

CORELOGIC, INC.
Form 10-Q
July 26, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2013

OR

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

For the transition period from _____ to _____

Commission file number 001-13585

CoreLogic, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

95-1068610
(I.R.S. Employer Identification No.)

40 Pacifica, Irvine, California
(Address of principal executive offices)

92618-7471
(Zip Code)

(949) 214-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant: is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

On July 22, 2013 there were 95,608,226 shares of common stock outstanding.

CoreLogic, Inc.
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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

CoreLogic, Inc.

Condensed Consolidated Balance Sheets
(unaudited)

(in thousands, except par value)	June 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 176,591	\$ 148,858
Marketable securities	22,430	22,168
Accounts receivable (less allowance for doubtful accounts of \$19,054 and \$21,643 as of June 30, 2013 and December 31, 2012, respectively)	264,065	255,148
Prepaid expenses and other current assets	50,617	50,036
Income tax receivable	—	14,084
Deferred income tax assets, current	99,741	98,836
Assets of discontinued operations	791	794
Total current assets	614,235	589,924
Property and equipment, net	181,729	186,617
Goodwill, net	1,486,207	1,504,232
Other intangible assets, net	155,724	171,584
Capitalized data and database costs, net	316,288	322,289
Investment in affiliates, net	99,484	94,227
Restricted cash	20,025	22,117
Other assets	150,267	138,837
Total assets	\$ 3,023,959	\$ 3,029,827
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 171,027	\$ 157,190
Accrued salaries and benefits	81,504	114,165
Income taxes payable	12,234	—
Deferred revenue, current	232,643	242,282
Current portion of long-term debt	5,081	102
Liabilities of discontinued operations	4,028	3,352
Total current liabilities	506,517	517,091
Long-term debt, net of current	783,731	792,324
Deferred revenue, net of current	345,381	309,418
Deferred income tax liabilities, long term	76,908	71,361
Other liabilities	161,778	168,687
Total liabilities	1,874,315	1,858,881
Equity:		
CoreLogic stockholders' equity:		
Preferred stock, \$0.00001 par value; 500 shares authorized, no shares issued or outstanding		
Common stock, \$0.00001 par value; 180,000 shares authorized; 95,604 and 97,698 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively	1	1
Additional paid-in capital	808,416	866,720

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Retained earnings	395,213	318,094
Accumulated other comprehensive loss	(53,986) (15,514
Total CoreLogic stockholders' equity	1,149,644	1,169,301
Noncontrolling interests	—	1,645
Total equity	1,149,644	1,170,946
Total liabilities and equity	\$3,023,959	\$3,029,827

The accompanying notes are an integral part of these condensed consolidated financial statements.

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CoreLogic, Inc.
Condensed Consolidated Statements of Income
(unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
(in thousands, except per share amounts)	2013	2012	2013	2012
Operating revenues	\$426,972	\$389,361	\$824,141	\$747,462
Cost of services (excluding depreciation and amortization shown below)	221,333	205,724	437,360	403,389
Selling, general and administrative expenses	102,429	85,170	193,481	170,887
Depreciation and amortization	34,824	30,905	69,638	60,397
Total operating expenses	358,586	321,799	700,479	634,673
Operating income	68,386	67,562	123,662	112,789
Interest expense:				
Interest income	685	761	1,455	1,462
Interest expense	12,438	14,095	24,813	28,938
Total interest expense, net	(11,753)	) (13,334)	) (23,358)	) (27,476)
Gain/(loss) on investments and other, net	399	(1,252)	) 3,198	389
Income from continuing operations before equity in earnings of affiliates and income taxes	57,032	52,976	103,502	85,702
Provision for income taxes	21,517	23,578	42,575	36,816
Income from continuing operations before equity in earnings of affiliates	35,515	29,398	60,927	48,886
Equity in earnings of affiliates, net of tax	9,345	11,745	18,132	21,215
Net income from continuing operations	44,860	41,143	79,059	70,101
(Loss)/income from discontinued operations, net of tax	(1,310)	) 983	(1,966)	) (7,985)
Gain/(loss) from sale of discontinued operations, net of tax	—	466	—	(2,987)
Net income	43,550	42,592	77,093	59,129
Less: Net loss attributable to noncontrolling interests	—	(65)	) (26)	) (158)
Net income attributable to CoreLogic	\$43,550	\$42,657	\$77,119	\$59,287
Amounts attributable to CoreLogic stockholders:				
Net income from continuing operations	\$44,860	\$41,208	\$79,085	\$70,259
(Loss)/income from discontinued operations, net of tax	(1,310)	) 983	(1,966)	) (7,985)
Gain/(loss) from sale of discontinued operations, net of tax	—	466	—	(2,987)
Net income attributable to CoreLogic	\$43,550	\$42,657	\$77,119	\$59,287
Basic income/(loss) per share:				
Net income from continuing operations	\$0.47	\$0.39	\$0.82	\$0.66
(Loss)/income from discontinued operations, net of tax	(0.01)	) 0.01	(0.02)	) (0.08)
Gain/(loss) from sale of discontinued operations, net of tax	—	—	—	(0.03)
Net income attributable to CoreLogic	\$0.46	\$0.40	\$0.80	\$0.55
Diluted income/(loss) per share:				
Net income from continuing operations	\$0.46	\$0.39	\$0.81	\$0.66
(Loss)/income from discontinued operations, net of tax	(0.01)	) 0.01	(0.02)	) (0.07)
Gain/(loss) from sale of discontinued operations, net of tax	—	—	—	(0.03)
Net income attributable to CoreLogic	\$0.45	\$0.40	\$0.79	\$0.56

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Weighted-average common shares outstanding:

Basic	95,516	105,895	96,315	106,245
Diluted	97,180	106,468	98,120	106,886

The accompanying notes are an integral part of these condensed consolidated financial statements.

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CoreLogic, Inc.
Condensed Consolidated Statements of Comprehensive Income
(unaudited)

(in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
Net income	\$43,550	\$42,592	\$77,093	\$59,129
Other comprehensive (loss)/income:				
Unrealized gain on marketable securities, net of tax	345	1,051	162	1,099
Unrealized gain/(loss) on interest rate swap, net of tax	694	(690)	1,248	(765)
Foreign currency translation adjustments	(39,000)	(3,152)	(39,934)	1,015
Supplemental benefit plans gain adjustment, net of tax	28	29	52	24
Total other comprehensive (loss)/income	(37,933)	(2,762)	(38,472)	1,373
Comprehensive income	5,617	39,830	38,621	60,502
Less: Comprehensive loss attributable to the noncontrolling interests	—	(65)	(26)	(158)
Comprehensive income attributable to CoreLogic	\$5,617	\$39,895	\$38,647	\$60,660

The accompanying notes are an integral part of these condensed consolidated financial statements.

CoreLogic, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

(in thousands)	For the Six Months Ended	
	June 30,	2012
	2013	2012
Cash flows from operating activities:		
Net income	\$77,093	\$59,129
Less: Loss from discontinued operations, net of tax	(1,966)	(7,985)
Less: Loss from sale of discontinued operations, net of tax	—	(2,987)
Net income from continuing operations	79,059	70,101
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	69,638	60,397
Provision for bad debt and claim losses	8,733	11,205
Share-based compensation	16,933	9,031
Excess tax benefit related to stock options	(2,652)	(109)
Equity in earnings of affiliates, net of taxes	(18,132)	(21,215)
Loss on sale of property and equipment	—	960
Loss on early extinguishment of debt	—	353
Deferred income tax	3,737	903
Gain on investments and other, net	(3,198)	(389)
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(5,721)	(26,187)
Prepaid expenses and other current assets	(341)	878
Accounts payable and accrued expenses	(26,417)	2,257
Deferred revenue	26,252	(1,892)
Income taxes	15,086	47,154
Dividends received from investments in affiliates	23,868	37,219
Other assets and other liabilities	(18,883)	(7,599)
Net cash provided by operating activities - continuing operations	167,962	183,067
Net cash (used in)/provided by operating activities - discontinued operations	(1,288)	9,490
Total cash provided by operating activities	\$166,674	\$192,557
Cash flows from investing activities:		
Purchases of capitalized data and other intangible assets	(18,928)	(15,397)
Purchases of property and equipment	(34,672)	(24,939)
Cash paid for acquisitions, net of cash acquired	(6,852)	—
Purchases of investments	(2,351)	—
Proceeds from sale of subsidiary and other decreases in noncontrolling interest, net	800	—
Proceeds from sale of property and equipment	—	1,832
Change in restricted cash	2,093	123
Net cash used in investing activities - continuing operations	(59,910)	(38,381)
Net cash used in investing activities - discontinued operations	—	(4,745)
Total cash used in investing activities	\$(59,910)	\$(43,126)
Cash flows from financing activities:		
Proceeds from long-term debt	551	—
Repayment of long-term debt	(4,423)	(113,825)
Proceeds from issuance of stock related to stock options and employee benefit plans	7,119	768
Minimum tax withholding paid on behalf of employees for restricted stock units	(6,680)	(2,577)

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Shares repurchased and retired	(75,676) (28,744)
Distribution to noncontrolling interests	—	(10)
Excess tax benefit related to stock options	2,652	109	
Net cash used in financing activities - continuing operations	(76,457	) (144,279)
Net cash provided by financing activities - discontinued operations	—	2	
Total cash used in financing activities	\$(76,457	) \$(144,277)
Effect of exchange rate on cash	(2,574) —	
Net increase in cash and cash equivalents	27,733	5,154	
Cash and cash equivalents at beginning of period	148,858	259,266	
Less: Change in cash and cash equivalents - discontinued operations	(1,288	) 4,747	
Plus: Cash swept to discontinued operations	(1,288) —	
Cash and cash equivalents at end of period	\$176,591	\$259,673	
Supplemental disclosures of cash flow information:			
Cash paid for interest	\$23,326	\$27,632	
Cash paid for income taxes	\$37,935	\$8,708	
Cash refunds from income taxes	\$13,810	\$14,394	

The accompanying notes are an integral part of these condensed consolidated financial statements.

CoreLogic, Inc.
Condensed Consolidated Statement of Equity
(unaudited)

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	Noncontrolling Interests	Total
Balance as of December 31, 2012	97,698	\$1	\$866,720	\$318,094	\$ (15,514)	\$ 1,645	\$1,170,946
Net income/(loss)	—	—	—	77,119	—	(26)	77,093
Shares issued in connection with share-based compensation	787	—	7,119	—	—	—	7,119
Tax withholdings related to net share settlements of restricted stock units	—	—	(6,680)	—	—	—	(6,680)
Share-based compensation	—	—	16,933	—	—	—	16,933
Shares repurchased and retired	(2,881)	—	(75,676)	—	—	—	(75,676)
Sale of subsidiary shares to noncontrolling interests	—	—	—	—	—	(1,619)	(1,619)
Other comprehensive income	—	—	—	—	(38,472)	—	(38,472)
Balance as of June 30, 2013	95,604	\$1	\$808,416	\$395,213	\$ (53,986)	\$ —	\$1,149,644

The accompanying notes are an integral part of these condensed consolidated financial statements.

Note 1 – Basis of Condensed Consolidated Financial Statements

CoreLogic, Inc., together with its subsidiaries (collectively "we", "us" or "our"), is a leading property information, analytics and services provider in the United States and Australia. The markets we serve include real estate and mortgage finance, insurance, capital markets, transportation and government. Our clients rely on our data and predictive decision analytics to help identify and manage growth opportunities, improve performance and mitigate risk. We are also a party to several joint ventures that provide products used in connection with loan originations, including title insurance, appraisal services and other settlement services. These joint ventures are reflected as investments in affiliates on our consolidated balance sheets and our share of the income is reflected as equity in earnings of affiliates in our consolidated statements of income.

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") including the instructions to Form 10-Q and Article 10 of SEC Regulation S-X. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts. Certain information and disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The 2012 year-end condensed consolidated balance sheet was derived from audited financial statements. The principles for interim financial information do not require the inclusion of all the information and footnotes required by GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2012, as amended.

The accompanying unaudited condensed consolidated interim financial statements reflect all adjustments, consisting of only normal recurring items which, in the opinion of management, are necessary for a fair statement of the results of operations for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for the full year or for any future periods.

Customer Concentration

Wells Fargo, N.A. accounted for operating revenues of 11.7% and 10.0% for the three months ended June 30, 2013 and 2012, respectively, and 11.2% and 9.5% for the six months ended June 30, 2013 and 2012, respectively.

Revisions

The consolidated income statement for the three and six months ended June 30, 2012 included within Note 17 - Guarantor Subsidiaries have been revised to correct the presentation of intercompany revenues and expenses and non-controlling interests. See further discussion in Note 17 - Guarantor Subsidiaries. We assessed the materiality of these revisions on our prior period financial statements in accordance with the SEC's Staff Accounting Bulletin ("SAB") No. 99 and SAB No. 108, and concluded they were not material to the results of operations, cash flows or financial condition for the current and prior annual or interim period.

Escrow Administration Arrangements

We administer escrow deposits as a service to our customers in connection with our tax services business. These deposits are maintained in segregated accounts for the benefit of our customers. Escrow deposits totaled \$690.0 million as of June 30, 2013 and \$228.9 million at December 31, 2012. Because these deposits are held on behalf of

our customers, they are not our funds and, therefore, are not included in the accompanying consolidated balance sheets.

Escrow deposits are generally held by the Company for a period of two to five business days and we invest these funds in highly-rated, liquid investments, such as bank deposit products or AAA-rated money market funds. We earn interest income from these investments and bear the risk of any losses. However, we have not historically incurred any investment losses and do not anticipate incurring any future investment losses. As a result, we do not maintain any reserves for losses in value of these investments.

Recent Accounting Pronouncements

In March 2013, the Financial Accounting Standards Board (“FASB”) issued updated guidance related to release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or

no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. This update clarifies that the release of cumulative translation adjustments into net income is required for both an entity ceasing to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity and when there is a loss of a controlling financial interest in a foreign entity or a step acquisition involving an equity method investment that is a foreign entity. The updated guidance is effective for annual and interim periods beginning after December 15, 2013. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In December 2011 and January 2013, the FASB issued updated guidance related to the presentation of offsetting (netting) assets and liabilities in the financial statements. The guidance requires the disclosure of both gross information and net information on instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. This scope would include derivatives, sale and repurchase agreements and reverse sale and repurchase agreements, and securities borrowing and securities lending arrangements. The updated guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Adoption of this guidance did not have a material impact on our consolidated financial statements.

Note 2 – Investment in Affiliates, net

Investments in affiliates are accounted for under the equity method of accounting as we are deemed to have significant influence over the affiliate but do not control or have a majority voting interest in the affiliate. Investments are carried at the cost of acquisition, including subsequent capital contributions and loans from us, plus our equity in undistributed earnings or losses since inception of the investment. We recorded equity in earnings of affiliates, net of tax of \$9.3 million and \$11.7 million for the three months ended June 30, 2013 and 2012, respectively, and \$18.1 million and \$21.2 million for the six months ended June 30, 2013 and 2012, respectively. Income tax expense of \$5.8 million and \$7.5 million was recorded on these earnings for the three months ended June 30, 2013 and 2012, respectively, and \$11.2 million and \$13.5 million for the six months ended June 30, 2013 and 2012, respectively.

One of our subsidiaries owns a 50.1% interest in RELS LLC ("RELS"), a joint venture that provides products and services used in connection with loan originations. This investment in affiliate contributed 74.2% and 59.0% of our total equity in earnings of affiliates, net of tax, for the three months ended June 30, 2013 and 2012, respectively, and 72.1% and 63.4% for the six months ended June 30, 2013 and 2012, respectively. In February 2013, RELS sold its ownership in RESDirect, LLC ("RESDirect") to the Company for \$4.0 million. See Note 13 - Acquisitions. Based on the terms and conditions of the joint venture agreement, we have significant influence over but do not have control of, nor a majority voting interest in, the joint venture. Accordingly, this investment is accounted for under the equity method. Summarized financial information for this investment (assuming a 100% ownership interest) is as follows:

(in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
Statements of income				
Total revenues	\$ 117,273	\$ 112,974	\$ 208,688	\$ 219,714
Expenses and other	94,036	89,830	164,937	174,798
Income from continuing operations before income taxes	\$ 23,237	\$ 23,144	\$ 43,751	\$ 44,916
Income from continuing operations, net of tax	23,068	23,044	43,480	44,711
Income from discontinued operations, net of tax	—	—	\$ —	
Net income attributable to RELS LLC	\$ 23,068	\$ 23,044	\$ 43,480	\$ 44,711

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CoreLogic equity in earnings of affiliate, pre-tax	\$ 11,557	\$ 11,545	\$ 21,783	\$ 22,400
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Note 3 – Marketable Securities

Our marketable securities consist primarily of investments in preferred stock of \$22.4 million and \$22.2 million as of June 30, 2013 and December 31, 2012, respectively. We classify our marketable securities as available-for-sale and carry them at fair value with unrealized gains or losses classified as a component of accumulated other comprehensive income. There were no gains or losses recognized on sales of marketable securities for the three and six months ended June 30, 2013 and 2012.

Note 4 - Property and Equipment, Net

Property and equipment, net as of June 30, 2013 and December 31, 2012 consists of the following:

(in thousands)	2013	2012
Land	\$4,000	\$4,000
Buildings	10,780	10,780
Furniture and equipment	91,478	89,870
Capitalized software	492,473	470,469
Leasehold improvements	46,832	47,879
	645,563	622,998
Less accumulated depreciation	(463,834)	(436,381)
Property and equipment, net	\$181,729	\$186,617

Depreciation expense for property and equipment was approximately \$18.6 million and \$17.4 million for the three months ended June 30, 2013 and 2012, respectively, and \$37.5 million and \$33.4 million for the six months ended June 30, 2013 and 2012, respectively. See Note 10 - Fair Value of Financial Instruments for further discussion on property and equipment, net measured at fair value on a nonrecurring basis.

Note 5 – Goodwill, net

A reconciliation of the changes in the carrying amount of goodwill and accumulated impairment losses, by reporting unit, for the six months ended June 30, 2013, is as follows:

(in thousands)	Data and Analytics	Mortgage Origination Services	Asset Management and Processing Solutions	Consolidated
Balance as of December 31, 2012				
Goodwill	\$708,577	\$653,771	\$149,409	\$1,511,757
Accumulated impairment losses	(600)	(6,925)	—	(7,525)
Goodwill, net	707,977	646,846	149,409	1,504,232
Acquisitions	574	—	—	574
Translation adjustments	(18,796)	—	—	(18,796)
Other	197	—	—	197
Balance as of June 30, 2013				
Goodwill, net	\$689,952	\$646,846	\$149,409	\$1,486,207

For the six months ended June 30, 2013, we recorded \$0.6 million of goodwill in connection with our acquisition of Fiserv CSW, LLC (n/k/a CoreLogic Case-Shiller, LLC) ("Case-Shiller").

Note 6 – Other Intangible Assets, net

Other intangible assets consist of the following:

(in thousands)	June 30, 2013			December 31, 2012		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer lists	\$283,675	\$(151,266)	) \$132,409	\$286,164	\$(137,782)	) \$148,382
Non-compete agreements	9,152	(5,998)	) 3,154	9,264	(5,438)	) 3,826
Trade names and licenses	29,821	(9,660)	) 20,161	27,853	(8,477)	) 19,376
	\$322,648	\$(166,924)	) \$155,724	\$323,281	\$(151,697)	) \$171,584

Amortization expense for other intangible assets was \$8.7 million and \$6.7 million for the three months ended June 30, 2013 and 2012, respectively, and \$17.2 million and \$13.4 million for the six months ended June 30, 2013 and 2012, respectively.

