



Single-Family Rentals

A New Approach to Affordable Housing

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The crisis in affordable housing in America is highlighted by the 11 million families—nearly 25 percent of all renter households—that spend over 50 percent of their income on rent.¹ And while costs for homeowners have dropped over the past decade, costs for renters have increased. In the near future, growing demand will stress already-low vacancy rates and increase rents: a projected 59 percent of new households formed between 2010 and 2030 will be renters.² We need to find ways to create and preserve more affordable housing units.

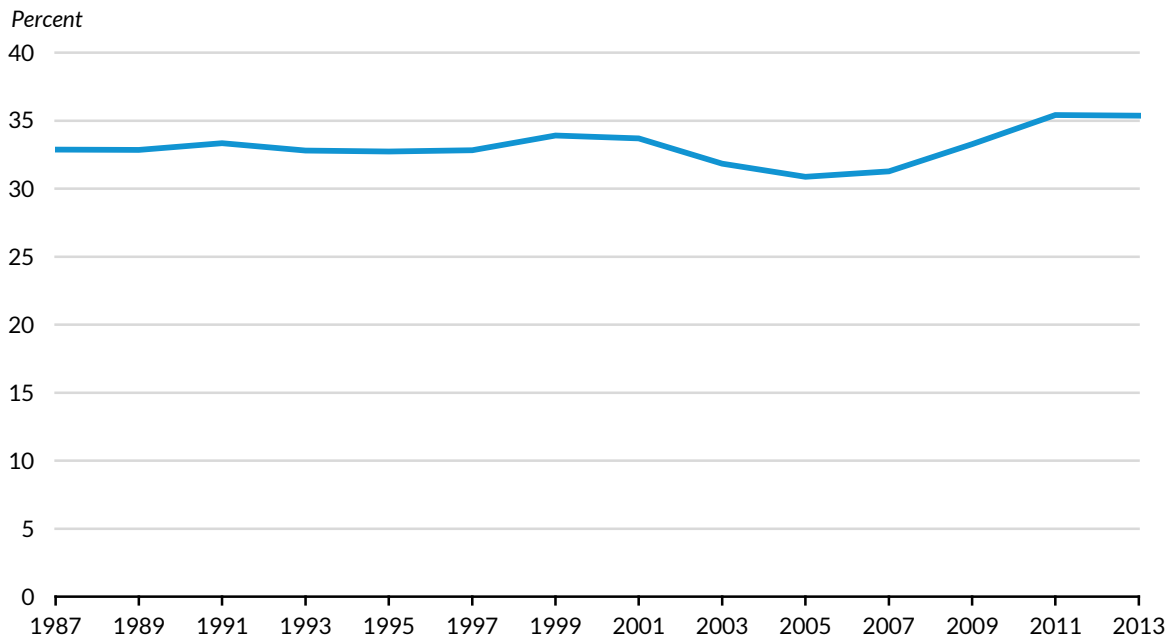
Single-family rentals, or SFRs, can be an important component of an affordable housing strategy, particularly if SFR practitioners are able to access the range of tools that are currently reserved solely for multifamily projects. In particular, nonprofits—and under the right conditions even for-profit firms—should be able to take advantage of the more favorable financing opportunities available to multifamily housing as long as the SFR firms keep a portion of the housing affordable.

One of us (Dan Magder) has been very focused on SFRs as an affordable housing strategy, both through his social impact fund and as an advisor to both nonprofit and for-profit firms looking to invest in the SFR space. This has given him lots of experience in what is feasible and what is not.

Single-family rental should be accepted as part of an affordable housing strategy for four key reasons: the volume, location, neighborhood impact, and affordability of SFR units. Many people do not realize how many scattered-site single-family properties there are and how many families these

properties house. There are currently 14.9 million units of scattered-site single-family housing units in the United States; they make up about 35 percent of all rental housing units (figure 1). Add another 7.7 million units in two- to-four-family houses, and the existing stock of scattered-site housing accounts for 53 percent of all rental units.³ Moreover, these single-family rentals are not a product of the recent credit crisis; they made up a similar share of rental units nearly 20 years ago, according to census data.⁴

FIGURE 1
Single-Family Share of Rental Units



Sources: American Housing Survey and Urban Institute.

