2	1.1	1.2	1.3	1.5
IH 2014-SFR2		1.3	1.6	1.6	1.9	1.9	1.7	1.5	1.3	1.4	1.4	1.4	1.5
IH 2014-SFR3		1.1	1.4	1.7	2.0	2.3	2.0	1.4	1.4	1.5	1.2	1.4	1.6
IH 2015-SFR1		1.8	1.3	1.2	1.1	1.0	1.3	1.5	1.7	1.8	2.0	1.9	2.1
IH 2015-SFR2			1.1	1.2	1.1	1.2	1.1	1.3	1.4	1.6	1.7	1.9	2.1
IH 2015-SFR3					1.2	1.4	1.5	1.5	1.6	1.8	2.1	1.8	2.0
PRD 2014-SFR1		4.6	5.4	4.9	4.1	3.5	2.8	2.4	2.3	2.4	2.1	2.1	2.6
PRD 2015-SFR1		1.4	1.5	2.2	2.8	2.7	2.9	2.9	2.6	2.2	1.6	1.4	1.5
PRD 2015-SFR2					0.5	0.5	0.7	1.0	1.3	1.6	1.1	0.8	1.3
PRD 2015-SFR3										0.4	0.4	0.3	0.3
SBY 2014-1		8.2	8.4	7.4	8.1	7.7	7.9	7.0	7.8	7.9	7.4	7.0	7.1
SWAY 2014-1		4.9	4.7	3.4	2.6	5.1	5.3	4.6	4.2	3.8	3.5	3.3	3.6
TAH 2015-SFR1					17.2	15.5	15.9	15.5	16.7	15.3	15.2	15.5	14.9
Total		3.7	3.4	3.5	3.7	3.8	3.8	3.6	3.5	3.3	3.2	3.1	3.2

In evaluating how effective an issuer is at retaining tenants, Morningstar also considers the monthly turnover rate, as reported in Table 9. For this metric, Morningstar strives to apply a consistent calculation given the differences in issuers' monthly reporting. Morningstar considers a property turned over if it meets one of three criteria: the property is vacant but was occupied in the previous month; the property was occupied in the prior month and a tenant has signed a new lease that starts on or after the second day of the current month; or the property was occupied in the prior month and the move-out date is on or after the last day of the previous month but is before the last day of the current month. Overall, turnover rates increased in February, reversing a trend of decreasing rates over the previous three months. However, the turnover rate across all properties in securitizations is still low at 2.6%, and the recent increase is likely because of the rise in lease expirations to an average of 6.2% in February, the third consecutive monthly increase. The turnover rate for ARP 2014-SFR1 rose to 4.5% from 2.5% in January while the turnover rate for AH4R 2015-SFR2 increased to 4.3% from 2.6% last month.