Estimated amortization expense for other intangible assets anticipated for the next five years is as follows:

(in thousands)	
Remainder of 2013	\$15,973
2014	26,629
2015	23,868
2016	17,534
2017	15,835
Thereafter	55,885
	\$155,724

Note 7 – Long-Term Debt

Our long-term debt consists of the following:

(in thousands)	June 30, 2013	December 31, 2012
Acquisition-related notes:		
Non-interest bearing acquisition note due in \$5.0 million installments March 2014 and 2016	\$9,011	\$8,753
Notes:		
7.25% senior notes due June 2021	393,000	393,000
5.7% senior debentures due August 2014	825	825
7.55% senior debentures due April 2028	59,645	59,645
Bank debt:		
Revolving line of credit borrowings due May 2016, weighted average interest rate of 1.9% at June 30, 2013 and December 31, 2012	50,000	50,000
Term loan facility borrowings through May 2016, weighted average interest rate of 3.0% at June 30, 2013 and 4.0% at December 31, 2012	275,625	280,000
Other debt:		
Various interest rates with maturities through 2017	706	203
Total long-term debt	788,812	792,426
Less current portion of long-term debt	5,081	102
Long-term debt, net of current portion	\$783,731	\$792,324

Senior Notes

On May 20, 2011, we issued \$400.0 million aggregate principal amount of 7.25% senior notes due 2021 (the "Notes"). Separate financial statements for each guarantor subsidiary are not included in this filing because each guarantor subsidiary is 100% owned and the guarantees of the Notes are full and unconditional and joint and several. The combined accounts of the guarantor subsidiaries, the combined accounts of the non-guarantor subsidiaries, the combined consolidating adjustments and eliminations and the Parent's consolidated accounts for the dates and periods indicated are included in Note 17 - Guarantor Subsidiaries. The guarantees are subject to release under certain customary circumstances. The indenture governing the notes provides that the guarantees may be automatically and unconditionally released only upon the following circumstances: 1) the guarantor is sold or sells all of its assets in compliance with the terms of the indenture; 2) the guarantor is released from its guarantee obligations under the credit agreement; 3) the guarantor is properly designated as an "unrestricted subsidiary", and 4) the requirements for legal or covenant defeasance or satisfaction and discharge have been satisfied. The maximum potential amounts that could be required to be paid under the domestic guarantees are essentially equal to the outstanding principal and interest under the Notes. There are no significant restrictions on the ability of the parent company or any guarantor subsidiary to obtain funds from its subsidiaries by dividend or loan. The Notes bear interest at 7.25% per annum and mature on June 1, 2021. Interest is payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2011. As of June 30, 2013, we were in compliance with all of our covenants under the indenture.

Credit Agreement

On May 23, 2011, the Company, CoreLogic Australia Pty Limited and the guarantors named therein entered into a senior secured credit facility agreement (the "Credit Agreement") with Bank of America, N.A. as administrative agent and other financial institutions. The Credit Agreement provides for a \$350.0 million five-year term loan facility (the "Term Facility") and a \$550.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility

includes a \$100.0 million multicurrency revolving sub-facility and a \$50.0 million letter of credit sub-facility. The Credit Agreement also provides for the ability to increase the Term Facility and Revolving Facility commitments provided that the total credit exposure under the Credit Agreement does not exceed \$1.4 billion in the aggregate. For the six months ended June 30, 2013, we prepaid \$4.4 million of outstanding indebtedness under the Term Facility. This prepayment was applied to the most current portion of the term loan amortization schedule. As of June 30, 2013, we were in compliance with all of our covenants under the Credit Agreement.

As of June 30, 2013 and December 31, 2012, we have recorded \$3.8 million and \$4.1 million, respectively, of accrued interest expense.

Acquisition-Related Notes

In March 2011, we entered into a settlement services joint venture with Speedy Title & Appraisal Review Services LLC ("STARS"). Our initial investment in STARS was \$20.0 million and we also issued a note payable for an additional \$15.0 million of consideration, which is non-interest bearing and due in three equal installments. As of June 30, 2013, the discounted balance outstanding under the note was \$9.0 million.

Interest Rate Swaps

In June 2011, we entered into amortizing interest rate swap transactions ("Swaps") with a termination date of May 2016. The Swaps had an initial notional value of \$200.0 million, with a fixed interest rate of 1.73% and amortize quarterly by \$2.5 million through September 30, 2013, \$5.0 million from October 1, 2013 through September 30, 2014 and \$7.5 million from October 1, 2014 through May 16, 2016, with a notional amount of \$107.5 million.

We entered into the Swaps in order to convert a portion of our interest rate exposure on the Term Facility floating rate borrowings from variable to fixed. We have designated the Swaps as cash flow hedges. The estimated fair value of these cash flow hedges resulted in a liability of \$4.5 million and \$6.5 million at June 30, 2013 and December 31, 2012, respectively, which is included in the accompanying condensed consolidated balance sheets as a component of other liabilities.

Unrealized gains of \$0.7 million (net of \$0.4 million in deferred taxes) and unrealized losses of \$0.7 million (net of \$0.5 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps for the three months ended June 30, 2013 and 2012, respectively. In addition, unrealized gains of \$1.2 million (net of \$0.8 million in deferred taxes) and unrealized losses of \$0.8 million (net of \$0.5 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps for the six months ended June 30, 2013 and 2012, respectively.

Note 8 – Income Taxes

The effective income tax rate (provision for income taxes as a percentage of income from continuing operations before equity in earnings of affiliates and income taxes) was 37.7% and 44.5% for the three months ended June 30, 2013 and 2012, respectively, and 41.1% and 43.0% for the six months ended June 30, 2013 and 2012, respectively. The change in the effective rate is primarily attributable to the impact of the effective state tax rate and the foreign tax rate differential.

Income taxes included in equity in earnings of affiliates were \$5.8 million and \$7.5 million for the three months ended June 30, 2013 and 2012, respectively, and \$11.2 million and \$13.5 million for the six months ended June 30, 2013 and 2012, respectively. For the purpose of segment reporting, these amounts are not reflected at the segment level but are recorded within corporate.

It is reasonably possible that the amount of the unrecognized benefit with respect to certain unrecognized tax positions could significantly increase or decrease within the next 12 months. These changes may be the result of items such as ongoing audits, competent authority proceedings related to transfer pricing, or the expiration of federal and state statutes of limitation for the assessment of taxes.

Note 9 – Earnings Per Share

The following is a reconciliation of net income per share, using the treasury-stock method:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
(in thousands, except per share amounts)				
Numerator for basic and diluted net income/(loss) per share:				
Net income from continuing operations	\$44,860	\$41,208	\$79,085	\$70,259
(Loss)/income from discontinued operations, net of tax	(1,310	) 983	(1,966	) (7,985
Gain/(loss) from sale of discontinued operations, net of tax	—	466	—	(2,987
Net income attributable to CoreLogic	\$43,550	\$42,657	\$77,119	\$59,287
Denominator:				
Weighted-average shares for basic income/(loss) per share	95,516	105,895	96,315	106,245
Dilutive effect of stock options and restricted stock units	1,664	573	1,805	641
Weighted-average shares for diluted income/(loss) per share	97,180	106,468	98,120	106,886
Income/(loss) per share				
Basic:				
Net income from continuing operations	\$0.47	\$0.39	\$0.82	\$0.66
(Loss)/income from discontinued operations, net of tax	(0.01	) 0.01	(0.02	) (0.08
Gain/(loss) from sale of discontinued operations, net of tax	—	—	—	(0.03
Net income attributable to CoreLogic	\$0.46	\$0.40	\$0.80	\$0.55
Diluted:				
Net income from continuing operations	\$0.46	\$0.39	\$0.81	\$0.66
(Loss)/income from discontinued operations, net of tax	(0.01	) 0.01	(0.02	) (0.07
Gain/(loss) from sale of discontinued operations, net of tax	—	—	—	(0.03
Net income attributable to CoreLogic	\$0.45	\$0.40	\$0.79	\$0.56

For the three months ended June 30, 2013 and 2012, 1.1 million stock options and restricted stock units ("RSUs"); and 5.1 million stock options, RSUs and performance-based restricted stock units ("PBRsUs"), respectively, were excluded from the weighted average diluted common shares outstanding due to their antidilutive effect. For the six months ended June 30, 2013 and 2012, 1.0 million stock options and RSUs; and 4.9 million stock options, RSUs and PBRsUs, respectively, were excluded from the weighted average diluted common shares outstanding due to their antidilutive effect.

Note 10 – Fair Value of Financial Instruments

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable.

The market approach is applied for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value balances are classified based on the observability of those inputs.

A fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Level 2 measurements utilize observable inputs in markets other than active markets.

In estimating the fair value of the financial instruments presented, we used the following methods and assumptions:

Cash and cash equivalents

For cash and cash equivalents, we believe that the carrying value is a reasonable estimate of fair value due to the short-term nature of the instruments.

Restricted cash

Restricted cash is comprised of certificates of deposit that are pledged for various letters of credit secured by the Company. We deem the carrying value to be a reasonable estimate of fair value due to the nature of these instruments.

Marketable securities

Equity securities are classified as available-for-sale securities and are valued using quoted prices in active markets.

Long-term debt

The fair value of long-term debt was estimated based on the current rates available to us for similar debt of the same remaining maturities and consideration of our default and credit risk.

Interest rate swap agreements

The fair value of the interest rate swap agreements were estimated based on market value quotes received from the counter parties to the agreements.

The fair values of our financial instruments as of June 30, 2013 are presented in the following table:

(in thousands)	Fair Value Measurements Using		Fair Value
	Level 1	Level 2	
Financial Assets:			
Cash and cash equivalents	\$176,591	\$—	\$176,591
Restricted cash	—	20,025	20,025
Equity securities	22,430	—	22,430
Total Financial Assets	\$199,021	\$20,025	\$219,046
Financial Liabilities:			
Total debt	—	859,038	859,038
Total Financial Liabilities	\$—	\$859,038	\$859,038

Derivatives:

Liability for interest rate swap agreements	\$—	\$4,469	\$4,469
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The fair values of our financial instruments as of December 31, 2012 are presented in the following table:

(in thousands)	Fair Value Measurements Using		Fair Value
	Level 1	Level 2	
Financial Assets:			
Cash and cash equivalents	\$148,858	\$—	\$148,858
Restricted cash	—	22,117	22,117
Equity securities	22,168	—	22,168
Total Financial Assets	\$171,026	\$22,117	\$193,143
Financial Liabilities:			
Total debt	—	899,258	899,258
Total Financial Liabilities	\$—	\$899,258	\$899,258
Derivatives:			
Liability for interest rate swap agreements	\$—	\$6,486	\$6,486

The following non-financial instruments were measured at fair value, on a nonrecurring basis, as of June 30, 2013 and for the three and six months ended June 30, 2013:

	As of June 30, 2013			Impairment Losses	
	Fair Value Measurements Using			For the three	For the six months
	Level 1	Level 2	Level 3	months ended	ended June 30,
				June 30, 2013	2013
Property and equipment, net	\$—	\$—	\$—	\$877	\$1,721

The following non-financial instruments were measured at fair value, on a nonrecurring basis, as of December 31, 2012 and impairment losses for the three and six months ended June 30, 2012:

	As of December 31, 2012			Impairment Losses	
	Fair Value Measurements Using			For the three	For the six months
	Level 1	Level 2	Level 3	months ended	ended June 30,
				June 30, 2012	2012
Assets of discontinued operations	\$794	\$—	\$—	\$1,785	\$15,700
Property and equipment, net	—	—	—	3,013	5,037
Investment in affiliates, net	—	—	—	1,246	1,246
	\$794	\$—	\$—	\$6,044	\$21,983

We recorded non-cash impairment charges of \$1.8 million and \$15.7 million for the three and six months ended June 30, 2012, respectively, in our assets of discontinued operations primarily due to the disposition or wind down of our discontinued operations. See Note 14 - Discontinued Operations for further discussion. In addition, we recorded non-cash impairment charges of \$0.9 million and \$3.0 million for the three months ended June 30, 2013 and 2012, respectively, and \$1.7 million and \$5.0 million for the six months ended June 30, 2013 and 2012, respectively, in our property and equipment, net primarily related to internally developed software. Finally, we recorded non-cash impairment charges of \$1.2 million for the three and six months ended June 30, 2012 in our investment in affiliates, net due to other than temporary loss in value from the absence of an ability to recover the carrying amount of the

investment from the under-performance of an investment in affiliate and continued changes in regulatory environment.

Note 11 – Stock-Based Compensation

We currently issue equity awards under the CoreLogic, Inc. 2011 Performance Incentive Plan (the “Plan”) which was approved by our stockholders at our Annual Meeting held on May 19, 2011. The Plan permits the grant of RSUs, PBRUS, stock options, stock appreciation rights, stock bonuses and other forms of awards granted or denominated in our common stock, as well as cash bonus awards. The Plan was adopted, in part, to make an additional 18,000,000 shares of the Company's common stock available for award grants, so we have sufficient authority and flexibility to adequately provide for future incentives. Prior to the approval of the Plan, we issued share-based awards under the CoreLogic, Inc. 2006 Incentive Plan (the “2006 Plan”).

We primarily utilize RSUs, PBRUSs and stock options as our share-based compensation instruments for employees and directors. The fair value of any share-based compensation instrument grant is based on the market value of our shares on the date of grant and is recognized as compensation expense over its vesting period.

Restricted Stock Units

For the six months ended June 30, 2013 and 2012, we awarded 664,116 and 718,315 RSUs, respectively, with an estimated grant date fair value of \$17.2 million and \$11.9 million, respectively. The RSU awards will vest ratably over three years.

RSU activity for the six months ended June 30, 2013 is as follows:

(in thousands, except weighted average fair value prices)	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested RSUs outstanding at December 31, 2012	1,381	\$17.50
RSUs granted	664	\$25.94
RSUs vested	(524	) \$17.27
RSUs forfeited	(29	) \$21.58
Unvested RSUs outstanding at June 30, 2013	1,492	\$21.25

As of June 30, 2013, there was \$22.9 million of total unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted-average period of 2.2 years. The fair value of RSUs is based on the market value of the Company's common stock on the date of grant.

Performance-Based Restricted Stock Units

For the six months ended June 30, 2013 and 2012, we awarded 397,443 and 345,348 PBRUSs, respectively, with an estimated grant date fair value of \$10.3 million and \$5.5 million, respectively. These awards could be subject to service-based, performance-based and market-based vesting. The performance period for the PBRUSs awarded during the six months ended June 30, 2013 is from January 1, 2013 to December 31, 2015 and the performance metric is adjusted earnings per share and market-based conditions. Based on satisfaction of the performance criteria, the 2013 awards will vest on December 31, 2015. The fair values of the 2013 awards were estimated using Monte-Carlo simulation with the following weighted-average assumptions.

For the Six Months
Ended
June 30, 2013

Expected dividend yield	—	%
Risk-free interest rate ⁽¹⁾	0.39	%
Expected volatility ⁽²⁾	29.97	%
Average total shareholder return ⁽³⁾	13.01	%

- (1) The risk-free interest rate for the periods within the contractual term of the options is based on the U.S. Treasury yield curve in effect at the time of the grant.
- (2) The expected volatility and average total shareholder return is a measure of the amount by which a stock price has fluctuated or is expected to fluctuate based primarily on our and our peers' historical data.
- (3) The average total shareholder return is the measure of performance of our stock over time.

The performance period for the PBRsUs awarded during the six months ended June 30, 2012 was from January 1, 2012 to December 31, 2012 and the performance metric was adjusted earnings per share. Based on satisfaction of the performance criteria, the 2012 awards were earned at 150% of target and will vest subject to continuation of employment until December 31, 2014. The fair value of the 2012 awards was based on the market value of the Company's common stock on the date of grant.

PBRsU activity for the six months ended June 30, 2013, is as follows:

(in thousands, except weighted average fair value prices)	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested PBRsUs outstanding at December 31, 2012	1,151	\$17.21
PBRsUs granted	397	\$25.90
PBRsUs vested	(156)	) \$18.18
PBRsUs forfeited	(40)	) \$17.51
Unvested PBRsUs outstanding at June 30, 2013	1,352	\$18.44

As of June 30, 2013, there was \$18.4 million of total unrecognized compensation cost related to unvested PBRsUs that is expected to be recognized over a weighted-average period of 2.0 years. The fair value of PBRsUs is based on the market value of the Company's common stock on the date of grant.

Stock Options

In 2013 and 2012, we issued stock options as incentive compensation for certain key employees. The exercise price of each stock option is the closing market price of our common stock on the date of grant. The 2013 and 2012 options will vest in three equal annual installments on the first, second and third anniversaries of grant and expire ten years after the grant date. The fair values of these stock options were estimated using the Black-Scholes valuation model with the following weighted-average assumptions:

	For the Six Months Ended June 30,			
	2013	2012	2013	2012
Expected dividend yield	—	%	—	%
Risk-free interest rate ⁽¹⁾	0.90	%	1.00	%
Expected volatility ⁽²⁾	41.65	%	42.81	%
Expected life ⁽³⁾	5.5		5.5	

- (1) The risk-free interest rate for the periods within the contractual term of the options is based on the U.S. Treasury yield curve in effect at the time of the grant.
- (2) The expected volatility is a measure of the amount by which a stock price has fluctuated or is expected to fluctuate based primarily on our and our peers' historical data.

(3) The expected life is the period of time, on average, that participants are expected to hold their options before exercise based primarily on our historical data.

For the six months ended June 30, 2013 and 2012, we awarded 415,745 and 581,265 options, respectively, with an estimated fair value of \$10.8 million and \$9.3 million, respectively. Option activity for the six months ended June 30, 2013 is as follows:

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(in thousands, except weighted average price)	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding at December 31, 2012	3,764	\$20.18		
Options granted	416	\$25.90		
Options exercised	(301)	\$19.99		
Options canceled	(108)	\$18.28		
Options outstanding at June 30, 2013	3,771	\$20.88	5.7	\$12,397
Options vested and expected to vest at June 30, 2013	3,716	\$20.86	5.6	\$12,235
Options exercisable at June 30, 2013	2,526	\$21.46	4.3	\$6,921

As of June 30, 2013, there was \$7.1 million of total unrecognized compensation cost related to unvested stock options that is expected to be recognized over a weighted-average period of 2.0 years.

The intrinsic value of options exercised was \$2.2 million and \$0.3 million for the six months ended June 30, 2013 and 2012, respectively. This intrinsic value represents the difference between the fair market value of the Company's common stock on the date of exercise and the exercise price of each option.

Employee Stock Purchase Plan

The 2012 employee stock purchase plan allows eligible employees to purchase our common stock at 85.0% of the closing price on the last day of each quarter. Our 2012 employee stock purchase plan was approved by our stockholders at our 2012 annual meeting of stockholders and the first offering period commenced in October 2012. We recognized an expense for the amount equal to the discount during the last offering period.

The following table sets forth the stock-based compensation expense recognized for the three and six months ended June 30, 2013 and 2012.