Scattered-site single-family rentals, done in a structured way with professional property management, could be considered multifamily housing—call it “multisite multifamily.” Think of SFR as an apartment building on its side. Four years ago, institutional multifamily operators would take issue with this characterization. If they could buy a 100-unit apartment building with one roof and one furnace, 100 of the same toilet with spares in the basement and a superintendent on site to do minor repairs, why would they ever buy 100 units of scattered-site housing, with 100 roofs and 100 furnaces that all might need replacing, and 100 different toilet types? In the best-case scenario, when something goes wrong at the scattered-site property, the manager will need to order a specific replacement part and then send out a repair person to install the part and finish the repair.

But in the past four years, large institutional investors have proven that scattered-site single-family rentals can be operated efficiently. While they are still working out kinks, they have dramatically changed the view of multisite multifamily housing. Investors generally do substantial rehabilitation

immediately after they purchase the home, particularly when they purchase it out of foreclosure. Foremost is the need to “seal the envelope”—protect the house against the elements by ensuring that the roof does not leak and replacing windows that do not close properly. These repairs also help reduce leakage and lower energy costs for the resident. By standardizing the paint, carpet, appliances, and yes, toilets, they deliver renovation efficiencies and drive down costs. Standardization facilitates bulk buying that drives down initial costs of items like cabinet or toilets and saves on downstream maintenance—if one breaks, just swap it out for another. Moreover, it is more cost-efficient to replace a roof or boiler when first renovating a house than to send out a truck and a maintenance crew after the fact.

The recent move toward institutionalization of the single-family rental space should be kept in perspective. While the amount of press coverage SFR gets gives the impression that investors are taking over rental housing, they still make up a small portion of the market. The largest investor, Blackstone’s Invitation Partners, owns about 50,000 units; probably fewer than a dozen operators own over 15,000 units. All together, institutional investors own approximately 300,000 units, or 2 percent of the existing single-family rental housing stock. Most of these investors are operating with a profit motive in mind; they recognize that limiting turnover by maintaining the properties is important to their bottom line. And most of them would not want to be in the affordable housing market. Nevertheless, their experience teaches us that single-family rental can be operated professionally and on an institutional scale.

In addition to the size of the single-family rental stock, the location of most single-family rentals should prompt policymakers to take another look at SFR as part of an affordable housing strategy. Most single-family rentals are located where people want to live. Many are close to downtown, on bus lines or other transit routes. Others are in established suburbs. On average, single-family rentals are more apt to be located in central cities than are single-family owner-occupied homes. According to American Housing Survey data, 34 percent of single-family rentals are in center cities, compared with only 23 percent of single-family owner-occupied homes. Put another way, single-family rentals do not create new demand, they satisfy existing demand. As affordable housing advocates focus on preserving existing units, single-family rentals should be recognized as an effective tool for reclaiming some of the tremendous stock of well-located formerly owner-occupied housing, thus contributing to the overall stock of affordable housing in America.

The potential impact of single-family rentals on their surrounding neighborhoods is another reason for policymakers to consider SFRs as part of an affordable rental housing strategy. Most SFR houses are located in established neighborhoods, and renovating them helps preserve the current stock of housing and stabilize the neighborhoods. Single-family rentals by themselves cannot transform a blighted area, but every house bought and renovated by a responsible SFR investor creates a recently restored property with a well-kept exterior that helps anchor and stabilize that neighborhood. Even for-profit investors generally recognize the need to thoroughly renovate when they acquire the property; it saves costs downstream and increases curb appeal so investors can attract tenants and reduce vacancy costs. Most SFR investors try to buy as many houses as closely concentrated as possible. This makes it easier to renovate and later service the properties. Moreover, if the demographics of a neighborhood are

favorable for one property, they will be similarly positive for a house down the block. And supporting the neighborhood with multiple purchases increases property values that raise the worth of the for-profit investor's existing portfolio. This is a good example of where investment and social goals are aligned.

