

American Homes 4 Rent
Form 8-K
May 28, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **May 21, 2014**

AMERICAN HOMES 4 RENT

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation)

001-36013
(Commission File Number)

46-1229660
(I.R.S. Employer Identification No.)

30601 Agoura Road, Suite 200

Agoura Hills, California
(Address of Principal Executive Offices)

91301
(Zip Code)

(805) 413-5300

Edgar Filing: American Homes 4 Rent - Form 8-K

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencements communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Entry Sheet Arrangement of a Registrant

On May 21, 2014, American Homes 4 Rent (the Registrant) completed its previously announced securitization transaction, which involved the issuance and sale in a private offering of single-family rental pass-through certificates that represent beneficial ownership interests in a loan secured by a portfolio of 3,852 homes sold to an affiliate from the Registrant's portfolio of single-family properties. Gross proceeds from the offering were \$480,970,000. The pass-through certificates have a duration-weighted, blended interest rate based on LIBOR plus 1.54%.

The pass-through certificates have the following initial certificate balances and pass-through rates:

Class of Certificates	Initial Certificate Balance	Pass-Through Rate
Class A	\$269,422,000	LIBOR + 1.00%
Class B	\$37,597,000	LIBOR + 1.35%
Class C	\$40,742,000	LIBOR + 1.75%
Class D	\$38,557,000	LIBOR + 2.10%
Class E	\$62,062,000	LIBOR + 2.50%
Class F	\$32,590,000	LIBOR + 3.25%
	\$480,970,000-Total	LIBOR = 1.54%-Duration-weighted blended interest rate

The interest rates on the certificates and classification are based on a credit assessment by various rating agencies of the credit quality of the portfolio of 3,852 homes securing the certificates and do not necessarily reflect any credit rating of the Registrant as an entity.

As part of the securitization transaction, an indirect subsidiary of the Registrant entered into a loan agreement as described below. The loan was subsequently deposited into a trust in exchange for the pass-through certificates. The pass-through certificates represent the entire beneficial interest in the trust and were sold in a private offering through the placement agents retained for the transaction. The certificates were offered and sold under Rule 144A and Regulation S under the Securities Act of 1933, as amended.

More detailed information about the loan is provided below. The description of the loan herein is qualified in its entirety by reference to the Loan Agreement, filed as Exhibit 10.1 hereto, which is incorporated herein by reference.

The Loan Agreement

Edgar Filing: American Homes 4 Rent - Form 8-K

On May 21, 2014, AMH 2014-1 Borrower, LLC (the "Borrower"), a Delaware limited liability company and an indirect wholly-owned subsidiary of the Registrant, entered into a Loan Agreement dated as of May 21, 2014 (the "Loan Agreement") with Goldman Sachs Bank USA, a New York state-chartered bank ("Lender"). Pursuant to the Loan Agreement, the Borrower borrowed \$480,970,000 (the "Loan") from Lender. The Loan is a two-year, floating rate loan, composed of six floating rate components computed monthly based on one-month LIBOR for each interest period together with a fixed component spread for each of the six components. Interest on the Loan is paid monthly together with the monthly amortization amount of one-twelfth of one percent of the outstanding principal balance of the Loan on May 21, 2014, subject to certain potential adjustments described in the Loan Agreement.

For purposes of computation of the interest accrued on the Loan, the Loan is divided into multiple components designated as Component A, Component B, Component C, Component D, Component E and Component F. The following table sets forth the initial principal amount of such component and the component spread added to the one-month LIBOR for each monthly interest period:

Component	Initial Principal Amount	Interest Rate
Component A	\$269,422,000	LIBOR + 1.00%
Component B	\$37,597,000	LIBOR + 1.35%
Component C	\$40,742,000	LIBOR + 1.75%
Component D	\$38,557,000	LIBOR + 2.10%
Component E	\$62,062,000	LIBOR + 2.50%
Component F	\$32,590,000	LIBOR + 3.25%

Edgar Filing: American Homes 4 Rent - Form 8-K

The Loan is secured by first priority mortgages on a portfolio of 3,852 single family residential properties (collectively, the Properties) owned by Borrower. The initial maturity date of the Loan is June 9, 2016 (the Initial Maturity Date). The Borrower has the option to extend the Loan beyond the Initial Maturity Date for three successive one year terms, provided that there is no event of default under the Loan Agreement on each maturity date, the Borrower obtains a replacement interest rate cap agreement in a form reasonably acceptable to Lender and the Borrower complies with the other terms set forth in the Loan Agreement. The Loan Agreement requires that the Borrower comply with various affirmative and negative covenants that are customary for loans of this type, including limitations on indebtedness the Borrower can incur, limitations on sales and dispositions of Borrower's properties that secure the Loan and various restrictions on the use of cash generated by the operations of the properties owned by the Borrower while the Loan is outstanding.

The Loan proceeds were contributed to American Homes 4 Rent, L.P., a Delaware limited partnership and the Registrant's wholly owned operating partnership, and were used primarily to repay a portion of the Registrant's outstanding credit facility. Following such repayment, the outstanding borrowings under the credit facility were \$161 million on May 21, 2014.

In the ordinary course of business, affiliates of the placement agents have performed, and may in the future from time to time perform, investment banking, advisory or other financial services for the Registrant and its subsidiaries for which such affiliates received or may receive customary fees and reimbursement of expenses.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit 10.1 Loan agreement dated as of May 21, 2014 between AMH 2014-1 Borrower, LLC, as Borrower and Goldman Sachs Bank USA, as Lender*

*Exhibits and schedules to this agreement have been omitted as permitted under Item 601 of Regulation S-K and will be furnished supplementally upon request to the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN HOMES 4 RENT

Date: May 28, 2014

By:

/s/ Stephanie Heim

Edgar Filing: American Homes 4 Rent - Form 8-K

Stephanie Heim
Vice President

Edgar Filing: American Homes 4 Rent - Form 8-K

Index to Exhibits

Exhibit 10.1 Loan agreement dated as of May 21, 2014 between AMH 2014-1 Borrower, LLC, as Borrower and Goldman Sachs Bank USA, as Lender*

*Exhibits and schedules to this agreement have been omitted as permitted under Item 601 of Regulation S-K and will be furnished supplementally upon request to the Securities and Exchange Commission.