(in thousands)	For the Three Months Ended		For the Six Months Ended	
	June 30, 2013	2012	June 30, 2013	2012
RSUs	\$3,834	\$2,575	\$7,302	\$4,788
PBRsUs	3,400	1,164	7,188	2,524
Stock options	1,445	938	2,128	1,719
Employee stock purchase plan	112	—	315	—
	\$8,791	\$4,677	\$16,933	\$9,031

Note 12 – Litigation and Regulatory Contingencies

We have been named in various lawsuits. Also, we may from time to time be subject to audit or investigation by governmental agencies. Currently, governmental agencies are auditing or investigating certain of our operations.

With respect to matters where we have determined that a loss is both probable and reasonably estimable, we have recorded a liability representing our best estimate of the financial exposure based on known facts. While the ultimate disposition of each such audit, investigation or lawsuit is not yet determinable, we do not believe that the ultimate resolution of these matters, either individually or in the aggregate, will have a material adverse effect on our financial

condition, results of operations or cash flows. In addition, we do not believe there is a reasonable possibility that a material loss exceeding amounts already accrued may have been incurred. We record expenses for legal fees as incurred.

We have \$1.7 million as of June 30, 2013 and \$2.4 million as of December 31, 2012 reserved for litigation and regulatory contingency matters.

FDIC

On May 9, 2011, the Federal Deposit Insurance Corporation (the “FDIC”), as Receiver of Washington Mutual Bank (“WaMu”), filed a complaint in the United States District Court for the Central District of California (the “Court”) against CoreLogic Valuation Services, LLC (“CVS”), as successor to eAppraiseIT, LLC (“eAppraiseIT”) and several of its current and former affiliates.

The FDIC complaint alleged that eAppraiseIT was grossly negligent and breached its contract with WaMu in the provision of appraisal services in 2006 and 2007 relating to 194 residential mortgage loans. On November 14, 2011, the Court granted the defendants' motion to dismiss the FDIC's gross negligence, alter ego, single business enterprise and joint venture claims, and a portion of the breach of contract claim. On November 30, 2011, the FDIC filed its first amended complaint, alleging only breach of contract claims and naming only CVS and its parent CoreLogic Real Estate Solutions, LLC f/k/a First American Real Estate Solutions, LLC as defendants. The amended complaint sought to recover losses of at least \$129.0 million that the FDIC alleges WaMu suffered on loans allegedly related to these appraisal services. On February 6, 2012, the Court granted the defendants' motion to dismiss the FDIC's \$16.0 million breach of contract claim related to 26 appraisal services allegedly provided before the effective date of the WaMu - eAppraiseIT Agreement. On February 16, 2012, the FDIC filed a second amended complaint reasserting that claim. On April 25, 2012, the court granted the defendants' motion to dismiss that \$16.0 million claim with prejudice. On December 4, 2012, the FDIC filed its third amended complaint further reducing the total number of transactions at issue to 160 and reducing the amount of its purported losses to at least \$108.0 million. On June 20, 2013, the court dismissed 14 additional transactions with prejudice pursuant to a stipulation between the parties. As a result, the number of transactions at issue has been reduced to 146 and the amount of the FDIC's purported losses has been reduced to at least \$98.9 million.

The defendants intend to defend against the remaining claims vigorously; however, they may not be successful. At this time, we cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

RESPA Class Action

On February 8, 2008, a purported class action was filed in the United States District Court for the Northern District of California, San Jose Division, against WaMu and eAppraiseIT alleging breach of contract, unjust enrichment, and violations of the Real Estate Settlement Procedures Act (“RESPA”), the California Unfair Competition Law and the California Consumers Legal Remedies Act. The complaint alleged a conspiracy between WaMu and eAppraiseIT to allow WaMu to direct appraisers to artificially inflate appraisals in order to qualify higher value loans that WaMu could then sell in the secondary market. Plaintiffs subsequently voluntarily dismissed WaMu on March 9, 2009. On August 30, 2009, the court dismissed all claims against eAppraiseIT except the RESPA claim.

On July 2, 2010, the court denied plaintiff's first motion for class certification. On November 19, 2010, the plaintiffs filed a renewed motion for class certification. On April 25, 2012, the court granted plaintiffs' renewed motion and certified a nationwide class of all persons who, on or after June 1, 2006, received home loans from WaMu in connection with appraisals that were obtained through eAppraiseIT. On July 12, 2012, the Ninth Circuit Court of Appeals declined to review the class certification order.

CVS, as the successor to eAppraiseIT, intends to defend against this claim vigorously; however, it may not be successful. At this time we cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

FCRA Class Action

On June 30, 2011, a purported class action was filed in the United States District Court for the Northern District of Illinois against our subsidiary Teletrack, Inc. ("Teletrack"). The complaint alleges that Teletrack has been furnishing consumer reports to third parties who did not have a permissible purpose to obtain them in violation of the Fair Credit Reporting Act, 15 U.S.C. §1681 et seq., and seeks to recover actual, punitive and statutory damages, as well as attorney's fees, litigation expenses and costs of suit. On September 20, 2011, Teletrack filed a motion to dismiss the complaint on grounds that the plaintiffs lacked standing. That motion was denied on March 7, 2012. Teletrack denied the allegations and has been defending against this claim vigorously. On March 27, 2013, the parties reached settlement in principle that would dismiss all claims. On May 8, 2013, a formal settlement agreement was concluded and on May 17, 2013 all claims were dismissed, with the dismissal of the individual plaintiffs' claims being with prejudice.

Separation

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Following the spin-off of our financial services businesses into a new, publicly-traded, New York Stock Exchange-listed company called First American Financial Corporation (“FAFC”) in June 2010 (the “Separation”), we are responsible for a portion of FAFC's contingent and other corporate liabilities. In the Separation and Distribution Agreement we entered into in connection with the Separation, we agreed with FAFC to share equally in the cost of resolution of a small number of corporate-level lawsuits, including certain consolidated securities litigation matters from which we have since been dropped. There were no liabilities incurred in connection with the consolidated securities matters. Responsibility to manage each case has been assigned to either FAFC or us, with the managing party required to update the other party regularly and consult with the other party prior to certain important decisions, such as settlement. The managing party will also have primary responsibility for determining the ultimate total liability, if any, related to the applicable case. We will record our share of any such liability when the responsible party determines a reserve is necessary in accordance with GAAP. At June 30, 2013, no reserves were considered necessary.

In addition, the Separation and Distribution Agreement provides for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of FAC's financial services business with FAFC and financial responsibility for the obligations and liabilities of FAC's information solutions business with us. Specifically, each party will, and will cause its subsidiaries and affiliates to, indemnify, defend and hold harmless the other party, its respective affiliates and subsidiaries and each of its respective officers, directors, employees and agents for any losses arising out of or otherwise in connection with the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement; and any breach by such party of the Separation and Distribution Agreement.

Note 13 – Acquisitions

In March 2013, we completed our acquisition of Case-Shiller for \$6.0 million before working capital adjustments. Case-Shiller is included as a component of the data and analytics segment. The purchase price was allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis which included significant unobservables. We recorded \$1.8 million of customer lists with an estimated average life of 10 years, \$3.0 million of tradenames with an estimated average life of 10 years and goodwill of \$0.6 million. The business combination did not have a material impact on our consolidated financial statements.

In February 2013, we completed our acquisition of RESDirect for \$4.0 million from RELS. See Note 2 - Investments in Affiliates. RESDirect is included as a component of the mortgage origination services segment. The purchase price was allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis which included significant unobservables. We recorded \$1.5 million of customer lists with an estimated average life of 3 years. The business combination did not have a material impact on our consolidated financial statements.

Note 14 – Discontinued Operations

In September 2012, we completed the wind down of our 100% owned consumer services business. As of August 31, 2012, we completed the disposition of American Driving Records within our transportation services business. In the first quarter of 2012, we recorded a pre-tax write-down of the remaining goodwill of \$13.9 million in our 100% owned appraisal management company based on valuation indicators from the disposal process. For the six months ended June 30, 2012, we recorded a loss of \$3.0 million on sale of discontinued operations, net.

Summarized below are certain assets and liabilities classified as discontinued operations as of June 30, 2013 and December 31, 2012:

(in thousands)	Data and Analytics		Mortgage Origination Services	Asset Management and Processing	Total
	Marketing	Consumer	Appraisal	Transportation	
As of June 30, 2013					
Total assets	\$204	\$251	\$336	\$—	\$791
Total liabilities	\$867	\$95	\$3,103	\$(37)	\$4,028
As of December 31, 2012					
Total assets	\$204	\$251	\$337	\$2	\$794
Total liabilities	\$776	\$691	\$1,920	\$(35)	\$3,352

Summarized below are the components of our income/(loss) from discontinued operations for the three and six months ended June 30, 2013 and 2012:

(in thousands)	Data and Analytics		Mortgage Origination Services	Asset Management and Processing	Total
	Marketing	Consumer	Appraisal	Transportation	
For the three months ended June 30, 2013					
Operating revenue	\$—	\$—	\$—	\$—	\$—
Loss from discontinued operations before income taxes	(507)	\$—	(1,614)	\$—	(2,121)
Income tax benefit	(194)	—	(617)	—	(811)
Loss from discontinued operations, net of tax	\$(313)	\$—	\$(997)	\$—	\$(1,310)
For the three months ended June 30, 2012					
Operating revenue	\$—	\$24,527	\$8,212	\$16,785	\$49,524
Income/(loss) from discontinued operations before income taxes	55	3,796	(2,353)	(1,701)	(203)
Income tax expense/(benefit)	21	1,480	(924)	(1,763)	(1,186)
Income/(loss) from discontinued operations, net of tax	\$34	\$2,316	\$(1,429)	\$62	\$983

	Data and Analytics		Mortgage Origination Services	Asset Management and Processing	
For the six months ended June 30, 2013	Marketing	Consumer	Transportation	Appraisal	Total
Operating revenue	\$—	\$—	\$—	\$—	\$—
(Loss)/income from discontinued operations before income taxes	(617	) 196	—	(2,762	) (3,183
Income tax (benefit)/expense	(236	) 75	—	(1,056	) (1,217
(Loss)/income from discontinued operations, net of tax	\$(381	) \$121	\$—	\$(1,706	) \$(1,966
For the six months ended June 30, 2012					
Operating revenue	\$—	\$47,363	\$34,792	\$18,199	\$100,354
Income/(loss) from discontinued operations before income taxes	177	5,526	(1,730	) (16,554	) (12,581
Income tax expense/(benefit)	69	2,151	(1,774	) (5,042	) (4,596
Income/(loss) from discontinued operations, net of tax	\$108	\$3,375	\$44	\$(11,512	) \$(7,985

Note 15 – Transactions with FAFC

On June 1, 2010, we completed the Separation through a distribution (the “Distribution”) of all of the outstanding shares of FAFC, to the holders of our common shares, par value \$1.00 per share, as of May 26, 2010. After the Distribution, we retained the information solutions businesses.

In connection with the Separation transactions, we issued approximately \$250.0 million in value, or 12,933,265 shares of our common stock, to FAFC. Based on the closing price of our stock on June 1, 2010, the value of the equity issued to FAFC was \$242.6 million. As a result, we made a cash payment to FAFC of \$7.4 million to arrive at the full value of \$250.0 million. FAFC agreed to dispose of the shares five years after the Separation or to bear any adverse tax consequences arising out of holding the shares for longer than that period. Since the Separation, we repurchased 10,433,265 shares of our common stock that was owned by FAFC or one of its subsidiaries for an aggregate purchase price of \$227.7 million.

In addition, we entered into various transition services agreements with FAFC effective June 1, 2010. The agreements include transitional services in the areas of information technology, tax, accounting and finance, employee benefits and internal audit. Except for the information technology services agreements, the transition services agreements were short-term in nature. For the three and six months ended June 30, 2012, the net amount of \$1.7 million and \$3.3 million was recognized as a reduction of other operating expenses in connection with the transition services agreements (reflecting services provided by us to FAFC and from FAFC to us).

FAFC owns two office buildings that were leased to us under the terms of certain lease agreements that expired in December 2012. Rental expense associated with these properties totaled \$1.1 million and \$2.2 million for the three and six months ended June 30, 2012.

During the three and six months ended June 30, 2012, we entered into commercial transactions with affiliates of FAFC. The revenue associated with these transactions, which primarily related to sales of data and other settlement services totaled \$3.8 million and \$7.5 million for the three and six months ended June 30, 2012, respectively. The expenses related to these transactions, which primarily related to purchase of data and other settlement services, totaled \$0.3 million and \$0.6 million for the three and six months ended June 30, 2012, respectively.

Note 16 – Segment Information

We have organized our reportable segments into the following three segments: data and analytics, mortgage origination services and asset management and processing solutions.

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Data and Analytics. Our data and analytics segment owns or licenses data assets including loan information, criminal and eviction records, employment verification, property characteristic information and information on mortgage-backed securities. We both license our data directly to our customers and provide our customers with analytical products for risk management, collateral assessment, loan quality reviews and fraud assessment. We are also a provider of geospatial proprietary software and databases combining geographic mapping and data. Our primary customers are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, property and casualty insurance companies, title insurance companies and government-sponsored enterprises.

Our data and analytics segment includes intercompany revenues of \$3.6 million and \$2.2 million for the three months ended June 30, 2013 and 2012, respectively, and \$8.5 million and \$6.2 million for the six months ended June 30, 2013 and 2012, respectively. The segment also includes intercompany expenses of \$1.1 million and \$0.8 million for the three months ended June 30, 2013 and 2012, respectively, and \$2.0 million and \$1.4 million for the six months ended June 30, 2013 and 2012, respectively.

Mortgage Origination Services. Our mortgage origination services segment provides tax monitoring, flood zone certification and monitoring, credit services, mortgage loan administration and production services, lending solutions and mortgage-related business process outsourcing. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, and government agencies.

Our mortgage origination services segment includes intercompany revenues of \$1.6 million and \$0.8 million for the three months ended June 30, 2013 and 2012, respectively, and \$2.9 million and \$1.5 million for the six months ended June 30, 2013 and 2012, respectively. The segment also includes intercompany expenses of \$3.0 million and \$2.1 million for the three months ended June 30, 2013 and 2012, respectively, and \$6.9 million and \$5.9 million for the six months ended June 30, 2013 and 2012, respectively.

Asset Management and Processing Solutions. Our asset management and processing solutions segment provides mortgage default management services, loss mitigation services, property valuation, processing solutions and management services. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and property and casualty insurance companies.

Our asset management and processing solutions segment includes intercompany revenues of \$1.3 million and \$0.8 million for the three months ended June 30, 2013 and 2012, respectively, and \$2.2 million and \$1.5 million for the six months ended June 30, 2013 and 2012, respectively. The segment also includes intercompany expenses that were not considered significant for the three and six months ended June 30, 2013 and 2012.

Corporate consists primarily of investment gains and losses, corporate personnel and other operating expenses associated with our corporate functions and facilities, certain technology initiatives, equity in earnings of affiliates, net of tax, unallocated interest expense, and our marketing services group (which focuses on lead generation).

It is impracticable to disclose revenues from external customers for each product and service offered.

Selected financial information by reportable segment is as follows:

(in thousands)

For the three months ended June 30, 2013	Operating Revenues	Depreciation and Amortization	Operating Income/(Loss)	Equity in Earnings/(Loss) of Affiliates, Net of Tax	Net Income/(Loss) From Continuing Operations	Capital Expenditures
Data and analytics	\$ 168,974	\$ 19,176	\$ 31,244	\$ 546	\$ 31,923	\$ 13,799
Mortgage origination services	184,432	7,244	49,006	14,415	63,285	3,570
Asset management and processing solutions	80,050	670	17,947	—	17,951	168
Corporate Eliminations	179 (6,663)	7,734 —	(29,811) —	(5,616) —	(68,299) —	8,431 —
Consolidated (excluding discontinued operations)	\$ 426,972	\$ 34,824	\$ 68,386	\$ 9,345	\$ 44,860	\$ 25,968
For the three months ended June 30, 2012						
Data and analytics	\$ 151,896	\$ 18,676	\$ 32,735	\$ 572	\$ 32,894	\$ 14,119
Mortgage origination services	148,048	6,962	38,119	18,533	56,575	4,297
Asset management and processing solutions	93,646	1,811	19,790	—	19,860	1,063
Corporate Eliminations	151 (4,380)	3,576 (120)	(23,202) 120	(7,360) —	(68,306) 120	379 —
Consolidated (excluding discontinued operations)	\$ 389,361	\$ 30,905	\$ 67,562	\$ 11,745	\$ 41,143	\$ 19,858
For the six months ended June 30, 2013						
Data and analytics	\$ 330,039	\$ 38,728	\$ 55,550	\$ 1,183	\$ 57,023	\$ 26,959
Mortgage origination services	360,883	13,913	99,692	27,862	127,288	7,818
Asset management and processing solutions	146,856	1,343	23,451	—	24,961	255
Corporate Eliminations	346 (13,983)	15,654 —	(55,031) —	(10,913) —	(130,213) —	18,568 —
Consolidated (excluding discontinued operations)	\$ 824,141	\$ 69,638	\$ 123,662	\$ 18,132	\$ 79,059	\$ 53,600
For the six months ended June 30, 2012						
Data and analytics	\$ 298,951	\$ 36,421	\$ 56,272	\$ 1,215	\$ 56,776	\$ 27,913
Mortgage origination services	289,814	14,043	69,122	33,388	102,135	8,854
Asset management and processing solutions	168,630	2,606	30,209	—	30,353	1,884

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Corporate	342	7,462	(42,949) (13,388) (119,298) 1,685
Eliminations	(10,275) (135) 135	—	135	—
Consolidated (excluding discontinued operations)	\$747,462	\$60,397	\$112,789	\$ 21,215	\$ 70,101	\$40,336

(in thousands)	As of June 30, 2013	As of December 31, 2012
Assets		
Data and analytics	\$1,325,344	\$1,375,775
Mortgage origination services	1,017,562	1,000,382
Asset management and processing solutions	193,812	211,515
Corporate	4,501,099	4,344,263
Eliminations	(4,014,649	) (3,902,902
Consolidated (excluding discontinued operations)	\$3,023,168	\$3,029,033

Note 17 - Guarantor Subsidiaries

As discussed in Note 7 - Long-Term Debt, the Notes are guaranteed on a senior unsecured basis by each of our existing and future direct and indirect subsidiaries that guarantee our Credit Agreement. These guarantees are required in support of the Notes, are coterminous with the terms of the Notes and would require performance upon certain events of default referred to in the respective guarantees. The guarantees are subject to release under certain customary circumstances. The indenture governing the notes provides that the guarantees may be automatically and unconditionally released only upon the following circumstances: 1) the guarantor is sold or sells all of its assets in compliance with the terms of the indenture; 2) the guarantor is released from its guarantee obligations under the credit agreement; 3) the guarantor is properly designated as an "unrestricted subsidiary", and 4) the requirements for legal or covenant defeasance or satisfaction and discharge have been satisfied.

The maximum potential amounts that could be required to be paid under the domestic guarantees are essentially equal to the outstanding principal and interest under the Notes. The following condensed consolidating financial information reflects the separate accounts of CoreLogic, Inc. (the "Parent"), the combined accounts of the guarantor subsidiaries, the combined accounts of the non-guarantor subsidiaries, the combined consolidating adjustments and eliminations and the Parent's consolidated accounts for the dates and periods indicated.