This neighborhood stabilization should be put in context, however, so we recognize what SFR can and cannot deliver. Some affordable housing advocates initially thought that nonprofits might be able to buy entire blocks of vacant and abandoned houses, or even entire neighborhoods, and stabilize and rebuild them. But with a few exceptions, like Detroit, this has proven not to be the case.⁵ The properties for sale are usually not contiguous, and even if two homes next door to each other were potentially available for purchase and rehab at the same time, coordinating disposition strategies between lenders has proved difficult.

Finally, single-family rental units are affordable—and they deliver value for the money. Twenty-four percent of all single-family renters have incomes below the poverty level, a proportion very similar to the total rental population.⁶ Much SFR housing is in solid low-to-moderate-income (LMI) neighborhoods, census tracts where residents earn 80 percent or less of area median income (AMI). Tenants also get more living space in single-family rental housing than in traditional multifamily housing. A typical single-family house in Dan's portfolio in a working-class neighborhood of Jacksonville rents for \$950–1,050 a month. For that, a tenant gets a three-bedroom, two-bathroom, 1,100–1,700 square foot residence that has a yard. Nearby apartments offer 1,150 square feet with three bedrooms and two bathrooms for \$850 a month, or 800–920 square feet with two bedrooms and two bathrooms for \$600–\$745 a month. Those numbers are close to nationwide averages. American Housing Survey data show that the average single-family rental is 1,363 square feet and rents for \$974; by contrast, the average rental is 974 square feet and rents for \$850.

Not everyone can afford the slight premium needed to rent a single-family house, but those who can afford it get a lot of value. Using 30 percent of income as a guide, a renter would need a family income of approximately \$39,000 to afford the average single-family rental, a number well below area median income in most areas. Again, that is an average; some SFRs are less expensive, some more so.

Improving the Opportunities to Add SFR to the Affordable Housing Supply

For scattered-site single-family—or multisite multifamily—to become the important component of an affordable housing strategy it should be, policymakers need to let SFR operators who are focused on affordable housing use existing affordable rental housing tools, which have traditionally focused on buildings with more than five units, for scattered site single-family. Right now, it is often not possible to use these tools; where it is, the rules lack flexibility.

The first issue is financing. Large institutional operators have been able to attract institutional financing from banks and tap into the capital markets to securitize bundles of single-family housing as a

type of bond. Several others have gone public as real estate investment trusts, providing them with lower costs of capital. This market acceptance helps show the viability of single-family rental as an institutional-quality investment strategy. Invitation Homes had reportedly lined up \$3.6 billion in credit lines from Deutsche Bank two years ago, and the company went to market in early June with its third securitization of 2015: a \$1.2 billion deal backed by cash flows on 7,265 single-family rental houses.

However, this financing is not typically available for operators focused on affordable rentals. Those operators generally do not have the deep pockets of capital available to provide corporate guarantees—or the broader banking relationships that encourage large private banks to extend such credit to their preferred partners. Moreover, the banks providing these financing lines are more willing to put the effort into structuring a \$200 million line, which is what the large institutional SFR investors need, than a \$5–\$30 million line, which is what a typical affordable housing investor might need. Therefore, both the size of the institutional investor’s financing deal as well as the broader investment banking and capital markets relationships these investors enjoy enables them to access financing lines that are unavailable to most SFR affordable housing developers.

In addition, three critical sources of publicly sourced or incented subsidized capital are unavailable or very difficult to access for SFR affordable housing developers: HUD’s 223f multifamily loans, low-interest loans from banks that get credit under the Community Reinvestment Act (CRA loans), and the low-income housing tax credit (LIHTC).

