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January 12, 2015

Alfred M. Pollard, General Counsel  
Attention: Comments/RIN 2590-AA39  
Federal Housing Finance Agency  
400 Seventh Street SW, Eighth Floor  
Washington, DC 20024

**Re: Notice of Proposed Rulemaking – Members of Federal Home Loan Banks (RIN 2590-AA39)**

Dear Mr. Pollard:

American Homes 4 Rent (NYSE: AMH) is a real estate investment trust (REIT) focused on acquiring, renovating, leasing and operating single-family homes as rental properties in 41 markets in 22 states. AMH is the largest publicly traded REIT in this sector. Through this activity, AMH is (1) contributing to the stabilization of the US housing market and (2) improving neighborhoods across the country.

AMH has formed Burlington Bay Insurance Company (“Burlington”), a subsidiary of AMH, to pursue the issuance of insurance to tenants and to provide certain insurance coverages for properties managed by AMH and its affiliates. Burlington intends to apply for membership in the Federal Home Loan Bank System (“FHLBanks”). Through its membership in the FHLBanks Burlington will be able to obtain conservative financing to facilitate AMH’s continued growth, permitting AMH to continue to contribute to the housing recovery in the United States.

The proposed rule by the FHFA would preclude membership by Burlington and other similar “captive” insurance companies, even those engaged in housing financing.

Insurance companies have been eligible for membership since the FHLBanks were created in 1932. Congress did not define “insurance company,” and all types of insurance companies have qualified for membership, including captive insurance companies.

If the FHFA is trying to define insurance company and give effect to the purpose and intent of the statute, it should use the broadly used and understood definition. Furthermore, the definition in the proposed rule (companies whose primary business is underwriting of insurance for nonaffiliated persons or entities) creates ambiguity that will create additional questions and problems if it is implemented.

The ability to set eligibility requirements is the purview of Congress, not the regulator of the FHLBanks. In fact, Congress expanded membership to commercial banks and credit unions in 1989 and, more recently, to community development financial institutions in 2008.

Captive insurance companies are regulated by their respective state insurance departments and held to similar standards as other insurance companies. This includes licensing requirements, capital and surplus standards, financial reporting requirements, regular department examinations, and investment restrictions.



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Captive insurance companies are also subject to the same conservative FHLBank membership, collateral, and credit rules as other members. FHLBanks have the ability and experience to monitor and underwrite the financial strength of insurance companies and captives, and collateral requirements allow the FHLBanks to secure advances that safeguard FHLBanks from potential losses.

Captives seeking FHLBank membership must have a demonstrated commitment to housing finance. They play a significant role in providing or investing in residential mortgage assets, providing much needed liquidity which is critical to housing markets. In today's economic environment, when housing is so important to economic recovery, captives should be welcomed into FHLBank membership due to their important role in housing finance.

As noted above, through conservative loans obtained through FHLBanks, Burlington will facilitate AMH's continued growth and contribute to the availability of housing throughout the country.

AMH respectfully requests that the FHFA continue to permit captive insurance companies with a commitment to home financing to become eligible members.

AMH would be pleased to provide the FHFA with additional information on captive insurance companies generally and on AMH's proposed captive in particular.

We appreciate your attention to our comment letter.

Sincerely,

A handwritten signature in blue ink that reads "Diana M. Laing".

Diana M. Laing  
Chief Financial Officer  
American Homes 4 Rent  
30601 Agoura Road, Suite 200  
Agoura Hills, CA 91301