Condensed Balance Sheet

As of June 30, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Adjustments	Total
Assets:					
Cash and cash equivalents	\$147,775	\$1,611	\$27,205	\$ —	\$176,591
Other current assets	47,140	369,998	24,959	(4,453)	437,644
Property and equipment, net	15,948	137,744	28,037	—	181,729
Goodwill	—	1,336,593	149,614	—	1,486,207
Other identifiable intangible assets, net	376	115,604	39,744	—	155,724
Capitalized data and database cost, net	—	243,437	72,851	—	316,288
Investments in affiliates	—	93,937	5,547	—	99,484
Deferred income tax assets, long-term	59,523	—	—	(59,523)	—
Restricted cash	18,303	306	1,416	—	20,025
Investment in subsidiaries	1,933,141	—	—	(1,933,141)	—
Intercompany receivable	62,619	247,348	4,722	(314,689)	—
Other assets	108,945	39,311	2,011	—	150,267
Total assets	\$2,393,770	\$2,585,889	\$356,106	\$ (2,311,806)	\$3,023,959
Liabilities and equity:					
Current liabilities	\$85,164	\$394,812	\$30,994	\$ (4,453)	\$506,517
Long-term debt, net	779,095	4,636	—	—	783,731
Deferred revenue	—	345,381	—	—	345,381
Deferred income taxes, long term	—	116,598	19,833	(59,523)	76,908
Intercompany payable	252,070	—	62,619	(314,689)	—
Other liabilities	127,797	30,342	3,639	—	161,778
Total CoreLogic stockholders' equity	1,149,644	1,694,120	239,021	(1,933,141)	1,149,644
Noncontrolling interests	—	—	—	—	—
Total liabilities and equity	\$2,393,770	\$2,585,889	\$356,106	\$ (2,311,806)	\$3,023,959

Condensed Balance Sheet
As of December 31, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating	Total
Assets:						
Cash and cash equivalents	\$111,305	\$1,812	\$35,741	\$ —		148,858
Other current assets	59,977	364,178	17,352	(441	)	441,066
Property and equipment, net	14,921	139,831	31,865	—		186,617
Goodwill	—	1,323,700	180,532	—		1,504,232
Other identifiable intangible assets, net	—	123,011	48,573	—		171,584
Capitalized data and database cost, net	—	238,598	83,691	—		322,289
Investments in affiliates	—	88,647	5,580	—		94,227
Deferred income tax assets, long-term	59,523	—	—	(59,523)	—
Restricted cash	18,299	305	3,513	—		22,117
Investment in subsidiaries	1,853,561	—	—	(1,853,561)	—
Intercompany receivable	65,885	125,587	—	(191,472)	—
Other assets	107,976	28,420	2,441	—		138,837
Total assets	\$2,291,447	\$2,434,089	\$409,288	\$ (2,104,997	)	\$3,029,827
Liabilities and equity:						
Current liabilities	\$82,668	\$406,890	\$27,974	\$ (441	)	\$517,091
Long-term debt, net	783,470	8,854	—	—		792,324
Deferred revenue	—	309,418	—	—		309,418
Deferred income taxes, long term	—	111,051	19,833	(59,523	)	71,361
Intercompany payable	125,587	—	65,885	(191,472)	—
Other liabilities	130,421	33,011	5,255	—		168,687
Total CoreLogic stockholders' equity	1,169,301	1,564,865	288,696	(1,853,561	)	1,169,301
Noncontrolling interests	—	—	1,645	—		1,645
Total liabilities and equity	\$2,291,447	\$2,434,089	\$409,288	\$ (2,104,997	)	\$3,029,827

Condensed Statement of Operations
For the three months ended June 30, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating)	Total
Operating revenues	\$—	\$409,695	\$ 23,940	\$ (6,663	)	\$426,972
Intercompany revenues	—	—	179	(179)	—
Cost of services (exclusive of depreciation and amortization below)	—	219,284	8,891	(6,842	)	221,333
Selling, general and administrative expenses	20,920	73,034	8,475	—		102,429
Depreciation and amortization	844	28,009	5,971	—		34,824
Operating (loss)/income	(21,764	) 89,368	782	—		68,386
Total interest (expense)/income, net	(11,750	) (143	) 140	—		(11,753
Gain on investment and other, net	395	4	—	—		399
(Provision)/benefit for income taxes	(11,922	) 33,689	(250	) —		21,517
Equity in earnings of affiliates, net of tax	—	9,121	224	—		9,345
Equity in earnings of subsidiary, net of tax	64,747	—	—	(64,747)	—
Net income/(loss) from continuing operations, net of tax	43,550	64,661	1,396	(64,747	)	44,860
Loss from discontinued operations, net of tax	—	(1,310	) —	—		(1,310
Net income/(loss) attributable to CoreLogic	\$43,550	\$63,351	\$ 1,396	\$ (64,747	)	\$43,550
Net income/(loss)	\$43,550	\$63,351	\$ 1,396	\$ (64,747	)	\$43,550
Total other comprehensive income/(loss)	(37,933	) —	(39,000	) 39,000		(37,933
Comprehensive income/(loss) attributable to CoreLogic	\$5,617	\$63,351	\$ (37,604	) \$ (25,747	)	\$5,617

Condensed Statement of Operations						
For the three months ended June 30, 2012						
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating)	Total
Operating revenues	\$—	\$367,169	\$ 22,192	\$ —		\$ 389,361
Intercompany revenues	—	—	151	(151)	—
Cost of services (exclusive of depreciation and amortization below)	—	196,672	9,203	(151	)	205,724
Selling, general and administrative expenses	13,269	64,128	7,773	—		85,170
Depreciation and amortization	603	24,059	6,243	—		30,905
Operating (loss)/income	(13,872	) 82,310	(876	) —		67,562
Total interest expense, net	(12,508	) (3	) (823	) —		(13,334
(Loss)/gain on investment and other, net	(296	) (1,547	) 591	—		(1,252
(Benefit)/provision for income taxes	(6,944	) 27,960	2,562	—		23,578
Equity in earnings of affiliates, net of tax	—	11,405	340	—		11,745
Equity in earnings of subsidiary, net of tax	62,389	—	—	(62,389)	—
Net income/(loss) from continuing operations, net of tax	42,657	64,205	(3,330	) (62,389	)	41,143
Income from discontinued operations, net of tax	—	983	—	—		983
Gain from sale of discontinued operations, net of tax	—	466	—	—		466
Net income/(loss)	42,657	65,654	(3,330	) (62,389	)	42,592
Less: Net loss attributable to noncontrolling interest	—	—	(65	) —		(65
Net income/(loss) attributable to CoreLogic	\$42,657	\$65,654	\$ (3,265	) \$ (62,389	)	\$42,657
Net income/(loss)	\$42,657	\$65,654	\$ (3,330	) \$ (62,389	)	\$42,592
Total other comprehensive (loss)/income	(2,762	) —	(3,152	) 3,152		(2,762
Less: Comprehensive loss attributable to noncontrolling interests	—	—	(65	) —		(65
Comprehensive income/(loss) attributable to CoreLogic	\$39,895	\$65,654	\$ (6,417	) \$ (59,237	)	\$39,895

Condensed Statement of Operations

For the six months ended June 30, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating)	Total	
Operating revenues	\$—	\$777,127	\$47,014	\$ —		\$824,141	
Intercompany revenues	—	—	346	(346)	—	
Cost of services (exclusive of depreciation and amortization below)	—	419,089	18,617	(346	)	437,360
Selling, general and administrative expenses	37,452	139,319	16,710	—		193,481	
Depreciation and amortization	1,694	56,203	11,741	—		69,638	
Operating (loss)/income	(39,146	) 162,516	292	—		123,662
Total interest (expense)/income, net	(23,446) (210) 298	—		(23,358)
Gain on investment and other, net	1,735	1,463	—	—		3,198	
(Benefit)/provision for income taxes	(19,752	) 62,110	217	—		42,575
Equity in earnings of affiliates, net of tax	—	17,574	558	—		18,132	
Equity in earnings of subsidiary, net of tax	118,224	—	—	(118,224)	—	
Net income/(loss) from continuing operations, net of tax	77,119	119,233	931	(118,224	)	79,059
Loss from discontinued operations, net of tax	—	(1,966) —	—		(1,966)
Net income/(loss)	77,119	117,267	931	(118,224	)	77,093
Less: Net loss attributable to noncontrolling interest	—	—	(26) —		(26)
Net income/(loss) attributable to CoreLogic	\$77,119	\$117,267	\$957	\$ (118,224	)	\$77,119
Net income/(loss)	\$77,119	\$117,267	\$931	\$ (118,224	)	\$77,093
Total other comprehensive (loss)/income	(38,472) —	(39,934) 39,934		(38,472)
Less: Comprehensive loss attributable to noncontrolling interests	—	—	(26) —		(26)
Comprehensive income/(loss) attributable to CoreLogic	\$38,647	\$117,267	\$(38,977	) \$ (78,290	)	\$38,647

Condensed Statement of Operations

For the six months ended June 30, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating)	Total
Operating revenues	\$—	\$703,144	\$44,318	\$—		\$747,462
Intercompany revenues	—	—	342	(342)	—
Cost of services (exclusive of depreciation and amortization below)	—	385,463	18,268	(342	)	403,389
Selling, general and administrative expenses	31,168	122,133	17,586	—		170,887
Depreciation and amortization	1,528	46,827	12,042	—		60,397
Operating (loss)/income	(32,696	) 148,721	(3,236	) —		112,789
Total interest (expense)/income, net	(26,000	) 188	(1,664	) —		(27,476
Gain/(loss) on investment and other, net	1,345	(1,547	) 591	—		389
(Benefit)/provision for income taxes	(21,470	) 56,365	1,921	—		36,816
Equity in earnings of affiliates, net of tax	—	20,571	644	—		21,215
Equity in earnings of subsidiary, net of tax	95,168	—	—	(95,168)	—
Net income/(loss) from continuing operations, net of tax	59,287	111,568	(5,586	) (95,168	)	70,101
Loss from discontinued operations, net of tax	—	(7,985	) —	—		(7,985
Loss on sale of discontinued operations, net of tax	—	(2,987	) —	—		(2,987
Net income/(loss)	59,287	100,596	(5,586	) (95,168	)	59,129
Less: Net loss attributable to noncontrolling interest	—	—	(158	) —		(158
Net income/(loss) attributable to CoreLogic	\$59,287	\$100,596	\$ (5,428	) \$ (95,168	)	\$59,287
Net income/(loss)	\$59,287	\$100,596	\$ (5,586	) \$ (95,168	)	\$59,129
Total other comprehensive income/(loss)	1,373	—	1,015	(1,015	)	1,373
Less: Comprehensive loss attributable to noncontrolling interests	—	—	(158	) —		(158
Comprehensive income/(loss) attributable to CoreLogic	\$60,660	\$100,596	\$ (4,413	) \$ (96,183	)	\$60,660

Condensed Statement of Cash Flows
For the six months ended June 30, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating Total
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities - continuing operations	\$(11,627)	\$173,567	\$ 6,022	\$ —	\$167,962
Net cash used in operating activities - discontinued operations	—	(1,288)	—	—	(1,288)
Total cash (used in)/provided by operating activities	\$(11,627)	\$172,279	\$ 6,022	\$ —	\$166,674
Cash flow from investing activities:					
Purchases of property and equipment	(2,698)	(27,999)	(3,975)	—	(34,672)
Purchases of capitalized data and other intangible assets	(376)	(16,432)	(2,120)	—	(18,928)
Cash paid for acquisitions, net of cash acquired	—	(6,852)	—	—	(6,852)
Purchases of investments	—	(2,351)	—	—	(2,351)
Proceeds from sale of subsidiary and other increases in noncontrolling interest, net	—	800	—	—	800
Change in restricted cash	(4)	—	2,097	—	2,093
Net cash used in investing activities - continuing operations	(3,078)	(52,834)	(3,998)	—	(59,910)
Net cash used in investing activities - discontinued operations	—	—	—	—	—
Total cash used in investing activities	\$(3,078)	\$(52,834)	\$(3,998)	\$ —	\$(59,910)
Cash flow from financing activities:					
Proceeds from long-term debt	—	551	—	—	551
Repayments of long-term debt	(4,375)	(48)	—	—	(4,423)
Share repurchased and retired	(75,676)	—	—	—	(75,676)
Proceeds from issuance of stock related to stock options and employee benefit plans	7,119	—	—	—	7,119
Minimum tax withholding paid on behalf of employees for restricted stock units	(6,680)	—	—	—	(6,680)
Tax benefit/(liability) related to stock options	2,326	326	—	—	2,652
Intercompany payments	—	(121,761)	(7,986)	129,747	—
Intercompany proceeds	129,747	—	—	(129,747)	—
	52,461	(120,932)	(7,986)	—	(76,457)

Net cash used in by financing activities - continuing operations					
Net cash provided by financing activities - discontinued operations	—	—	—	—	—
Total cash used in by financing activities	\$52,461	\$(120,932)	\$(7,986)	\$ —	\$(76,457)
Effect of exchange rate on cash	—	—	(2,574)	—	(2,574)
Net (decrease)/increase in cash and cash equivalents	37,756	(1,487)	(8,536)	—	27,733

Cash and cash equivalents at beginning of period	111,305	1,812	35,741	—	148,858
Less: Change in cash and cash equivalents - discontinued operations	—	(1,288)	) —	—	(1,288)
Plus: Cash swept to discontinued operations	(1,286	) (2	) —	—	(1,288)
Cash and cash equivalents at end of period	\$147,775	\$1,611	\$27,205	\$—	\$176,591

Condensed Statement of Cash Flows
For the six months ended June 30, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating Total
Cash flows from operating activities:					
Net cash provided by/(used in) operating activities - continuing operations	\$3,462	\$182,119	\$(2,514)	\$ —	\$183,067
Net cash used in operating activities - discontinued operations	—	9,490	—	—	9,490
Total cash provided by/(used in) operating activities	\$3,462	\$191,609	\$(2,514)	\$ —	\$192,557
Cash flow from investing activities:					
Purchases of property and equipment	(244)	(18,146)	(6,549)	—	(24,939)
Purchases of capitalized data and other intangible assets	—	(14,043)	(1,354)	—	(15,397)
Proceeds from sale of property and equipment	—	1,832	—	—	1,832
Change in restricted cash	—	(184)	307	—	123
Net cash used in investing activities - continuing operations	(244)	(30,541)	(7,596)	—	(38,381)
Net cash provided by investing activities - discontinued operations	—	(4,745)	—	—	(4,745)
Total cash used in investing activities	\$(244)	\$(35,286)	\$(7,596)	\$ —	\$(43,126)
Cash flow from financing activities:					
Repayments of long-term debt	(103,018)	(10,726)	(81)	—	(113,825)
Share repurchased and retired	(28,744)	—	—	—	(28,744)
Proceeds from issuance of stock related to stock options and employee benefit plans	768	—	—	—	768
Minimum tax withholding paid on behalf of employees for restricted stock units	(2,577)	—	—	—	(2,577)
Distribution to noncontrolling interests	—	(10)	—	—	(10)
Cash dividends	—	10	(10)	—	—
Excess tax benefit related to stock options	109	—	—	—	109
Intercompany payments	(5,963)	(152,437)	—	158,400	—
Intercompany proceeds	152,437	—	5,963	(158,400)	—
Net cash (used in)/provided by financing activities - continuing operations	13,012	(163,163)	5,872	—	(144,279)
	—	2	—	—	2

Net cash provided by financing activities - discontinued operations					
Total cash (used in)/provided by financing activities	\$ 13,012	\$(163,161)	\$ 5,872	\$ —	\$(144,277)
Net increase/(decrease) in cash and cash equivalents	16,230	(6,838)	(4,238)	—	5,154
Cash and cash equivalents at beginning of period	229,871	9,106	20,289	—	259,266
Less: Change in cash and cash equivalents - discontinued operations	—	4,747	—	—	4,747
Cash and cash equivalents at end of period	\$ 246,101	\$(2,479)	\$ 16,051	\$ —	\$ 259,673

Revisions to Condensed Consolidating Financial Information

The consolidated income statement for the three and six months ended and condensed consolidated statement of cash flows for the six months ended June 30, 2012 have been revised to gross up intercompany revenues and expenses and to move balances related to non-controlling interests from the Parent to the non-guarantor subsidiaries. We assessed the materiality of these items on previously issued annual and interim financial statements in accordance with SEC SAB No. 99, and concluded that the errors were not material to the consolidated financial statements. The impact of these revisions to the condensed consolidating financial information for 2012 are as follows:

	Increase/(Decrease)					
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating	Total
Condensed Statement of Operations						
For the three months ended June 30, 2012						
Operating revenue, net	\$—	\$151	\$—	\$ (151)	\$—
Total operating expenses	\$—	\$151	\$—	\$ (151)	\$—
Less: Net income/(loss) attributable to noncontrolling interests	\$65	\$—	\$ (65)	\$ —	\$—
Net income attributable to CLGX	\$—	\$—	\$ 65	\$ (65)	\$—
Comprehensive income/(loss) attributable to CoreLogic	\$—	\$—	\$ 65	\$ (65)	\$—
For the six months ended June 30, 2012						
Operating revenue, net	\$—	\$342	\$—	\$ (342)	\$—
Total operating expenses	\$—	\$342	\$—	\$ (342)	\$—
Less: Net income/(loss) attributable to noncontrolling interests	\$158	\$—	\$ (158)	\$ —	\$—
Net income attributable to CLGX	\$—	\$—	\$ 158	\$ (158)	\$—
Comprehensive income/(loss) attributable to CoreLogic	\$—	\$—	\$ 158	\$ (158)	\$—
Condensed Statement of Cash Flows						
For the six months ended June 30, 2012						
Net cash provided by/(used in) operating activities - continuing operations	\$—	\$—	\$—	\$ —		\$—
Net cash (used in)/provided by investing activities - continuing operations	\$—	\$—	\$—	\$ —		\$—
Net cash (used in)/provided by financing activities - continuing operations	\$—	\$(1,292	)	\$ 1,292	\$ —	\$—

Note 18 – Subsequent Events

On June 30, 2013, we entered into an agreement to acquire Marshall & Swift/Boeckh, a provider of residential and commercial property valuation solutions, DataQuick Information Systems, a property data and analytics information company, and the credit, flood and automated valuation model businesses of DataQuick Lender Solutions from the Decision Insight Information Group for total consideration of \$661.0 million, subject to certain closing adjustments. The closing of the transaction is conditioned upon customary closing conditions, including the expiration or

termination of the waiting period of the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

On July 1, 2013, we acquired the assets and operating platforms of Bank of America's flood zone determination and tax processing services businesses. In addition, we entered into a services agreement with Bank of America to continue to provide these services to them. The consideration paid for the acquisition totaled \$62.5 million and was funded by cash on

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hand.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and certain information incorporated herein by reference contain forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this Quarterly Report, other than statements that are purely historical, are forward-looking statements. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," "should," "would," "could," "may," and similar expressions also identify forward-looking statements. The forward-looking statements include, without limitation, statements regarding our future operations, financial condition and prospects, operating results, revenues and earnings liquidity, our estimated income tax rate, unrecognized tax positions, amortization expenses, impact of recent accounting pronouncements, our acquisition and divestiture strategy and our growth plans for 2013, the Company's share repurchases, the level of aggregate U.S. mortgage originations and inventory of delinquent mortgage loans and loans in foreclosure and the reasonableness of the carrying value related to specific financial assets and liabilities.