HUD’s 223f program would have been perfect for the Baltimore project described in box 1. The program would have provided up to 35 years of financing for 83–85 percent of the acquisition costs plus transaction costs.⁷ However, the 223f program will finance multisite projects only if they have five contiguous properties. Like most SFR affordable housing portfolios, the Baltimore project didn’t. So while the project was supported by the highest leadership at HUD, the local Federal Housing Administration office refused to even consider granting a waiver for the project.⁸

As for obtaining financing directly from banks, policymakers should clarify that financing for multisite multifamily projects can qualify for CRA credit as long as the other criteria are met (e.g., income qualifications of the renters and AMI of the census tracts). The CRA rules are meant to encourage community development activities, including the support of affordable housing for low- and moderate-income borrowers. The Comptroller of the Currency makes it clear that CRA credit is available for loans to “borrowers who rehabilitate and construct affordable housing, including construction and permanent financing for multifamily rental properties serving LMI persons.”⁹ However, the publication is silent on financing multiple single-family properties. Following the financial crisis, banks have been reluctant to take on new mortgage credit risk except the most pristine neighborhoods, which generally does not include investor loans in LMI areas. However, banks are much more willing to be flexible in their CRA lending than their usual portfolio lending; this added flexibility would be especially helpful in enticing them to finance investor-owned affordable single-family rentals in LMI neighborhoods.

BOX 1

A Baltimore Story

Dan recently advised a leading affordable housing nonprofit trying to purchase 450 units of scattered-site single-family rental housing in the City of Baltimore. The terms of the transaction were agreed to, but the deal could not be completed in large part because the financing tools available to multifamily operators for affordable housing were not available to single-family operators. If these tools had been available, the project could have gotten across the finish line and these houses kept affordable in perpetuity for successive generations of LMI households—without requiring additional subsidies.

The properties the nonprofit was looking to buy had all undergone high-quality renovations including installing air conditioning and new appliances; most had amenities like back yards, porches, or decks; a significant number had fully dug-out and finished basements that added 50 percent more useable living space; and virtually all had additional touches like recessed lighting, wrought iron bannisters, tiled surrounds for the showers, and upscale vanities in the bathrooms. The portfolio had been assembled over 10 years; the houses were stabilized and cash flowing, with a stable occupancy rate over 95 percent. Moreover, 90 percent of the houses were in Section 8 or similar programs, and time and time again when lenders were taken on site tours they scratched their heads in amazement at the quality of the properties.

The for-profit that developed these properties was already providing quality living spaces to LMI residents. However, the developer would sell individual properties at market rates as their surrounding neighborhoods improved and the asset values increased. As a result, just when the surrounding neighborhood, schools, and amenities were improving into precisely the kind of areas where affordable housing advocates would want to see properties reserved for LMI residents, the houses were being lost to the affordable housing community.

By contrast, the nonprofit that was looking to buy the properties was planning on keeping them affordable for LMI residents in perpetuity. The properties could support the debt the nonprofit was seeking, as well as provide for property management expenses, ongoing repairs, and a reserve for capital expenditures. With the right tools, the project was looking to pioneer a new model of housing that was kept affordable in perpetuity without the need for ongoing subsidies.

The problem for this project—as well as any scattered-site single-family rental project—was that the nonprofit could not tap into three key tools: HUD multifamily loans, CRA loans, and the LIHTC.

The LIHTC could have provided the equity necessary to get the Baltimore project done if it could have been applied to this type of affordable housing project. There are two different LIHTC programs: a 9 percent program, which subsidizes 70 percent of eligible costs for new construction or substantial rehab of housing projects, and a 4 percent program, which subsidizes only 30 percent of eligible acquisition or rehab costs for projects that are financed with tax-exempt bonds or subsidized federal

financing.¹⁰ Tax credits for the 9 percent program are allocated to each state based on its population. State allocation limits do not apply to the 4 percent program; these are allocated noncompetitively to development efforts that are financed with tax-exempt bonds.

LIHTC-financed units must stay affordable for 15 years, using both tenant income and rent restrictions. The LIHTC requires an irrevocable election of either a 20-50 test or a 40-60 test. Under these tests, at least 20 (or 40) percent of the units must be occupied by families with incomes 50 (or 60) percent of the AMI, adjusted for family size. The low-income housing project must also meet the “gross rents test” by ensuring rents do not exceed 30 percent of the elected 50/60 percent of AMI.