**Table 9 – Monthly Turnover Rate**

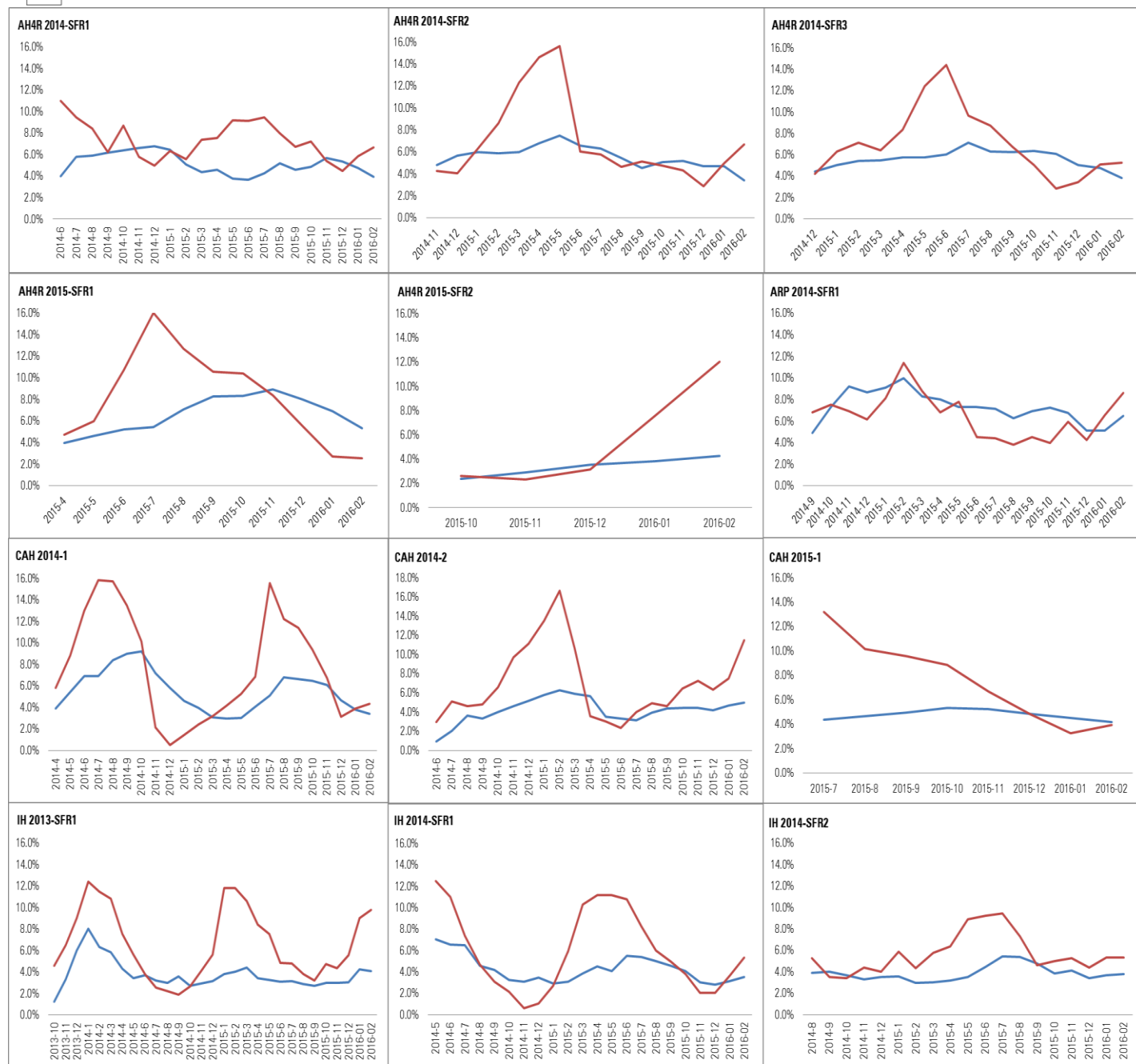

		Year 2015						Year 2016					
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
AH4R 2014-SFR1		2.3	3.1	2.6	3.5	4.0	4.1	2.6	3.0	3.8	3.5	3.0	3.0
AH4R 2014-SFR2		3.4	3.6	4.8	5.3	4.1	3.5	2.4	3.4	3.3	2.3	2.7	2.6
AH4R 2014-SFR3		2.4	2.9	3.4	4.8	5.3	4.4	3.7	3.3	3.3	2.6	3.0	2.9
AH4R 2015-SFR1			2.0	2.6	3.8	4.4	5.9	5.3	4.1	4.6	3.8	3.4	3.2
AH4R 2015-SFR2									2.1	2.2	2.6	2.6	4.3
ARP 2014-SFR1		1.7	2.9	3.0	3.5	3.4	3.0	3.2	3.1	2.2	2.6	2.5	4.5
CAH 2014-1		1.7	2.0	2.2	3.4	4.0	5.9	4.2	4.1	2.8	2.2	1.6	1.8
CAH 2014-2		4.6	4.1	1.9	2.5	2.3	3.2	2.9	2.5	2.5	2.6	2.7	2.8
CAH 2015-1						4.3	4.1	3.7	3.5	3.3	2.6	2.1	1.7
HPA 2016-1													0.9
IH 2013-SFR1		3.8	3.1	2.9	2.9	2.7	2.6	2.1	2.4	2.2	2.1	3.0	3.3