Our expectations, beliefs, objectives, intentions and strategies regarding the future results are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from results contemplated by our forward-looking statements. These risks and uncertainties include, but are not limited to:

- limitations on access to or increase in prices for data from external sources, including government and public record sources;

- changes in applicable government legislation, regulations and the level of regulatory scrutiny affecting our customers or us, including with respect to consumer financial services and the use of public records and consumer data;

- compromises in the security of our data transmissions, including the transmission of confidential information, or systems interruptions;

- difficult conditions in the mortgage and consumer lending industries and the economy generally, together with our customer concentration and the impact of these factors thereon;

- our ability to protect proprietary technology rights;

- our growth strategies and cost reduction plans and our ability to effectively and efficiently implement them;

- risks related to the outsourcing of services and our international operations;

- our indebtedness and the restrictions in our various debt agreements; and

- impairments in our goodwill or other intangible assets.

The forward-looking statements in this Quarterly Report on Form 10-Q are subject to additional risks and uncertainties set forth in Item 1A of Part II below, and are based on information available to us on the date hereof. Because of these risk factors, as well as other variables affecting our financial condition, results of operations or cash flows, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. We assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of the filing of this Quarterly

Report on Form 10-Q.

Business Overview

We are a leading residential property information, analytics and services provider in the United States and Australia. The markets we serve include real estate and mortgage finance, insurance, capital markets, transportation and government. We deliver value to our customers through unique data, analytics, workflow technology, advisory and managed services. Our customers rely on us to help identify and manage growth opportunities, improve performance and mitigate risk.

We believe that we offer our customers access to some of the most comprehensive national databases of public, contributory and proprietary data covering real property and mortgage information, judgments and liens, parcel and geospatial

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data, criminal background records, national coverage eviction information, non-prime lending records, credit information, and tax information, among other data types. Our databases include over 880 million historical property transactions, over 93 million mortgage applications and property-specific data covering approximately 99% of U.S. residential properties exceeding 147 million records. We believe that the quality of the data we offer is distinguished by our broad range of data sources and our core expertise in aggregating, organizing, normalizing, processing and delivering data to our customers.

With our data as a foundation, we have built strong analytics capabilities and a variety of value-added business services to meet our customers' needs for mortgage and automotive credit reporting, property tax, property valuation, flood plain location determination and other geospatial data, data, analytics and related services.

Recent Developments

On June 30, 2013, we entered into an agreement to acquire Marshall & Swift/Boeckh, a provider of residential and commercial property valuation solutions, DataQuick Information Systems, a property data and analytics information company, and the credit, flood and automated valuation model businesses of DataQuick Lender Solutions from the Decision Insight Information Group for total consideration of \$661.0 million, subject to certain closing adjustments. The closing of the transaction is conditioned upon customary closing conditions, including the expiration or termination of the waiting period of the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Subject to the closing of the acquisition, the acquisition of Marshall & Swift/Boeckh and DataQuick will significantly expand our footprint in property and casualty insurance and add additional scale to our existing property data and analytics business. The operations of Marshall & Swift/Boeckh and DataQuick's data licensing and analytics units will be reported within our data and analytics segment. DataQuick's flood zone determination and credit servicing operations will be integrated into our mortgage origination services segment.

On July 1, 2013, we acquired the assets and operating platforms of Bank of America's flood zone determination and tax processing services businesses. We also entered into a services agreement with Bank of America to continue to provide these services to them. The consideration paid for the acquisition totaled \$62.5 million and was funded by cash on hand. This agreement provides us with an expanded platform to continue to grow our flood and tax servicing operations. The flood zone determination and tax servicing operations we acquired from Bank of America will be integrated in our existing flood and tax servicing business units and the combined financial results will be reported within our mortgage origination services segment.

Reportable Segments

We have organized our reportable segments into the following three segments: data and analytics, mortgage origination services and asset management and processing solutions.

Data and Analytics

Our data and analytics segment owns or licenses data assets including loan information, criminal and eviction records, employment verification, property characteristic information and information on mortgage-backed securities. We both license our data directly to our customers and provide our customers with analytical products for risk management, collateral assessment, loan quality reviews and fraud assessment. We are also a provider of geospatial proprietary software and databases combining geographic mapping and data. Our primary customers are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, property and casualty insurance companies, title insurance companies and government-sponsored enterprises.

Mortgage Origination Services

Our mortgage origination services segment provides tax monitoring, flood zone certification and monitoring, credit services, mortgage loan administration and production services, lending solutions and mortgage-related business process outsourcing. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, and government agencies.

Asset Management and Processing Solutions

Our asset management and processing solutions segment provides mortgage default management services, loss mitigation services, property valuation, processing solutions and management services. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and property and casualty insurance companies.

RESULTS OF OPERATIONS

Summary

We generate the majority of our revenues from clients with operations in the U.S. residential real estate, mortgage origination and mortgage servicing markets. We believe the volume of real estate transactions is primarily affected by real estate prices, the availability of funds for mortgage loans, mortgage interest rates, employment levels and the overall state of the U.S. economy.

Approximately 38.4% of our operating revenues for the three months ended June 30, 2013 were generated from the ten largest United States mortgage originators, and one customer, Wells Fargo, N.A., accounted for 11.7% of our operating revenues for the three months ended June 30, 2013. We believe total mortgage originations increased approximately 25.1% in the second quarter of 2013 relative to the same period of 2012. The Mortgage Bankers' Association estimates that mortgage applications decreased 5.5% in the second quarter of 2013 relative to the same period of 2012. Given that many of our origination-related products and services are provided early in the origination cycle, application volumes are a leading indicator of demand for these products and services. Recently, the level of mortgage originations, particularly refinancing transactions, has been relatively high due to historically-low long-term interest rates, the accommodative policy stance of the Federal Reserve, and the presence of Federal Government programs targeting mortgage loan refinancing and modification activity. However, based on recent increases in interest rates, we expect the level of refinancing transactions will taper from current levels.

Based on our internal estimates, the level of loans seriously delinquent (loans delinquent 90 days or more) or in foreclosure decreased approximately 20.0% in the quarter ended June 30, 2013 relative to the same period of 2012. Additionally, based on our internal analysis and market estimates, we believe the inventory of seriously delinquent mortgage loans and loans in foreclosure will continue to decline in the near term. Furthermore, there have been increased levels of mortgage servicing rights for riskier loans being sold by large mortgage lenders. New capital rules would require lenders to cover potential losses with more equity. Buyers of these mortgage servicing rights have typically included non-bank specialty servicing firms which are not subject to the same rules as banks. Our asset management and processing solutions segment is subject to higher levels of customer concentration and the loss of a significant customer could adversely impact segment performance.

Since 2011, we have been centralizing certain back office functions in order to drive productivity, standardization and cost efficiency. These efforts have resulted in higher allocation of expenses to both cost of services and selling, general and administrative expenses, from corporate, to our business segments for various shared service costs such as human resources, legal, accounting and finance, product development and technology infrastructure cost. As part of our on-going cost efficiency programs, in July 2012, we announced the launch of our technology transformation initiative ("TTI") with Dell Services. The objective of the TTI is to convert our existing technology infrastructure to a new platform which is expected to provide new functionality, increased performance, and a reduction in application management and development costs. Following an initial transition period of thirty months, we expect net operating expense reductions of approximately \$35.0 to \$40.0 million per year compared to 2012 cost levels. For the three and six months ended June 30, 2013, expenses related to the initiative were \$6.4 million and \$13.8 million, respectively, of which \$4.4 million and \$8.7 million, respectively, were non-cash charges. Further, we capitalized \$5.1 million and \$9.7 million of expenditures for the three and six months ended June 30, 2013, respectively, related to the TTI.

On a consolidated basis, our operating revenues increased 9.7% and 10.3%, for the three and six months ended June 30, 2013, when compared to the same period of the prior year. Data and analytics segment operating revenues increased 11.2% and 10.4% for the three and six months ended June 30, 2013, respectively, when compared to the same period of the prior year, due to higher data licensing, advisory and analytics projects, and the impact of acquisition activity. Mortgage origination services segment operating revenues increased 24.6% and 24.5% for the

three and six months ended June 30, 2013, respectively, when compared to the same period of the previous year, due to higher mortgage origination volumes and the impact of acquisition activity. Asset management and processing solutions segment operating revenues decreased 14.5% and 12.9% for the three and six months ended June 30, 2013, when compared to the same period of the previous year, due primarily to lower market volumes in field services and default-related services.

Our total operating expense increased 11.4% and 10.4% for the three and six months ended June 30, 2013, when compared to the same period of the prior year, primarily due to higher external cost of revenue from increased volumes and higher selling, general and administrative expenses due to TTI-related expenses and transaction costs and lower favorable legal settlements of patent and other intellectual property rights.

Total interest expense, net, decreased 11.9% and 15.0% for the three and six months ended June 30, 2013, respectively, when compared to the same period of the prior year, due to lower average outstanding debt balances.

Gain on investments and other income increased 131.9% and 722.1% for the three and six months ended June 30, 2013, respectively, when compared to the same period of the prior year. The increase in gains is due to realized gains on sale of investments and a prior year non-cash impairment charge recorded on an investment in affiliate.

Net income increased \$0.9 million, or 2.1%, for the three months ended June 30, 2013, when compared to the same period of the prior year, primarily due to higher net income from continuing operations of \$3.7 million, partially offset by higher losses from discontinued operations of \$2.3 million, lower gain from sale of discontinued operations of \$0.5 million and lower non-controlling interests of \$0.1 million. Net income increased \$17.8 million, or 30.1%, for the six months ended June 30, 2013, when compared to the same period of the prior year, primarily due to higher net income from continuing operations of \$9.0 million, lower losses from discontinued operations of \$6.0 million, lower loss from sale of discontinued operations of \$3.0 million and lower non-controlling interests of \$0.1 million.

For additional information related to our results of operations for each of our reportable segments please see the discussions under “Data and Analytics,” “Mortgage Origination Services” and “Asset Management and Processing Solutions” below.

Unless otherwise indicated, the Management’s Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report on Form 10-Q relate solely to the discussion of our continuing operations.

Data and Analytics

(in thousands, except percentages)	For the Three Months Ended				For the Six Months Ended					
	June 30, 2013	June 30, 2012	\$ Change	% Change	June 30, 2013	June 30, 2012	\$ Change	% Change		
Operating revenues	\$168,974	\$151,896	\$17,078	11.2	%	\$330,039	\$298,951	\$31,088	10.4	%
Cost of services (exclusive of depreciation and amortization below)	74,830	67,204	7,626	11.3	%	155,072	135,077	19,995	14.8	%
Selling, general and administrative expenses	43,724	33,281	10,443	31.4	%	80,689	71,181	9,508	13.4	%
Depreciation and amortization	19,176	18,676	500	2.7	%	38,728	36,421	2,307	6.3	%
Total operating expenses	137,730	119,161	18,569	15.6	%	274,489	242,679	31,810	13.1	%
Operating income	31,244	32,735	(1,491)	(4.6)	%	55,550	56,272	(722)	(1.3)	%
Total interest expense, net	133	(703)	836	(118.9)	%	290	(1,001)	1,291	(129.0)	%
Gain on investments and other, net	—	290	(290)	(100.0)	%	—	290	(290)	(100.0)	%
Income from continuing operations before income taxes	31,377	32,322	(945)	(2.9)	%	55,840	55,561	279	0.5	%
Provision for income taxes	—	—	—	—	%	—	—	—	—	%
Income from continuing operations before equity in earnings of affiliates	31,377	32,322	(945)	(2.9)	%	55,840	55,561	279	0.5	%
Equity in earnings of affiliates	546	572	(26)	(4.5)	%	1,183	1,215	(32)	(2.6)	%
Income from continuing operations	\$31,923	\$32,894	\$(971)	(3.0)	%	\$57,023	\$56,776	\$247	0.4	%

Operating Revenues

Data and analytics segment operating revenues were \$169.0 million and \$330.0 million for the three and six months ended June 30, 2013, respectively, an increase of \$17.1 million, or 11.2%, and an increase of \$31.1 million, or 10.4%, when compared to the respective period of the prior year. Acquisition activity accounted for \$6.5 million and \$11.2 million of the increase for the three and six months ended June 30, 2013, respectively. For the three months ended June 30, 2013, excluding acquisition activity, the increase of \$10.6 million was due to growth in advisory services revenue of \$5.8 million, higher property data sales of \$2.3 million, higher analytics revenues of \$1.0 million, higher information reporting revenue of \$0.8 million and higher other revenue of \$0.7 million. For the six months ended June 30, 2013 excluding acquisition activity, the increase of \$19.9 million was due to growth in advisory services revenue of \$13.2 million, higher property data sales of \$4.5 million, higher information reporting revenue of \$1.8 million, and higher analytics revenues of \$0.5 million, partially offset by lower other revenues of \$0.1 million.

Cost of Services

Data and analytics segment cost of services were \$74.8 million and \$155.1 million for the three and six months ended June 30, 2013, respectively, an increase of \$7.6 million, or 11.3%, and an increase of \$20.0 million, or 14.8%, when compared to the respective period of the prior year. Acquisition activity contributed \$2.3 million and \$3.5 million of the increase for the three and six months ended June 30, 2013, respectively. For the three months ended June 30, 2013, excluding acquisition activity, the increase of \$5.3 million was primarily due to higher volumes and a shift in product mix associated with higher advisory services revenues. For the six months ended June 30, 2013, excluding acquisition activity, the increase of \$16.5 million was primarily due to higher volumes and a shift in product mix associated with higher advisory services revenues.

Selling, General and Administrative Expense

Data and analytics segment selling, general and administrative expenses were \$43.7 million and \$80.7 million for the three and six months ended June 30, 2013, respectively, an increase of \$10.4 million, or 31.4%, and an increase of \$9.5 million, or 13.4%, when compared to the respective period of the prior year. Acquisition activity accounted for a \$1.0 million and \$2.0 million increase for the three and six months ended June 30, 2013. For the three months ended June 30, 2013, excluding acquisition activity, the increase of \$9.4 million was due to higher allocations of net corporate shared services costs of \$4.1 million, favorable legal settlements of patent and other intellectual property rights of \$7.0 million recorded in the second quarter of 2012 which had no counterpart in 2013, and lower levels of capitalized costs of \$4.7 million, partially offset by lower software expense of \$2.8 million, lower professional fees of \$1.9 million, lower compensation expense of \$1.4 million and lower other expense of \$0.3 million. For the six months ended June 30, 2013, excluding acquisition activity, the increase of \$7.5 million was due to favorable legal settlements of patent and other intellectual property rights of \$7.0 million recorded in the second quarter of 2012 which had no counterpart in 2013, higher allocations of net corporate shared services costs of \$6.6 million, lower levels of capitalized costs of \$3.9 million, higher facility costs of \$0.8 million and higher other costs of \$0.1 million, partially offset by lower professional fees of \$5.5 million, lower software expense of \$3.1 million and lower compensation expenses of \$2.3 million. We allocate expenses from corporate, to our business segments for various shared service costs such as human resources, legal, accounting and finance, product development and technology infrastructure costs.

Depreciation and Amortization

Data and analytics segment depreciation and amortization expense was \$19.2 million and \$38.7 million for the three and six months ended June 30, 2013, respectively, an increase of \$0.5 million, or 2.7%, and an increase of \$2.3 million, or 6.3%, when compared to the respective period of the prior year. Acquisition activity accounted for \$1.1 million and \$2.1 million of the variance for the three and six months ended June 30, 2013, respectively. For the three months ended June 30, 2013, excluding acquisition activity, the decrease of \$0.6 million was due to prior year write-offs relating to certain non-performing assets. For the six months ended June 30, 2013, excluding acquisition activity, the increase of \$0.2 million was not significant.

Operating Income

Data and analytics segment operating income was \$31.2 million, or 18.5% of operating revenue, and \$32.7 million, or 21.6% of operating revenue, for the three months ended June 30, 2013 and 2012, respectively. Operating income was \$55.6 million, or 16.8% of operating revenue, and \$56.3 million, or 18.8% of operating revenue, for the six months ended June 30, 2013 and 2012, respectively. The decrease in operating income and margin was primarily due to a second quarter of 2012 benefit of approximately \$7.0 million related to the settlements of intellectual property asserted by the Company which had no counterpart in 2013.

Gain on Investments and Other Income, Net

Data and analytics segment gain on investments was \$0.3 million for the three and six months ended June 30, 2012. The variance was not significant.

Equity in Earnings of Affiliates

Data and analytics segment equity in earnings of affiliates was \$0.5 million and \$1.2 million for the three and six months ended June 30, 2013, respectively. The variance relative to the prior year was not significant.

Mortgage Origination Services

(in thousands, except percentages)	For the Three Months Ended					For the Six Months Ended				
	June 30, 2013	June 30, 2012	\$ Change	% Change		June 30, 2013	June 30, 2012	\$ Change	% Change	
Operating revenues	\$184,432	\$148,048	\$36,384	24.6	%	\$360,883	\$289,814	\$71,069	24.5	%
Cost of services (exclusive of depreciation and amortization below)	99,598	79,072	20,526	26.0	%	194,196	159,999	34,197	21.4	%
Selling, general and administrative expenses	28,584	23,895	4,689	19.6	%	53,082	46,650	6,432	13.8	%
Depreciation and amortization	7,244	6,962	282	4.1	%	13,913	14,043	(130)	(0.9)	%
Total operating expenses	135,426	109,929	25,497	23.2	%	261,191	220,692	40,499	18.4	%
Operating income	49,006	38,119	10,887	28.6	%	99,692	69,122	30,570	44.2	%
Total interest expense, net	(136)	(77)	(59)	76.6	%	(266)	(375)	109	(29.1)	%
Gain/(loss) on investments and other, net	—	—	—	—	%	—	—	—	—	%
Income from continuing operations before income taxes	48,870	38,042	10,828	28.5	%	99,426	68,747	30,679	44.6	%
Provision for income taxes	—	—	—	—	%	—	—	—	—	%
Income from continuing operations before equity in earnings of affiliates	48,870	38,042	10,828	28.5	%	99,426	68,747	30,679	44.6	%
Equity in earnings of affiliates	14,415	18,533	(4,118)	(22.2)	%	27,862	33,388	(5,526)	(16.6)	%
Income from continuing operations	\$63,285	\$56,575	\$6,710	11.9	%	\$127,288	\$102,135	\$25,153	24.6	%

Operating Revenues

Mortgage origination services segment operating revenues were \$184.4 million and \$360.9 million for the three and six months ended June 30, 2013, respectively, an increase of \$36.4 million, or 24.6%, and an increase of \$71.1 million, or 24.5%, when compared to the respective period of the prior year. Acquisition activity accounted for \$6.6 million and \$8.6 million of the increase for the three and six months ended June 30, 2013, respectively. For the three months ended June 30, 2013, excluding acquisition activity, the increase of \$29.8 million was due to higher mortgage origination volumes and market share gains, which increased credit services revenues by \$17.5 million, tax services revenues by \$12.4 million and flood certification revenues by \$1.2 million, partially offset by a decrease in lending solutions and other revenues of \$1.3 million. For the six months ended June 30, 2013 excluding acquisition activity, the increase of \$62.5 million was due to higher mortgage origination volumes and market share gains, which increased credit services revenues by \$33.3 million, tax services revenues by \$28.2 million and flood certification revenues by \$4.2 million, partially offset by a decrease in lending solutions and other revenues of \$3.2 million.