Because the units in the Baltimore project were cash flowing, the project could have supported debt-financing vehicles, such as tax-exempt bonds, and therefore could have tapped into the little-used 4 percent tax credit program rather than overburdening the already tapped-out 9 percent program. And the LIHTC explicitly permits single-family dwellings and allows a project to include more than one dwelling.

However, to qualify for LIHTC, assets must satisfy the “10-year rule,” which states there must be at least 10 years between the time the buildings were last placed in service or were substantially renovated completed and the use of LIHTC.¹¹ The program is generally directed at creating new housing or rehabilitating old and tired buildings; it cannot be used to preserve high-quality recently renovated properties. The net result of the 10-year rule is a tremendous missed opportunity to use the LIHTC for the purpose for which it seems to have been designed: increasing the stock of affordable rental housing, whether by creating new units or preserving existing ones.

Could SFR developers use the 9 percent LIHTC program to acquire and rehab distressed single-family houses and create a rental portfolio? While it appears theoretically possible, a developer would need to either acquire all the properties initially and then apply for financing or have site control over the properties (e.g., a purchase option with a financing contingency). It is much easier to get this type of purchase option with a large multifamily property; single-family houses tend to be sold very quickly and a developer seems unlikely to amass a sizable portfolio of properties under contingent contracts. However, the nonprofit Cleveland Housing Network (CHN) has used 9 percent tax credits to acquire and rehabilitate over 3,000 scattered-site single-family houses. CHN worked closely with its local housing finance authority (HFA, the state allocator of the tax credits) and its local land bank to get leniency on the site control requirement. To the best of our knowledge, no other single-family developer has been able to work this way.

The complications regarding the 10-year rule suggest that the LIHTC as currently structured is poorly suited to preserving existing, already rehabbed portfolios of single-family rentals and maintaining them as affordable. The credit is also poorly suited to acquiring distressed properties and rehabbing them. To be more appropriate for this purpose, the LIHTC program would need to relax the site control restrictions and perhaps allow for an accumulation period.

Who Should Qualify?

When we look at the potential for applying these affordable housing financing tools to single-family rentals, which kinds of developers and projects should qualify? The traditional affordable housing space, which focuses on multifamily apartment buildings, has long benefited from a mix of for-profit and nonprofit developers. Affordable housing advocates have become comfortable with working with for-profits in the multifamily space because of the affordability covenants and restrictions that are tied to the financing; advocates also recognize that for-profits bring resources and capacity needed to help provide scale to affordable housing efforts. We would argue that as the single-family rental space becomes a more integral part of a comprehensive affordable housing strategy, the types of financing available to multifamily developers should be made available initially to either nonprofit developers or for-profit developers working in partnership with nonprofits, as Dan tried to pioneer in Baltimore.

We support the notion that for-profit entities, if they meet clearly defined requirements, can be a powerful force for advancing public policy goals, and that this could be the case for affordable single-family rentals just as in traditional multifamily affordable housing. However, there is an important distinction between for-profits in the single-family residential space and in the multifamily residential space. When for-profits purchase single-family units they compete with individuals who want to purchase the houses as owner-occupants, and the for-profits have a clear advantage because they are able to pay cash and waive the financing contingency. So in addition to ensuring that any for-profit that participates in the SFR space be held to at least the same standards and accountability in maintaining affordable, quality living spaces for their residents as are their counterparts in the multifamily space, policymaker need to give more thought to ensuring that owner-occupants are not further disadvantaged in their efforts to purchase affordable single-family houses.

Current practice suggests one solution to this problem of crowding out potential owner-occupants. Today, almost all foreclosed homes are subject to a 20-day First Look program run by either Fannie Mae and Freddie Mac or the national housing nonprofit called the National Community Stabilization Trust.¹² Under these programs, owner-occupants and nonprofits who may want to purchase a property are given priority during this first look period. These programs try to level the playing field for owner-occupants to compete and potentially purchase the houses ahead of the better capitalized for-profits. Maintaining and extending the First Look program, and potentially finding a way to extend it to MLS listing, would be one way of ensuring that owner-occupants are not disadvantaged by extending affordable housing financing tools to for-profit housing developers.