IH 2014-SFR1		3.3	3.9	3.2	4.7	3.9	3.3	2.5	2.5	1.5	1.7	2.1	2.4
IH 2014-SFR2		2.5	2.5	3.0	4.0	4.4	3.7	2.8	2.3	2.3	1.9	2.2	2.3
IH 2014-SFR3		2.6	2.5	3.3	3.8	4.4	3.9	2.9	2.7	2.2	2.1	1.9	1.9
IH 2015-SFR1		2.4	1.7	2.2	2.7	2.3	3.1	3.2	3.2	3.0	2.7	2.9	3.4
IH 2015-SFR2				2.4	3.1	3.0	3.8	3.7	3.1	3.3	2.2	2.0	3.2
IH 2015-SFR3						3.2	3.3	3.1	3.2	2.7	2.6	2.3	3.1
PRD 2014-SFR1		4.1	3.8	4.1	4.2	2.8	2.2	2.5	2.3	2.4	2.2	1.9	2.3
PRD 2015-SFR1		1.9	2.3	3.8	4.9	5.1	5.1	4.1	3.8	2.2	2.1	1.3	1.2
PRD 2015-SFR2					1.2	1.8	2.2	3.1	4.1	3.1	2.2	2.1	2.7
PRD 2015-SFR3										1.0	1.1	1.2	0.9
SBY 2014-1		2.0	2.5	2.9	3.1	3.1	2.9	3.0	2.8	2.4	2.2	2.1	2.4
SWAY 2014-1		3.0	2.8	2.7	3.8	2.9	2.2	2.7	2.4	1.7	2.6	2.3	2.4
TAH 2015-SFR1					2.4	2.8	3.4	2.3	2.2	2.8	2.0	2.1	3.5
Total		3.0	2.9	3.3	3.3	3.6	3.7	3.2	3.2	2.8	2.4	2.3	2.6