Cost of Services

Mortgage origination services segment cost of services were \$99.6 million and \$194.2 million for the three and six months ended June 30, 2013, respectively, an increase of \$20.5 million, or 26.0%, and an increase of \$34.2 million, or 21.4%, when compared to the respective period of the prior year. Acquisition activity accounted for \$1.1 million and \$1.4 million of the increase for the three and six months ended June 30, 2013, respectively. For the three months ended June 30, 2013, excluding acquisition activity, the increase of \$19.4 million was primarily due to higher origination volumes which resulted in higher credit services-related costs of \$14.6 million primarily from credit bureau-related expense, higher tax services-related costs of \$3.9 million and higher other costs of \$0.9 million. For the six months ended June 30, 2013 excluding acquisition activity, the increase of \$32.8 million was due to higher origination volumes which resulted in higher credit services-related costs of \$27.4 million primarily from credit bureau-related expense and higher tax services-related costs and other costs of \$5.4 million.

Selling, General and Administrative Expenses

Mortgage origination services segment selling, general and administrative expenses were \$28.6 million and \$53.1 million for the three and six months ended June 30, 2013, respectively, an increase of \$4.7 million, or 19.6%, and an increase of \$6.4 million, or 13.8%, when compared to the respective period of the prior year. Acquisition activity accounted for \$2.7 million and \$3.5 million of the increase for the three and six months ended June 30, 2013, respectively. For the three months ended June 30, 2013, excluding acquisition activity, the increase of \$2.0 million was due to higher compensation expenses of \$2.7 million, higher allocations of net corporate shared services costs of \$4.0 million and higher other expenses of \$0.4 million, partially offset by lower external service costs of \$3.2 million and higher levels of capitalized costs of \$1.9 million. For the six months ended June 30, 2013 excluding acquisition activity, the increase of \$3.0 million was due to higher compensation expenses of \$4.4 million, higher allocations of net corporate shared services costs of \$6.9 million and higher other expenses of \$0.1 million, partially offset by lower external service costs of \$3.5 million and higher levels of capitalized costs of \$4.9 million.

Depreciation and Amortization

Mortgage origination services segment depreciation and amortization expense was \$7.2 million and \$13.9 million for the three and six months ended June 30, 2013, respectively, an increase of \$0.3 million, or 4.1%, and a decrease of \$0.1 million, or 0.9%, when compared to the respective period of the prior year. Acquisition activity accounted for \$0.2 million of the increase for the three and six months ended June 30, 2013. For the three months ended June 30, 2013, excluding acquisition activity, the increase of \$0.1 million was not significant. For the six months ended June 30, 2013, excluding acquisition activity, the decrease of \$0.4 million was primarily due to impairment losses relating to certain non-performing assets in the prior year.

Operating Income

Mortgage origination services segment operating income was \$49.0 million, or 26.6% of operating revenue, and \$38.1 million, or 25.7% of operating revenue, for the three months ended June 30, 2013 and 2012, respectively. Mortgage origination services segment operating income was \$99.7 million, or 27.6% of operating revenue, and \$69.1 million, or 23.9% of operating revenue, for the six months ended June 30, 2013 and 2012, respectively. The increase in operating margin is primarily due to the continued improved operating efficiency resulting from our tax services transformation initiative. As a result, our tax services business experienced improved operating leverage for both costs of services and selling, general and administrative expenses.

Equity in Earnings of Affiliates

Mortgage origination services segment equity in earnings of affiliates were \$14.4 million and \$27.9 million for the three and six months ended June 30, 2013, respectively, a decrease of \$4.1 million, or 22.2%, and a decrease of \$5.5 million, or 16.6%, when compared to the respective period of the prior year. The variance is primarily due to the dissolution of an investment in affiliate which yielded equity in earnings of \$3.9 million in the second quarter of 2012.

Asset Management and Processing Solutions

(in thousands, except percentages)	For the Three Months Ended				For the Six Months Ended			
	June 30, 2013	June 30, 2012	\$ Change	% Change	June 30, 2013	June 30, 2012	\$ Change	% Change
Operating revenues	\$80,050	\$93,646	\$(13,596)	(14.5)%	\$146,856	\$168,630	\$(21,774)	(12.9)%
Cost of services (exclusive of depreciation and amortization below)	53,568	62,265	(8,697)	(14.0)%	102,075	115,565	(13,490)	(11.7)%
Selling, general and administrative expenses	7,865	9,780	(1,915)	(19.6)%	19,987	20,250	(263)	(1.3)%
Depreciation and amortization	670	1,811	(1,141)	(63.0)%	1,343	2,606	(1,263)	(48.5)%
Total operating expenses	62,103	73,856	(11,753)	(15.9)%	123,405	138,421	(15,016)	(10.8)%
Operating income	17,947	19,790	(1,843)	(9.3)%	23,451	30,209	(6,758)	(22.4)%
Total interest expense, net	—	70	(70)	(100.0)%	47	144	(97)	(67.4)%
Gain on investments and other, net	4	—	4	—%	1,463	—	1,463	—%
Income from continuing operations before income taxes	17,951	19,860	(1,909)	(9.6)%	24,961	30,353	(5,392)	(17.8)%
Provision for income taxes	—	—	—	—%	—	—	—	—%
Income from continuing operations before equity in earnings of affiliates	17,951	19,860	(1,909)	(9.6)%	24,961	30,353	(5,392)	(17.8)%
Equity in earnings of affiliates	—	—	—	—%	—	—	—	—%
Income from continuing operations	\$17,951	\$19,860	\$(1,909)	(9.6)%	\$24,961	\$30,353	\$(5,392)	(17.8)%

Operating Revenues

Asset management and processing solutions segment operating revenues were \$80.1 million and \$146.9 million for the three and six months ended June 30, 2013, respectively, a decrease of \$13.6 million, or 14.5%, and a decrease of \$21.8 million, or 12.9%, when compared to the respective period of the prior year. The revenue decline reflects the decrease in market volume of delinquent loans and foreclosure starts as well as the impact of the exit of unprofitable product lines over the past twelve months. For the three months ended June 30, 2013, the decrease was primarily due to lower field services revenues of \$7.9 million, lower volumes in real estate owned asset management and other default revenues of \$4.2 million and lower claims management revenue of \$1.8 million, partially offset by higher other revenue of \$0.3 million. For the six months ended June 30, 2013, the decrease was primarily due to lower field services revenues of \$13.6 million, lower volumes in real estate owned asset management and other default revenues of \$7.0 million and lower claims management revenue of \$3.4 million, partially offset by higher technology revenues of \$1.7 million and higher other revenue of \$0.5 million. We believe the inventory of seriously delinquent mortgage loans and loans in foreclosure will continue to decline in the near term and will therefore, continue to present challenging market conditions for the asset management and processing solutions segment.

Cost of Services

Asset management and processing solutions segment cost of services were \$53.6 million and \$102.1 million for the three and six months ended June 30, 2013, respectively, a decrease of \$8.7 million, or 14.0%, and a decrease of \$13.5 million, or 11.7%, when compared to the respective period of the prior year. The decrease in both periods was primarily due to a decline in volume in field services and real estate owned asset management and other default revenues, partially offset by a shift in product mix associated with higher loss mitigation services revenues.

Selling, General and Administrative Expense

Asset management and processing solutions segment selling, general and administrative expenses were \$7.9 million and \$20.0 million for the three and six months ended June 30, 2013, respectively, a decrease of \$1.9 million, or 19.6%, and a decrease of \$0.3 million, or 1.3%, when compared to the respective period of the prior year. For the three months ended June 30, 2013, the decrease was predominantly due to cost-reduction initiatives which lowered compensation expenses by \$1.6 million and professional fees by \$0.5 million, partially offset by higher other expenses of \$0.2 million. For the six months ended June 30, 2013, the decrease was predominantly due to cost-reduction initiatives which lowered compensation expenses by \$3.3 million, external service costs by \$0.4 million and other expenses by \$0.1 million, partially offset by higher allocations of net corporate shared services costs of \$3.5 million.

Depreciation and Amortization

Asset management and processing solutions segment depreciation and amortization expense were \$0.7 million and \$1.3 million for the three and six months ended June 30, 2013, respectively, a decrease of \$1.1 million, or 63.0% and a decrease of \$1.3 million, or 48.5%, when compared to the respective period of the prior year. The decrease was primarily due to the write-off of non-performing assets in the prior year.

Operating Income

Asset management and processing solutions segment operating income was \$17.9 million, or 22.4% of operating revenue, and \$19.8 million, or 21.1% of operating revenue, for the three months ended June 30, 2013 and 2012, respectively. Asset management and processing solutions segment operating income was \$23.5 million, or 16.0% of operating revenue, and \$30.2 million, or 17.9% of operating revenue, for the six months ended June 30, 2013 and 2012, respectively. The increase in operating margin for the three months ended June 30, 2013 was primarily due to a decrease in selling, general and administrative expenses. The decrease in operating margin for the six months ended June 30, 2013 was primarily due to the decline in operating revenues.

Gain on Investments and Other Income, Net

Asset management and processing solutions segment gain on investment and other income, net was \$1.5 million for the six months ended June 30, 2013, which was primarily related to the gain on sale and exit of a product line during the first quarter of 2013.

Corporate

(in thousands, except percentages)	For the Three Months Ended					For the Six Months Ended				
	June 30, 2013	June 30, 2012	\$ Change	% Change		June 30, 2013	June 30, 2012	\$ Change	% Change	
Operating revenues	\$179	\$151	\$28	18.5	%	\$346	\$342	\$4	1.2	%
Selling, general and administrative expenses	22,256	19,777	2,479	12.5	%	39,723	35,829	3,894	10.9	%
Depreciation and amortization	7,734	3,576	4,158	116.3	%	15,654	7,462	8,192	109.8	%
Total operating expenses	29,990	23,353	6,637	28.4	%	55,377	43,291	12,086	27.9	%
Operating loss	(29,811)	(23,202)	(6,609)	28.5	%	(55,031)	(42,949)	(12,082)	28.1	%
Total interest expense, net	(11,750)	(12,624)	874	(6.9)	%	(23,429)	(26,244)	2,815	(10.7)	%
Gain/(loss) on investment and other, net	395	(1,542)	1,937	(125.6)	%	1,735	99	1,636	1,652.5	%
Loss from continuing operations before income taxes	(41,166)	(37,368)	(3,798)	10.2	%	(76,725)	(69,094)	(7,631)	11.0	%
Provision for income taxes	21,517	23,578	(2,061)	(8.7)	%	42,575	36,816	5,759	15.6	%
Loss from continuing operations before equity in earnings of affiliates	(62,683)	(60,946)	(1,737)	2.9	%	(119,300)	(105,910)	(13,390)	12.6	%
Equity in losses of affiliates	(5,616)	(7,360)	1,744	(23.7)	%	(10,913)	(13,388)	2,475	(18.5)	%
Net loss from continuing operations	\$(68,299)	\$(68,306)	\$7	—	%	\$(130,213)	\$(119,298)	\$(10,915)	9.1	%

Operating Revenues

Corporate operating revenues were \$0.2 million and \$0.3 million for the three and six months ended June 30, 2013 respectively. The revenues associated with the corporate function were not meaningful.

Selling, General and Administrative Expenses

Corporate selling, general and administrative expenses were \$22.3 million and \$39.7 million for the three and six months ended June 30, 2013, respectively, an increase of \$2.5 million, or 12.5%, and an increase of \$3.9 million, or 10.9%, when compared to the respective period of the prior year. For the three months ended June 30, 2013, the increase was primarily due to higher compensation expense of \$14.1 million and higher external services of \$22.1 million associated with the transfer-in of segment level personnel to corporate as we continue to centralize and standardize our corporate shared services to drive operating efficiency. In addition, we experienced transaction costs related to acquisitions of \$4.2 million and higher professional fees of \$3.1 million. These increases were partially offset by higher allocation of corporate shared services costs of \$31.0 million to our operating segments, higher levels of capitalized costs of \$6.6 million related primarily to our TTI initiative and decreases in other expenses of \$3.4

million. For the six months ended June 30, 2013, the increase was primarily due to higher compensation expense of \$22.9 million and higher external services of \$42.5 million associated with the transfer-in of segment level personnel to corporate. In addition, we experienced transaction costs related to acquisitions of \$4.2 million and higher professional fees of \$2.5 million. These increases were partially offset by higher allocation of corporate shared services costs of \$52.1 million to our operating segments, higher levels of capitalized costs of \$11.8 million related primarily to our TTI initiative and decreases in other expenses of \$4.3 million.

Depreciation and Amortization

Corporate depreciation and amortization expense were \$7.7 million and \$15.7 million for the three and six months ended June 30, 2013, respectively, an increase of \$4.2 million, or 116.3%, and an increase of \$8.2 million, or 109.8%, when compared to the respective period of the prior year. For the three and six months ended June 30, 2013, the increase was primarily due to the acceleration of depreciation of certain corporate assets in connection with the TTI.

Total Interest Expense, net

Corporate net interest expense was \$11.8 million and \$23.4 million for the three and six months ended June 30, 2013, respectively, a decrease of \$0.9 million, or 6.9%, and a decrease of \$2.8 million, or 10.7%, when compared to the respective period of the prior year. For the three and six months ended June 30, 2013, the decrease was due to lower average outstanding debt balances as a result of the principal prepayments related to our Term Facility.

Gain/(Loss) on Investments and Other Income, Net

Corporate gain on investments, net and other income was \$0.4 million and \$1.7 million for the three and six months ended June 30, 2013, respectively, an increase of \$1.9 million, or 125.6%, and an increase of \$1.6 million, or 1,652.5%, when compared to the respective period of the prior year. For the three and six months ended June 30, 2013, the increase was due to higher realized gains of \$0.7 million and \$0.4 million, respectively, on investments and a prior year non-cash impairment charge of \$1.2 million recorded on an investment in affiliate.

Equity in Losses of Affiliates, net of tax

Corporate equity in losses of affiliates was \$5.6 million and \$10.9 million for the three and six months ended June 30, 2013, respectively, a decrease of \$1.7 million, or 23.7%, and a decrease of \$2.5 million, or 18.5%, when compared to the same period of the prior year. We record income tax expense on the earnings from our investments in affiliates in corporate. For the three and six months ended June 30, 2013, the decrease was primarily attributable to lower income tax expense based on lower earnings in affiliates contained in our mortgage origination services segment.

Income Taxes

The effective income tax rate (provision for income taxes as a percentage of income from continuing operations before equity in earnings of affiliates and income taxes) was 37.7% and 44.5% for the three months ended June 30, 2013 and 2012, respectively, and 41.1% and 43.0% for the six months ended June 30, 2013 and 2012, respectively. The change in the effective rate is primarily attributable to the impact of the effective state tax rate and the foreign tax rate differential.

Income taxes included in equity in earnings of affiliates were \$5.8 million and \$7.5 million for the three months ended June 30, 2013 and 2012, respectively and \$11.2 million and \$13.5 million for the six months ended June 30, 2013 and 2012, respectively. For the purpose of segment reporting, these amounts are not reflected at the segment level but are recorded within corporate.

It is reasonably possible the amount of unrecognized benefit with respect to certain unrecognized tax positions could significantly increase or decrease within the next 12 months. These changes may be the result of items such as ongoing audits, competent authority proceedings related to transfer pricing or the expiration of federal and state statutes of limitation for the assessment of taxes.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at June 30, 2013 totaled \$176.6 million, an increase of \$27.7 million from December 31, 2012. We hold our cash balances inside and outside of the U.S. Our cash balances held outside of the U.S. are primarily related to our international operations and at June 30, 2013 totaled \$28.6 million. Most of the amounts held outside of the U.S. could be repatriated to the U.S. but, under current law, would be subject to U.S. federal income taxes, less applicable foreign tax credits. We plan to maintain significant cash balances outside the U.S. for the foreseeable future.

Restricted cash of \$20.0 million at June 30, 2013 and \$22.1 million at December 31, 2012, represents cash pledged for various letters of credit secured by the Company.

Cash Flow

Operating Activities. Cash provided by operating activities reflects net income adjusted for non-cash items and changes in certain assets and liabilities. Cash provided by operating activities was approximately \$166.7 million and \$192.6 million during the six months ended June 30, 2013 and 2012, respectively. The decrease in cash provided by operating activities was primarily due to higher payments of income taxes and accounts payable and accrued expenses, partially offset by higher profitability and recognition of deferred revenue accounts.

Investing Activities. Cash flows from investing activities consist primarily of capital expenditures, acquisitions and purchase of investments. Cash used in investing activities was approximately \$59.9 million and \$43.1 million during the six months ended June 30, 2013 and 2012, respectively. This increase in investing activities is primarily due to capitalized expenditures related to the TTI.

Cash used in investing activities for the six months ended June 30, 2013 was primarily related to investments in property and equipment and capitalized data of \$34.7 million and \$18.9 million, respectively, purchase of investment of \$2.4 million and cash paid for the acquisitions of Case-Shiller and RESDirect for \$6.9 million; partially offset by change in restricted cash of \$2.1 million and proceeds of \$0.8 million from the sale of the Company's partnership interest in a subsidiary in March 2013. Cash used in investing activities for the six months ended June 30, 2012 was primarily due to investments in property and equipment and capitalized data of \$24.9 million and \$15.4 million, respectively, partially offset by proceeds from sale of property and equipment of \$1.8 million.

Financing Activities. Net cash used in financing activities was approximately \$76.5 million for the six months ended June 30, 2013, which was primarily comprised of share repurchases of \$75.7 million, net repayment of long-term debt of \$3.9 million and net proceeds from stock-based compensation related transactions of \$0.4 million. Net cash used in financing activities was \$144.3 million for the six months ended June 30, 2012. During 2012, we repaid acquisition-related notes of \$113.8 million, repurchased shares of common stock for \$28.7 million and had net expenditures from stock-based compensation related transactions of \$1.8 million.

Financing and Financing Capacity

At June 30, 2013, we had total debt outstanding of \$788.8 million, compared to \$792.4 million at December 31, 2012. Our significant debt instruments and borrowing capacity are described below.

Senior Notes

On May 20, 2011, we issued \$400.0 million aggregate principal amount of 7.25% senior notes due June 1, 2021 (the "Notes"). The Notes are guaranteed on a senior unsecured basis by each of the Company's existing and future direct

and indirect subsidiaries that guarantee the Company's Credit Agreement. Interest is payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2011.

The Notes are redeemable by the Company, in whole or in part on or after June 1, 2016 at a price up to 103.63% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, if any, to the applicable redemption date, subject to other limitations. The Company may also redeem up to 35.0% of the original aggregate principal amount of the Notes at any time prior to June 1, 2014 with the proceeds from certain equity offerings at a price equal to 107.25% of the aggregate principal amount of the Notes, together with accrued and unpaid interest, if any, to the applicable redemption date, subject to certain other limitations. The Company may also redeem some or all of the Notes before June 1, 2016 at a redemption price equal to 100.0% of the aggregate principal amount of the Notes, plus a "make-whole premium," plus accrued and unpaid interest, if any, to the date of purchase.

Upon the occurrence of specific kinds of change of control events, holders of the Notes have the right to cause us to purchase some or all of the Notes at 101.0% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The indenture governing the Notes contains restrictive covenants that limit, among other things, the ability of the Company and its restricted subsidiaries to incur additional indebtedness or issue certain preferred equity, pay dividends or make other distributions or other restricted payments, make certain investments, create restrictions on distributions from restricted subsidiaries, create liens on certain properties and assets to secure debt, sell certain assets, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets, enter into certain transactions with affiliates and designate the Company's subsidiaries as unrestricted subsidiaries. At June 30, 2013, we were in compliance with the covenants under the indenture governing the Notes.