Policymakers might also consider restricting for-profits' use of Section 8 housing vouchers to meet their affordability targets, since it could be argued that using the vouchers coupled with subsidized funding allows developers to "double-dip." In other words, rents on the units should be kept within a range affordable to LMI individuals without the need for additional subsidies such as Section 8. We also would not want to disadvantage Section 8 voucher holders by limiting their acceptance by affordable housing developers, and it is possible to structure the program to meet both goals.¹³ In any case, in allocating both HUD financing and LIHTCs, we would argue that extra credit be given to for-profit

developers that partner with nonprofits. These partnerships could center on having nonprofits provide support services such as financial education that benefit the LMI residents in these properties.

Conclusion

The recent financial and housing crises have resulted in significantly increased demand for rental housing and a resulting increase in rents. Affordable rentals for families are in particularly short supply. At the same time, the crises created a supply of well-located single-family houses that could, with the appropriate financing tools, be turned into family-friendly affordable rentals.

Another critical advantage of bringing single-family rentals into the affordable housing umbrella—and it is hard to understate the importance of this point—is that the affordable rental financing tools have affordability covenants that last 15 years or longer, meaning the units they finance would remain affordable not only now, but in the long term. This is an important consideration since the need for affordable rentals will continue to grow over time. If SFR developers are unable to use HUD multifamily loans, CRA loans, and the LIHTC to finance their single-family rental units, for-profit developers may sell off their homes one by one as the neighborhoods improve. By contrast, if these tools were available, they would anchor existing SFR portfolios in the affordable housing community and allow LMI families to benefit from an improving neighborhood.

Thus, as policymakers focus on preservation of affordable housing units, they should take a fresh look at financing the acquisition of existing, stabilized single-family rental portfolios as well as financing the acquisition and rehab of properties that need substantial renovation. These properties are proving to be in neighborhoods where people want to live, and they are generating cash flow to support financing. One approach for preserving stabilized SFR portfolios is to promote the type of for-profit–nonprofit partnership that Dan hoped to pioneer in Baltimore. Numerous for-profits have a platform, a system, and an approach for identifying, acquiring, and renovating vacant and abandoned single-family houses and putting them back into productive use. Many also have established property management affiliates that will maintain the units properly. This expertise, matched with the nonprofits’ understanding of the needs of prospective tenants, could be a very powerful combination.

We know what financial tools are needed to get the job done. They already exist; they just need to be available to the single-family rental market. Policymakers should clarify CRA eligibility to acknowledge single-family rentals as a community development tool. Policymakers should also allow affordable housing SFR operators to tap into the HUD 223 program and the LIHTC to purchase both completed portfolios of renovated, stabilized, and cash-flowing SFR and properties in need of rehabilitation—and then maintain them in perpetuity as affordable rental housing. Given the right tools, 450 additional permanently affordable housing units would be available in Baltimore today—and for successive generations of LMI residents. And that would be just the beginning of a powerful new approach to affordable rental housing.