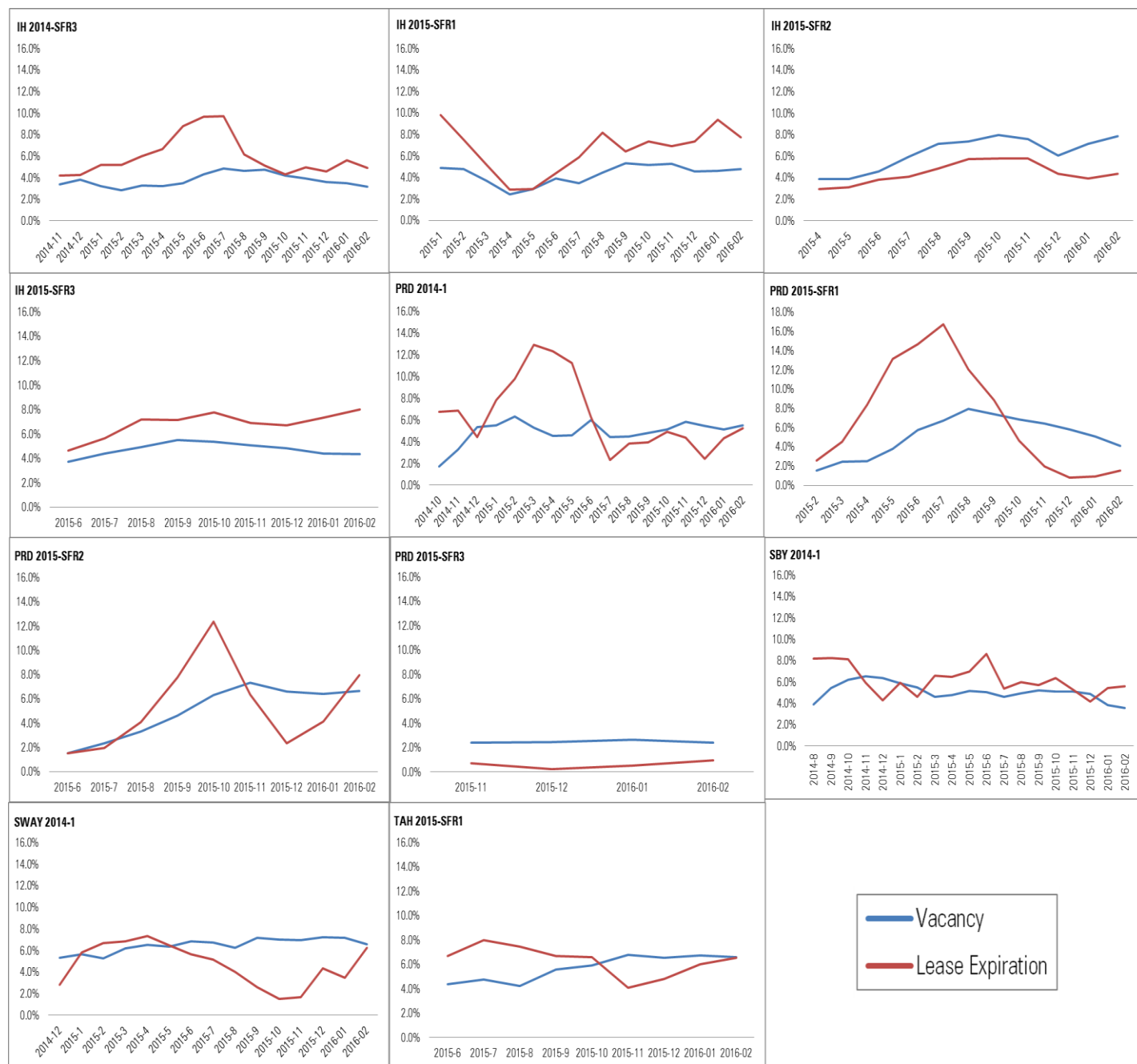
## Multiborrower Performance

To date there have been four multiborrower transactions brought to market in the single-family rental sector: B2R 2015-1, B2R 2015-2, FKL 2015-SFR1, and CAF 2015-1. The deals are similar to single-borrower transactions in that the underlying collateral are generally single-family rental properties. They differ, though, in that single-borrower deals are backed by one loan, while multiborrower deals have many loans. B2R 2015-1 is secured by 144 loans; B2R 2015-2 is secured by 211 loans; FKL 2015-SFR1 is secured by 16 loans; and CAF 2015-1 is secured by 69 loans. As such, the monthly reporting for multiborrower deals is different from the data reported in the single-borrower space. For example, delinquency reported in Tables 5a and 5b are tenants that are past due on rental payments at a property level. For these multiborrower transactions, delinquency is measured by borrowers that are past due on loan payments at the loan level. As of the most recent remittance report, B2R 2015-1 has one loan that is 60 days delinquent, which was transferred to special servicing in January. The delinquent loan comprises is 0.4% of the total transaction balance. B2R 2015-2 has one loan 30 days delinquent that is 0.2% of the total transaction balance. All of the loans in CAF 2015-1 are current or less than 30 days delinquent. Finally, all borrowers in FKL 2015-SFR1 are current. However, one loan that is approximately 1.7% of the total transaction balance has been listed on the servicer's watchlist report since November 2015. The report notes that the loan has entered into a trigger period, and the servicer has implemented the excess cash trap provisions in the loan agreement. Morningstar will monitor the performance of these loans.

The February property-level data shows continued strong performance of the single-borrower, single-family rental asset class. Delinquency rates have improved across most deals, and generally vacancy rates have held steady or improved. Retention rates remain steady, and turnover rates increased but remain in line with Morningstar's expectations. Monitoring the monthly performance of key metrics in both the single-borrower and multiborrower areas of the single-family rental asset class is important as more historical data becomes available, particularly as issuers employ different strategies in managing their securitized pools. It is equally important to view each of these metrics in context. For example, month-end vacancy rates should be viewed in the context of a transaction's lease expiration cycle, and delinquency rates depend on each issuer's definition of delinquency. Morningstar emphasizes the importance of standardizing data across different issuers to allow for uniform and insightful comparison across all deals.

## Appendix I – Vacancy versus Lease Expiration







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