If we have a significant increase in our outstanding debt or if our earnings before interest, taxes, depreciation and amortization ("EBITDA") decreases significantly, we may be unable to incur additional amounts of indebtedness, and the holders of the Notes may be unwilling to permit us to amend the restrictive covenants to provide additional flexibility. In addition, the indenture contains a financial covenant for the incurrence of additional indebtedness that requires that the interest coverage ratio be at least 2:00 to 1:00 on a pro forma basis after giving effect to any new indebtedness. There are carve-outs that permit us to incur certain indebtedness notwithstanding satisfaction of this ratio, but they are limited. Based on our EBITDA and interest charges as of June 30, 2013, we would be able to incur additional indebtedness without breaching the limitation on indebtedness covenant contained in the indenture.

Credit Agreement

On May 23, 2011, we entered into a senior secured credit facility (the "Credit Agreement") with Bank of America, N.A. as administrative agent and other financial institutions. The Credit Agreement provides for a \$350.0 million five-year term loan facility (the "Term Facility") and a \$550.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility includes a \$100.0 million multicurrency revolving sub-facility and a \$50.0 million letter of credit sub-facility. The Credit Agreement also provides for the ability to increase the Term Facility and Revolving Facility commitments provided that the total credit exposure under the Credit Agreement does not exceed \$1.4 billion in the aggregate.

The obligations under the Credit Agreement are senior secured obligations of the Company and the guarantors. The loans under the Credit Agreement bear interest at LIBOR plus a spread ranging from 1.75% to 2.75%. The Credit Agreement also requires the Company to pay a commitment fee for the unused portion of the Revolving Facility, which will be a minimum of 0.30% and a maximum of 0.50%, depending on the Company's leverage ratio.

The Credit Agreement provides that loans under the Term Facility shall be repaid in equal quarterly installments, commencing on September 30, 2011 and continuing on each three-month anniversary thereafter until and including March 31, 2016 in an amount equal to \$4.4 million on each repayment date from September 30, 2011 through June 30, 2013, \$8.8 million on each repayment date from September 30, 2013 through June 30, 2014 and \$13.1 million on each repayment date from September 30, 2014 through March 31, 2016. The remaining outstanding balance of loans under the Term Facility will be due on May 23, 2016. For the six months ended June 30, 2013, we prepaid \$4.4 million of outstanding indebtedness under the Term Facility. This prepayment was applied to the most current portion of the term loan amortization schedule.

The Credit Agreement contains customary financial maintenance covenants, including a (i) maximum total leverage ratio as of the last date of any fiscal quarter not to exceed 4.25 to 1.00 (stepping down to 4.00 to 1.00 starting in the fourth quarter of 2012, with a further step down to 3.50 to 1.00 starting in the fourth quarter of 2013); (ii) a minimum

interest coverage ratio of at least 3.00 to 1.00; and (iii) a maximum senior secured leverage ratio not to exceed 3.25 to 1.00 (stepping down to 3.00 to 1.00 starting in the fourth quarter of 2012).

The Credit Agreement also contains restrictive covenants that limit among other things, the ability of the Company and its subsidiaries, to incur additional indebtedness or issue certain preferred equity, pay dividends or make other distributions or other restricted payments, make certain investments, create restrictions on distributions from subsidiaries, to enter into sale-leaseback transactions, amend the terms of certain other indebtedness, create liens on certain assets to secure debt, sell certain assets, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets and enter into certain transactions with affiliates.

At June 30, 2013, we had additional borrowing capacity under the revolving lines of credit of \$500.0 million, and were in compliance with the financial and restrictive covenants of our loan agreements. However, if we have a significant

increase in our outstanding debt or if our EBITDA decreases significantly, we may be unable to incur additional indebtedness, and the lenders under the Credit Agreement may be unwilling to permit us to amend the financial or restrictive covenants described above to provide additional flexibility.

Interest Rate Swaps

In June 2011, we entered into amortizing interest rate swap transactions (“Swaps”) with a termination date of May 2016. The Swaps had an initial notional value of \$200.0 million, with a fixed interest rate of 1.73% and amortize quarterly by \$2.5 million through September 30, 2013, \$5.0 million from October 1, 2013 through September 30, 2014 and \$7.5 million from October 1, 2014 through May 16, 2016, with a notional amount of \$107.5 million. Unrealized gains of \$0.7 million (net of \$0.4 million in deferred taxes) and unrealized losses of \$0.7 million (net of \$0.5 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps for the three months ended June 30, 2013 and 2012, respectively. In addition, unrealized gains of \$1.2 million (net of \$0.8 million in deferred taxes) and unrealized losses of \$0.8 million (net of \$0.5 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps for the six months ended June 30, 2013 and 2012, respectively.

Liquidity and Capital Strategy

We believe that cash flow from operations and current cash balances, together with currently available lines of credit, will be sufficient to meet operating requirements through the next twelve months. Cash available from operations could be affected by any general economic downturn or any decline or adverse changes in the Company's business such as a loss of customers, competitive pressures or other significant change in business environment.

The Company strives to pursue a balanced approach to capital allocation and will consider the repurchase of common shares and the retirement of outstanding debt, and will pursue strategic acquisitions on an opportunistic basis.

On June 30, 2013, we entered into an agreement to acquire Marshall & Swift/Boeckh, a provider of residential and commercial property valuation solutions, DataQuick Information Systems, a property data and analytics information company, and the credit and flood services operations of DataQuick Lender Solutions from the Decision Insight Information Group for total consideration of \$661.0 million, subject to certain closing adjustments. The closing of the transaction is conditioned upon customary closing conditions, including the expiration or termination of the waiting period of the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Prior to the close of the transaction in the third quarter of 2013, we expect to enter into a new credit facility.

On June 10, 2013, we agreed to acquire the assets and operating platforms of Bank of America's flood zone determination and tax processing services businesses. The purchase transaction closed on July 1, 2013 and was funded by cash on hand for total consideration of \$62.5 million.

In July 2013, we announced our plan to repurchase at least 8.0 million shares of our common stock during 2013 under an existing Board of Directors authorization. During the six months ending June 30, 2013, we repurchased approximately 2.9 million shares of our common stock for \$75.7 million including commission costs.

Availability of Additional Liquidity

Our access to additional capital fluctuates as market conditions change. There may be times when the private capital markets and the public debt or equity markets lack sufficient liquidity or when our securities cannot be sold at attractive prices, in which case we would not be able to access capital from these sources. Based on current market conditions and our financial condition (including our ability to satisfy the conditions contained in our debt instruments that are required to be satisfied to permit us to incur additional indebtedness), we believe that we have the ability to

effectively access these liquidity sources for new borrowings. However, a weakening of our financial condition, including a significant decrease in our profitability or cash flows or a material increase in our leverage, could adversely affect our ability to access these markets and/or increase our cost of borrowings.

Critical Accounting Policies And Estimates

For additional information with respect to the Company's critical accounting policies which the Company believes could have the most significant effect on the Company's reported results and require subjective or complex judgments by management see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the Company's Annual Report on Form 10-K for the year ended December 31, 2012, as amended. Management believes that at June 30, 2013, there had been no material changes to this information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our primary exposure to market risk relates to interest-rate risk associated with certain financial instruments. Although we monitor our risk associated with fluctuations in interest rates, we do not currently use derivative financial instruments on any material scale to hedge these risks.

As of June 30, 2013, we had approximately \$788.8 million in long-term debt outstanding, of which approximately \$325.6 million was variable-interest-rate debt. We have entered into interest rate swaps, which converted the interest rate exposure on \$180.0 million of our floating-rate debt from variable to fixed-rate as of June 30, 2013. A hypothetical 1% increase or decrease in interest rates would have resulted in an approximately \$0.7 million change to interest expense for the six months ended June 30, 2013.

We are also subject to equity price risk related to our equity securities portfolio. At June 30, 2013, we had equity securities with a cost and fair value of \$22.4 million.

Although we are subject to foreign currency exchange rate risk as a result of our operations in certain foreign countries, the foreign exchange exposure related to these operations, in the aggregate, is not material to our financial condition or results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer have concluded that, as of the end of the quarterly period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, were effective, based on the evaluation of these controls and procedures required by Rule 13a-15(b) thereunder.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting during the quarter ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings.

For a description of our legal proceedings, see Note 12 – Litigation and Regulatory Contingencies of our condensed consolidated financial statements, which is incorporated by reference in response to this item.

Item 1A. Risk Factors.

A restated description of the risk factors associated with our business is set forth below. This description supersedes the description of the risk factors associated with our business previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012, as amended. The risks discussed below are not the only ones facing our business but do represent those risks that we believe are material to us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also harm our business. Please read the cautionary notice regarding forward-looking statements under the heading “Management's Discussion and Analysis of Financial Condition and Results of Operations.”

Risks Related to Our Business

We depend on our ability to access data from external sources to maintain and grow our businesses. If we are unable to access needed data from these sources or if the prices charged for these services increase, the quality, pricing and availability of our products and services may be adversely affected, which could have a material adverse impact on our business, financial condition and results of operations.

We rely extensively upon data from a variety of external sources to maintain our proprietary and non-proprietary databases, including data from third-party suppliers, various government and public record sources and data contributed by our customers. Our data sources could cease providing or reduce the availability of their data to us, increase the price we pay for their data, or limit our use of their data for a variety of reasons, including legislatively- or judicially-imposed restrictions on use. If a number of suppliers are no longer able or are unwilling to provide us with certain data, or if our public record sources of data become unavailable or the cost becomes economically unfeasible, we may need to find alternative sources. If we are unable to identify and contract with suitable alternative data suppliers and efficiently and effectively integrate these data sources into our service offerings, we could experience service disruptions, increased costs and reduced quality of our services. Moreover, some of our suppliers compete with us in certain product offerings, which may make us vulnerable to unpredictable price increases from them. Significant price increases could have a material adverse effect on our operating margins and our financial position, in particular if we are unable to arrange for substitute sources of data on more favorable economic terms. Loss of such access or the availability of data in the future on commercially reasonable terms or at all may reduce the quality and availability of our services and products, which could have a material adverse effect on our business, financial condition and results of operations.

Our customers and we are subject to various governmental regulations, and a failure to comply with government regulations or changes in these regulations could result in regulatory penalties, restrict or limit our or our customers' operations or make it more burdensome to conduct such operations, any of which could have a material adverse effect on our revenues, earnings and cash flows.

Many of our and our customers' businesses are subject to various federal, state, local and foreign laws and regulations. Our failure to comply with applicable laws and regulations could restrict our ability to provide certain services or result in imposition of civil fines and criminal penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity and loss of revenue.

In addition, our businesses are subject to an increasing degree of compliance oversight by regulators and by our customers. Specifically, the Consumer Financial Protection Bureau ("CFPB") has authority to write rules impacting the business of credit reporting agencies and also to supervise, conduct examinations of, and enforce compliance as to federal consumer financial protections laws and regulations with respect to certain "non-depository covered persons" determined by the CFPB to be "larger participants" that offer consumer financial products and services. Two of our credit businesses - CoreLogic Credco and Teletrack - are subject to the CFPB non-bank supervision program. The CFPB and the prudential financial institution regulators such as the Office of the Comptroller of the Currency also have the authority to examine us in our role as a service provider to large financial institutions, although it is yet unclear how broadly they will apply this authority going forward. In addition, several of our largest bank customers are subject to consent orders with the Office of the Comptroller of the Currency and/or are parties to the National Mortgage Settlement, both of which require them to exercise greater oversight and perform more rigorous audits of their key vendors such as us.

These laws and regulations (as well as actions that may be taken by legislatures and regulatory bodies in the various states or in other countries) could limit our ability to pursue business opportunities we might otherwise consider engaging in, impose additional costs on us, result in significant loss of revenue, impact the value of assets we hold, or

otherwise significantly adversely affect our business. In addition, this increased level of scrutiny may increase our costs of compliance.

Additional changes in the applicable regulatory environment or interpretations of existing regulations or statutes or enhanced governmental oversight of us or our customers could negatively affect our operations. These changes may compel us to increase our prices in certain situations or decrease our prices in other situations, may restrict our ability to implement price increases, and may limit the manner in which we conduct our business or otherwise may have a negative impact on our ability to generate revenues, earnings and cash flows. If we are unable to adapt our products and services to conform to the new laws and regulations, or if these laws and regulations have a negative impact on our customers, we may experience customer losses or increased operating costs, and our business and results of operations could be negatively affected.

3. Regulatory developments with respect to use of consumer data and public records could have a material adverse effect on our business, financial condition and results of operations.

Because our databases include certain public and non-public personal information concerning consumers, we are subject to government regulation and potential adverse publicity concerning our use of consumer data. We acquire, store, use and provide many types of consumer data and related services that already are subject to regulation under the Fair Credit Reporting Act ("FCRA"), the Gramm-Leach-Bliley Act ("GLBA"), and the Driver's Privacy Protection Act and, to a lesser extent, various other federal, state, and local laws and regulations. These laws and regulations are designed to protect the privacy of consumers and to prevent the unauthorized access and misuse of personal information in the marketplace. Our failure to comply with these laws, or any future laws or regulations of a similar nature, could result in substantial regulatory penalties, litigation expense and loss of revenue.

In addition, some of our data suppliers face similar regulatory requirements and, consequently, they may cease to be able to provide data to us or may substantially increase the fees they charge us for this data which may make it financially burdensome or impossible for us to acquire data that is necessary to offer our products and services. Further, many consumer advocates, privacy advocates and government regulators believe that existing laws and regulations do not adequately protect privacy or ensure the accuracy of consumer-related data. As a result, they are seeking further restrictions on the dissemination or commercial use of personal information to the public and private sectors as well as contemplating requirements relative to data accuracy and the ability of consumers to opt to have their personal data removed from databases such as ours. For example, the Federal Trade Commission recently issued nine orders requiring data brokerage companies, including us, to provide the agency with information about how they collect and use data about consumers. Any future laws, regulations or other restrictions limiting the dissemination or use of personal information may reduce the quality and availability of our products and services, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to protect our information systems against data corruption, cyber-based attacks or network security breaches, or if we are unable to provide adequate security in the electronic transmission of sensitive data, it could have a material adverse effect on our business, financial condition and results of operations.

We are highly dependent on information technology networks and systems, including the Internet, to securely process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for business-to-business and business-to-consumer electronic commerce. Security breaches of this infrastructure, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorized disclosure of confidential information, including non-public personal information and consumer data. Unauthorized access, including through use of fraudulent schemes such as "phishing" schemes, could jeopardize the security of information stored in our systems. In addition, malware or viruses could jeopardize the security of information stored or used in a user's computer. If we are unable to prevent such security or privacy breaches, our operations could be disrupted, or we may suffer loss of reputation, financial loss and other regulatory penalties because of lost or misappropriated information, including sensitive consumer data.

Likewise, our customers are increasingly imposing more stringent contractual obligations on us relating to our information security protections. If we are unable to maintain protections and processes at a level commensurate with that required by our large customers, it could negatively affect our relationships with those customers or increase our operating costs, which could harm our business or reputation.

5. Systems interruptions may impair the delivery of our products and services, causing potential customer and revenue loss.

System interruptions may impair the delivery of our products and services, resulting in a loss of customers and a corresponding loss in revenue. In August 2012, as part of our TTI, we entered into an agreement to outsource our technology infrastructure management services, including the hosting of our data centers, to Dell Marketing, L.P.

("Dell"). Although we expect the TTI will provide new functionality, increased performance and a reduction in application management and development costs, the project is complex and longer-term in nature and we cannot be sure that we will be successful in achieving our technology and cost-savings objectives on the timeframe we set forth, or at all. In addition, we depend heavily upon the computer systems located in our data centers, which we expect will be moved under the Dell arrangement to Dell's data center(s) progressively over the next couple of years. Certain events beyond our control, including technical issues at Dell or with the TTI, natural disasters and telecommunications failures, could interrupt or terminate the delivery of our products and services. These interruptions also may interfere with our suppliers' ability to provide necessary data to us and our employees' ability to attend work and perform their responsibilities. Any of these possible outcomes could result in a loss of customers or a loss in revenue.

Because our revenue from customers in the mortgage, consumer lending and real estate industries is affected by the 6. strength of the economy and the housing market generally, including the volume of real estate transactions, a negative change in any of these conditions could materially adversely affect our business and results of operations.

A significant portion of our revenue is generated from solutions we provide to the mortgage, consumer lending and real estate industries and, as a result, a weak economy or housing market may adversely affect our business. The volume of mortgage origination and residential real estate transactions is highly variable. Reductions in these transaction volumes could have a direct impact on certain portions of our revenues and may materially adversely affect our business, financial condition and results of operations. Moreover, negative economic conditions have had an impact on, and continue to impact the performance and financial condition of, some of our customers in many of our businesses, which may lead to negative impacts on our revenue, earnings and liquidity in particular if these customers go bankrupt or otherwise exit certain businesses.

In addition, declines in the level of loans seriously delinquent (loans delinquent 90 days or more) or loans in foreclosure and delays in the default cycle may negatively affect the demand for many of our products and services in our asset management and processing solutions segment. Furthermore, there have been increased levels of mortgage servicing rights for riskier loans being sold by large mortgage lenders. New capital rules would require lenders to cover potential losses with more equity. Buyers of these mortgage servicing rights have typically included non-bank specialty servicing firms which are not subject to the same rules as banks. Our asset management and processing solutions segment is subject to higher levels of customer concentration and the loss of a significant customer could adversely impact segment performance.

We do not solely control the operations and dividend policies of our partially-owned affiliates, including our 7. National Joint Ventures. A decrease in earnings of or dividends from these joint ventures could have a negative impact on our earnings and cash flow.

In our National Joint Ventures with some of our largest customers, we share control of the management of the operations of the joint venture with the other partner. As a result, we cannot solely dictate the business strategy, operations or dividend policies of these joint ventures without the cooperation of the respective partners. Our National Joint Ventures are impacted by many of the same regulatory and economic factors that affect our business. A decrease in earnings and dividends derived from these joint ventures could have a negative impact on our earnings and cash flow, and we may not have the ability to prevent such a decrease. In addition, our joint venture partners could decide to exit the joint venture or otherwise terminate the operations at their discretion, which could have a material adverse effect on our business and results of operations.

We rely on our top customers for a significant portion of our revenue and profit, which makes us susceptible to the same macro-economic and regulatory factors that our customers face. If these customers are negatively impacted by 8. current economic or regulatory conditions or otherwise experience financial hardship or stress, or if the terms of our relationships with these customers change, our business, financial condition and results of operations could be adversely affected.

The ten largest U.S. mortgage originators generated 38.4% of our 2013 operating revenues for the three months ended June 30, 2013, and one customer, Wells Fargo, N.A., accounted for 11.7% of our 2013 operating revenues for the three months ended June 30, 2013. These customers face continued pressure in the current economic and regulatory climate. Many of our relationships with these customers are long-standing and are important to our future operating results, but there is no guarantee that we will be able to retain or renew existing agreements or maintain our relationships on acceptable terms or at all. Deterioration in or termination of any of these relationships could significantly reduce our revenue and could adversely affect our business, financial condition and results of operations. In addition, certain of our businesses, including our asset management and processing solutions segment, have higher

customer concentration than our company as a whole. As a result, these businesses may be disproportionately affected by declining revenue from, or loss of, a significant customer.