Notes

1. According to a 2014 report by Enterprise Community Partners, 18.4 million low-income households spend more than 50 percent of their income on housing, of which 10.9 million households are renters (Brisson and Duerr 2014). The National Multifamily Housing Council (NMHC) estimates there are 42.4 million renter households in the United States, based on data from the 2013 American Community Survey (see “QuickFacts: Resident Demographics,” NMHC, accessed September 23, 2015, <http://nmhc.org/Content.aspx?id=4708>).
2. Laurie Goodman, Rolf Pendall, and Jun Zhu, “A lower homeownership rate is the new normal,” *Urban Wire* (blog), Urban Institute, June 9, 2015, <http://www.urban.org/urban-wire/lower-homeownership-rate-new-normal>.
3. “QuickFacts: Resident Demographics,” NMHC.
4. In 1997, there were 18.4 million one- to four-family residences, which made up 54 percent of rented units (US Census Bureau 2000).
5. More than one in three Detroit properties (139,699 of 384,672) have been foreclosed upon since 2005 because of mortgage defaults or unpaid taxes—proportionately far more than any other US city (Joel Kurth and Christine MacDonald, “Volume of abandoned homes ‘absolutely terrifying,’” *Detroit News*, May 14, 2015, <http://www.detroitnews.com/story/news/special-reports/2015/05/14/detroit-abandoned-homes-volume-terrifying/27237787/>).
6. Taz George, “Three charts that explain the renter next door,” *Urban Wire* (blog), Urban Institute, February 26, 2015, <http://www.urban.org/urban-wire/three-charts-explain-renters-next-door>.
7. HUD’s 223f financing provides 83.3 percent loan-to-value loans for market-rate projects and 85 percent for projects that meet the definition of affordable housing. Affordable housing follows the LIHTC guidelines, in which 20 percent of the units must be provided at 50 percent of AMI or 40 percent of the units must be offered at 60 percent AMI. The income restrictions must be maintained for 15 years.
8. In thinking through the application of new financing programs for SFR, policymakers should ensure that the financing allows for partial release, allowing individual homes to be taken out of the loan over time. Partial release enables affordable housing SFR owners to sell properties to their existing tenants. Dan’s fund has begun a program of credit repair and consumer education that enable tenants to improve their FICO scores, help them save for a down payment, and put them in position to become homeowners if their financial situation supports it and they choose to do so. While some lenders are familiar with partial release elements of debt facilities from their experience financing developers of subdivisions and other commercial properties, many are skittish when it comes to SFR. However, partial release is a well-trodden path and the appraisal mechanisms needed are standard as well—and should be applied to these new SFR financing tools. The number of renters who are interested and able to convert themselves into homeowners will most likely be a small fraction of entire portfolios, but policymakers should allow SFR financing programs to offer partial release to encourage those renters who are capable of making the transition to do so. This goal, plus the advancing of the goal to preserve the affordable housing stock could be met by allowing for partial release if another property of similar value was substituted.
9. See Office of the Comptroller of the Currency (2014).
10. The 9 percent LIHTC is not exactly 9 percent. Each year for 10 years, a tax credit, equal to roughly 9 percent of the cost of development, may be taken. The exact amount of the credit that can be used is the number such that the present value of the stream of credits equals 70 percent of the project’s development costs. Similarly, the 4 percent program is not exactly 4 percent. For 10 years, a tax credit equal to roughly 4 percent of the cost of construction is taken. The exact amount the credit is used such that the number that is the present value of the stream of payments equals 30 percent of the development costs.
11. One way to qualify for an exception to the 10-year rule is if the project is “substantially financed” by a state or federal program. If the project could have accessed the FHA’s 223f program, it would have qualified for the exception. But as discussed above, the local HUD office refused to consider allowing the project to be eligible for 223f due to the lack of five contiguous properties.
12. Fannie and Freddie both extended their first look period from 15 to 20 days at the end of 2013.

13. Assume the SFR developer has selected the 40-60 test, implying that 40 percent of the units are available to those earning 60 percent of the AMI, and the AMI is \$63,300; it would suggest that 40 percent of the units be available to those earning \$37,980 or less. Maximum rents would be 30 percent of this, or \$949.50/month $(.3 \times \$37,980)/12$ for these affordable units. Certainly, it seems fair to allow vouchers up to this maximum rental amount. If the developer rented all units at a higher fair market rate (say \$1,000), and accepted vouchers to bridge the gap, they are not actually increasing the supply of affordable housing, which would be goal of allowing SFR developers to use multifamily affordable housing financing vehicles.

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Before joining Urban in 2013, Goodman spent 30 years as an analyst and research department manager at a number of Wall Street firms. From 2008 to 2013, she was a senior managing director at Amherst Securities Group, LP, where her strategy effort became known for its analysis of housing policy issues. From 1993 to 2008, Goodman was head of global fixed income research and manager of US securitized products research at UBS and predecessor firms, which were ranked number one by *Institutional Investor* for 11 straight years. Before that, she was a senior fixed income analyst, a mortgage portfolio manager, and a senior economist at the Federal Reserve Bank of New York. She was inducted into the Fixed Income Analysts Hall of Fame in 2009.

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