9. We rely upon proprietary technology and information rights, and if we are unable to protect our rights, our business, financial condition and results of operations could be harmed.

Our success depends, in part, upon our intellectual property rights. We rely primarily on a combination of patents, copyrights, trade secrets, and trademark laws and nondisclosure and other contractual restrictions on copying and distribution to protect our proprietary technology and information. This protection is limited, and our intellectual property could be used by others without our consent. In addition, patents may not be issued with respect to our pending or future patent applications, and our patents may not be upheld as valid or may not prevent the development of competitive products. Any infringement, disclosure, loss, invalidity of, or failure to protect our intellectual property could negatively impact our competitive position, and ultimately, our business. Moreover, litigation may be necessary to enforce or protect our intellectual property rights, to

protect our trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation could be time-consuming, result in substantial costs and diversion of resources and could harm our business, financial condition, results of operations and cash flows.

10. If our products or services are found to infringe on the proprietary rights of others, we may be required to change our business practices and may also become subject to significant costs and monetary penalties.

As we continue to develop and expand our products and services, we may become increasingly subject to infringement claims from third parties such as non-practicing entities, software providers or suppliers of data. Likewise, if we are unable to maintain adequate controls over how third-party software and data are used we may be subject to claims of infringement. Any claims, whether with or without merit, could:

- be expensive and time-consuming to defend;
- cause us to cease making, licensing or using applications that incorporate the challenged intellectual property;
- require us to redesign our applications, if feasible;
- divert management's attention and resources; and
- require us to enter into royalty or licensing agreements in order to obtain the right to use necessary technologies.

11. The acquisition and integration or divestiture of businesses by us may involve increased expenses, and may not produce the desired financial or operating results contemplated at the time of the transaction.

We have acquired and expect to continue to acquire, on an opportunistic basis, companies, businesses, products and services. We also evaluate strategic divestitures from time to time. These activities may increase our expenses, and the expected benefits, synergies and growth from these initiatives may not materialize as planned. In addition, we may have difficulty integrating our completed or any future acquisitions into our operations. If we fail to properly integrate acquired businesses, products, technologies and personnel, it could impair relationships with employees, customers and strategic partners, distract management attention, result in control failures and otherwise disrupt our ongoing business and harm our results of operations. We also may not be able to retain key management and other critical employees after an acquisition. In addition, although part of our business strategy may include growth through strategic acquisitions, and we may not be able to identify suitable acquisition candidates, obtain the capital necessary to pursue acquisitions or complete acquisitions on satisfactory terms.

12. Our reliance on outsourcing arrangements subjects us to risk and may disrupt or adversely affect our operations. In addition, we may not realize the full benefit of our outsourcing arrangements, which may result in increased costs, or may adversely affect our service levels for our customers.

Over the last few years, we have outsourced various business process and information technology services to third parties, including the outsourcing arrangements we entered into with a subsidiary of Cognizant Technology Solutions and the technology infrastructure management services agreement we entered into with Dell. Although we have service-level arrangements with our providers, we do not ultimately control their performance, which may make our operations vulnerable to their performance failures. In addition, the failure to adequately monitor and regulate the performance of our third-party vendors could subject us to additional risk. Reliance on third parties also makes us vulnerable to changes in the vendors' business, financial condition and other matters outside of our control, including their violations of laws or regulations which could increase our exposure to liability or otherwise increase the costs associated with the operation of our business. The failure of our outsourcing partners to perform as expected or as contractually required could result in significant disruptions and costs to our operations, and to the services we provide to our customers, which could materially and adversely affect our business, customer relationships, financial condition, operating results and cash flow.

Furthermore, some of our outsourced services are being performed offshore, which could expose us to risks inherent in conducting business outside of the United States. Our customers may object to the outsourcing and/or offshoring of services we provide for them, which may require us to perform such services directly and/or onshore at a higher cost or our customer may cease doing business with us.

Our outsourcing arrangement with Cognizant Technology Solutions subjects us to a remaining net cumulative minimum commitment of approximately \$184.7 million as of June 30, 2013, plus applicable inflation adjustments, over the remaining minimum commitment term through 2016. We are required to pay this minimum commitment regardless of the actual value of the services it provides. This minimum commitment could negatively affect our cost structure and our ability to divest operations which utilize services under this outsourcing agreement.

Our international outsourcing service providers and our own international operations subject us to additional risks, which could have an adverse effect on our results of operations. Dependence on these operations, in particular our outsourcing arrangements, may impair our ability to operate effectively.

Over the last few years, we have reduced our costs by utilizing lower cost labor outside the U.S. in countries such as India and the Philippines, primarily through outsourcing arrangements. These countries are subject to relatively higher degrees of political and social instability than the U.S. and may lack the infrastructure to withstand political unrest or natural disasters. Such disruptions can impact our ability to deliver our products and services on a timely basis, if at all, and to a lesser extent can decrease efficiency and increase our costs. Weakness of the U.S. dollar in relation to the currencies used and higher inflation rates experienced in these countries may also reduce the savings we planned to achieve. Furthermore, the practice of utilizing labor based in foreign countries has come under increased scrutiny in the United States and, as a result, many of our customers may require us to use labor based in the U.S. We may not be able to pass on the increased costs of higher-priced U.S.-based labor to our customers, which ultimately could have an adverse effect on our results of operations.

In addition, the foreign countries in which we have outsourcing arrangements or operate could adopt new legislation or regulations that would adversely affect our business by making it difficult, more costly or impossible for us to continue our foreign activities as currently being conducted. In addition, in many foreign countries, particularly in those with developing economies, it is common to engage in business practices that are prohibited by laws and regulations applicable to us, such as the Foreign Corrupt Practices Act ("FCPA"). Any violations of FCPA or local anti-corruption laws by us, our subsidiaries or our local agents, could have an adverse effect on our business and reputation and result in substantial financial penalties or other sanctions.

Our level of indebtedness could adversely affect our financial condition and prevent us from complying with our covenants and obligations under our outstanding debt instruments. In addition, the instruments governing our indebtedness subject us to various restrictions that could limit our operating flexibility.

As of June 30, 2013, our total debt was approximately \$788.8 million, and we have unused commitments of approximately \$500.0 million under our credit facilities.

Subject to the limitations contained in the credit agreement governing our credit facilities, the indenture governing the 7.25% senior notes and our other debt instruments, we may incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other general corporate purposes. If we do so, the risks related to our level of debt could intensify.

The indenture governing the notes and the credit agreement governing our credit facilities each impose operating and financial restrictions on our activities. These restrictions include the financial covenants in our credit facilities which require on-going compliance with certain financial tests and ratios, including a minimum interest coverage ratio and maximum leverage ratio. The operating and financial restrictions in the indenture or the credit agreement could limit or prohibit our ability to, among other things:

- create, incur or assume additional debt;
- create, incur or assume certain liens;
- redeem and/or prepay certain subordinated debt we might issue in the future;
- pay dividends on our stock or repurchase stock;
- make certain investments and acquisitions, including joint ventures;
- enter into or permit to exist contractual limits on the ability of our subsidiaries to pay dividends to us;
- enter into new lines of business;
- engage in consolidations, mergers and acquisitions;

- engage in specified sales of assets; and
- enter into transactions with affiliates.

These restrictions on our ability to operate our business could impact our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition or other corporate opportunities that might otherwise be beneficial to us. Our failure to comply with these restrictions could result in an event of default which, if not cured or waived, could result in the acceleration of substantially all our debt.

15. We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our outstanding debt instruments, which may not be successful.

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Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations. If we cannot make scheduled payments on our debt, we will be in default and holders of the notes or the lenders under our credit facilities could declare all outstanding principal and interest to be due and payable, and the lenders under our credit facilities could terminate their revolving commitments to loan money and foreclose against the assets securing their borrowings, and we could be forced into bankruptcy or liquidation.

16. We operate in a competitive business environment, and if we are unable to compete effectively our results of operations and financial condition may be adversely affected.

The markets for our products and services are intensely competitive. Our competitors vary in size and in the scope and breadth of the services they offer. We compete for existing and new customers against both third parties and the in-house capabilities of our customers. Some of our competitors, such as the credit bureaus, have substantial resources. Some have widely-used technology platforms that they seek to use as a competitive advantage to drive sales of other products and services. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies. These competitors and new technologies may render our existing technology obsolete, resulting in operating inefficiencies and increased competitive pressure. We cannot assure you that we will be able to compete successfully against current or future competitors or that competitive pressures we face in the markets in which we operate will not materially adversely affect our business, financial condition and results of operations.

We may not be able to attract and retain qualified management or develop current management to keep pace with 17. company growth, which could have an adverse effect on our ability to maintain or increase our product and service offerings.

We rely on skilled management and our success depends on our ability to attract, train and retain a sufficient number of such individuals. If our attrition rate increases, our operating efficiency and productivity may decrease. We compete for talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services and financial services companies, and there is a limited pool of individuals who have the skills and training needed to grow our company, especially in the increasingly-regulated environment in which we operate. Increased attrition or competition for qualified management could have an adverse effect on our ability to expand our business and product offerings, as well as cause us to incur greater personnel expenses and training costs.

18. We have substantial investments in recorded goodwill as a result of prior acquisitions and an impairment of these investments would require a write-down that would reduce our net income.

In accordance with generally accepted accounting principles, or GAAP, existing goodwill is not amortized but instead is required to be assessed for impairment annually or sooner if circumstances indicate a possible impairment. Factors that could lead to impairment of goodwill include significant under-performance relative to historical or projected future operating results, a significant decline in our stock price and market capitalization and negative industry or economic trends. In the event that the book value of goodwill is impaired, any such impairment would be charged to earnings in the period of impairment. In the event of significant volatility in the capital markets or a worsening of current economic conditions, we may be required to record an impairment charge, which would negatively impact our

results of operations. Possible future impairment of goodwill under accounting guidance may have a material adverse effect on our business, financial condition and results of operations.

19. We may not be able to effectively achieve our growth or cost-containment strategies, which could adversely affect our financial condition or results of operations.

Our growth and cost-containment strategies include revenue growth and margin expansion, strategic outsourcing such as our TTI, streamlining functions and improving overall processes. Although we have implemented many of these plans, we cannot guarantee that we will be successful at implementing all of our growth strategies within the timetable we have indicated, if at all. In addition, we may not be able to realize all of the projected benefits of our cost-containment strategies, and these efforts could impair our ability to attract and retain resources or prohibit us from being able to execute effectively and efficiently on our growth plans.

Risks Relating to the Separation of FAFC

1. We are responsible for a portion of FAFC's contingent and other corporate liabilities.

Under the Separation and Distribution Agreement we entered into with FAFC and related agreements, subject to certain exceptions contained in the Tax Sharing Agreement, we and FAFC are each responsible for 50% of certain of FAFC's contingent and other corporate liabilities. External costs and expenses associated with the management of these contingent and other corporate liabilities are shared equally. These contingent and other corporate liabilities primarily relate to any third party claims related to the Separation or the Distribution. Contingent and other corporate liabilities that relate only to the information solutions business were generally allocated to us and those that relate only to the financial services business were generally allocated to FAFC.

If FAFC were to default on a payment obligation related to these liabilities, we may be required to pay the amount in default. Accordingly, under certain circumstances, we may be obligated to pay amounts in excess of the agreed-upon share of the contingent and other corporate liabilities, including associated expenses.

2. We share responsibility with FAFC for certain income tax liabilities for tax periods prior to and including the date of the Distribution.

Under the Tax Sharing Agreement, we are generally responsible for taxes attributable to members of the information solutions group of companies or the assets, liabilities or businesses of the information group of companies and FAFC is generally responsible for all taxes attributable to members of the FAFC group of companies or the assets, liabilities or businesses of the FAFC group of companies. Generally, any liabilities arising from adjustments to prior year (or partial year with respect to 2010) consolidated tax returns will be shared in proportion to each company's percentage of the tax liability for the relevant year (or partial year with respect to 2010), unless the adjustment is attributable to either party, in which case the adjustment will generally be for the account of such party. In addition to this potential liability associated with adjustments for prior periods, if FAFC were to fail to pay any tax liability it is required to pay under the Tax Sharing Agreement, we could be legally liable under applicable tax law for such liabilities and required to make additional tax payments. Accordingly, under certain circumstances, we may be obligated to pay amounts in excess of our agreed-upon share of tax liabilities.

3. If the Distribution or certain internal transactions undertaken in anticipation of the Separation are determined to be taxable for U.S. federal income tax purposes, we, our stockholders that are subject to U.S. federal income tax and FAFC will incur significant U.S. federal income tax liabilities.

In connection with the Separation we received a private letter ruling from the IRS to the effect that, among other things, certain internal transactions undertaken in anticipation of the Separation will qualify for favorable treatment under the Code, and the contribution by us of certain assets of the financial services businesses to FAFC and the pro-rata distribution to our shareholders of the common stock of FAFC will, except for cash received in lieu of fractional shares, qualify as a tax-free transaction for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. In addition, we received opinions of tax counsel to similar effect. The ruling and opinions relied on certain facts, assumptions, representations and undertakings from us and FAFC regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings is incorrect or not otherwise satisfied, we and our stockholders may not be able to rely on the ruling or the opinions of tax counsel and could be subject to significant tax liabilities. Notwithstanding the private letter ruling and opinions of tax counsel, the IRS could determine on audit that the Separation is taxable if it determines that any of these facts, assumptions, representations or undertakings were not correct or have been violated or if it disagrees with the conclusions in the opinions that were not covered by the private letter ruling, or for other reasons, including as a result of certain significant changes in the stock ownership of us or FAFC after the Separation. If the Separation is

determined to be taxable for U.S. federal income tax purposes, we and our stockholders that are subject to U.S. federal income tax could incur significant U.S. federal income tax liabilities.

In addition, under the terms of the Tax Sharing Agreement, in the event the Distribution were determined to be taxable and such determination were the result of actions taken after the Distribution by us or FAFC, the party responsible for such failure would be responsible for all taxes imposed on us or FAFC as a result thereof.

Moreover, the Tax Sharing Agreement generally provides that each party thereto is responsible for any taxes imposed on the other party as a result of the failure of the distribution to qualify as a tax-free transaction under the Code if such failure is attributable to post-Distribution actions taken by or in respect of the responsible party or its stockholders, regardless of when the actions occur after the Distribution, the other party consents to such actions or such party obtains a favorable letter ruling or opinion of tax counsel as described above. For example, we would be responsible for a third party's acquisition of us at a time

and in a manner that would cause a failure of the Distribution to qualify as a tax-free transaction under the Code. These restrictions may prevent us from entering into transactions which might be advantageous to our stockholders.

In connection with the Separation, we entered into a number of agreements with FAFC setting forth rights and obligations of the parties post Separation. In addition, certain provisions of these agreements provide protection to 4. FAFC in the event of a change of control of us, which could reduce the likelihood of a potential change of control that our stockholders may consider favorable.

In connection with the Separation, we and FAFC entered into a number of agreements that set forth certain rights and obligations of the parties post-Separation, including the Separation and Distribution Agreement, the Tax Sharing Agreement, the Restrictive Covenants Agreement, certain transition services agreements and leases for our data center and former headquarters facilities in Santa Ana. We possess certain rights under those agreements, including without limitation indemnity rights from certain liabilities allocated to FAFC. The failure of FAFC to perform its obligations under the agreements could have an adverse effect on our financial condition, results of operations and cash flows.

In addition, the Separation and Distribution Agreement gives FAFC the right to purchase the equity or assets of our entity or entities directly or indirectly owning the real property databases that we currently own upon the occurrence of certain triggering events. The triggering events include the direct or indirect purchase of the databases by a title insurance underwriter (or its affiliate) or an entity licensed as a title insurance underwriter, including a transaction where a title insurance underwriter (or its affiliate) acquires 25% or more of us. Such a triggering event also triggers the ability of FAFC to terminate our data center upon 30 days notice. The purchase right expires June 1, 2020. Until the expiration of the purchase right, this provision could have the effect of limiting or discouraging an acquisition of us or preventing a change of control that our stockholders might consider favorable. Likewise, if a triggering event occurs, the loss of ownership of our real property database and our need to move our data center very abruptly could have a material adverse effect on our financial condition, business and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

During the quarter ended June 30, 2013, we did not issue any unregistered common shares.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We made no purchases of our common stock during the second quarter of 2013. On December 6, 2012, the Board of Directors canceled all prior repurchase authorizations and established a new share repurchase authorization of up to \$250.0 million. As of June 30, 2013, we have \$174.3 million value of shares that may yet be purchased under the plans or programs. The stock repurchase plan has no expiration date.

Under our May 2011 credit agreement, our stock repurchase capacity is restricted to \$100.0 million per fiscal year, with the ability to undertake an additional amount of repurchases in such fiscal year provided that, on a pro forma basis after giving effect to the stock repurchase, our senior secured leverage ratio does not exceed 2.25:1.0 or our total leverage ratio does not exceed 3.25:1.0. In addition, our stock repurchase capacity is limited by the restricted payments covenant in the indenture governing our 7.25% senior notes. While we continue to preserve the capacity to execute share repurchases under our existing share repurchase authorization, going forward we will consider the repurchase of shares of our common stock and retirement of outstanding debt on an opportunistic basis.

Item 3. Defaults Upon Senior Securities. None.

Item 4. Mine Safety Disclosures. Not applicable.

Item 5. Other Information. None.

Item 6. Exhibits.

See Exhibit Index.

SIGNATURES

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

CoreLogic, Inc.
(Registrant)

By: /s/ Anand Nallathambi
Anand Nallathambi
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Frank D. Martell
Frank D. Martell
Chief Financial Officer
(Principal Financial Officer)

Date: July 25, 2013

EXHIBIT INDEX

Exhibit Number	Description
2.1	Purchase and Sale Agreement by and among CoreLogic Acquisition Co. I, LLC, CoreLogic Acquisition Co. II, LLC, CoreLogic Acquisition Co. III, LLC, Property Data Holdings, Ltd., DataQuick Lending Solutions, Inc., Decision Insight Information Group S.à r.l., and solely with respect to, and as specified in, Sections 2.5, 2.7, 2.10(f), 5.7, 5.18, 5.21, 8.2(b), 8.7(b), and 9.15 of the Purchase and Sale Agreement, CoreLogic Solutions, LLC, and solely with respect to, and as specified in, Sections 5.4 and 5.7 of the Purchase and Sale Agreement, Property Data Holdings, L.P. (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed on July 5, 2013)*+
31.1	Certification by Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 ü
31.2	Certification by Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 ü
32.1	Certification by Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 ü
32.2	Certification by Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 ü
101	Extensible Business Reporting Language (XBRL)

ü Included in this filing
 Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby agrees to furnish supplementally copies of any of the omitted schedules and exhibits upon request by the Securities and Exchange Commission.

* This agreement contains representations and warranties by us or our subsidiaries. These representations and warranties have been made solely for the benefit of the other parties to the agreement and (i) has been qualified by disclosures made to such other parties, (ii) were made only as of the date of such agreement or such other date(s) as may be specified in such agreement and are subject to more recent developments, which may not be fully reflected in our public disclosures, (iii) + may reflect the allocation of risk among the parties to such agreement and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe the actual state of affairs at the date hereof and should not be relied upon.