CORELOGIC, INC.
Form 10-Q
July 26, 2017

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

FORM 10-Q

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

For the quarterly period ended June 30, 2017

OR

o 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	95-1068610
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

40 Pacifica, Irvine, California	92618-7471
(Address of principal executive offices)	(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 x No o

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 x No o

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,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x		Accelerated filer	o
Non-accelerated filer o	(Do not check if a smaller reporting company)	Smaller reporting company	o
		Emerging growth company	o

o If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Yes o No x

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

On July 21, 2017 there were 84,308,696 shares of common stock outstanding.

CoreLogic, Inc.
Table of Contents

PART I: FINANCIAL INFORMATION
Item 1. Financial Statements.
CoreLogic, Inc.
Condensed Consolidated Balance Sheets (Unaudited)

(in thousands, except par value)	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$89,422	$72,031
Accounts receivable (less allowance for doubtful accounts of $7,913 and $8,857 as of June 30, 2017 and December 31, 2016, respectively)	270,636	269,229
Prepaid expenses and other current assets	51,849	43,060
Income tax receivable	20,971	6,905
Assets of discontinued operations	806	662
Total current assets	433,684	391,887
Property and equipment, net	433,393	449,199
Goodwill, net	2,112,692	2,107,255
Other intangible assets, net	453,171	478,913
Capitalized data and database costs, net	331,803	327,921
Investment in affiliates, net	103,460	40,809
Deferred income tax assets, long-term	1,382	1,516
Restricted cash	17,435	17,943
Other assets	90,084	92,091
Total assets	$3,977,104	$3,907,534
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$144,902	$168,284
Accrued salaries and benefits	61,453	107,234
Deferred revenue, current	298,138	284,622
Current portion of long-term debt	140,018	105,158
Liabilities of discontinued operations	1,982	3,123
Total current liabilities	646,493	668,421
Long-term debt, net of current	1,501,048	1,496,889
Deferred revenue, net of current	498,292	487,134
Deferred income tax liabilities, long term	123,106	120,063
Other liabilities	157,522	132,043
Total liabilities	2,926,461	2,904,550
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; 84,303 and 84,368 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	1	1
Additional paid-in capital	371,525	400,452
Retained earnings	781,647	724,949
Accumulated other comprehensive loss	(102,530)	(122,418)
Total stockholders' equity	1,050,643	1,002,984
Total liabilities and equity	$3,977,104	$3,907,534

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

1

CoreLogic, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(in thousands, except per share amounts)	For the Three Months Ended June 30, 2017	2016	For the Six Months Ended June 30, 2017	2016
Operating revenues	$473,978	$500,204	$913,829	$953,747
Cost of services (excluding depreciation and amortization shown below)	249,162	264,731	501,128	510,110
Selling, general and administrative expenses	103,552	115,784	215,400	226,081
Depreciation and amortization	42,871	43,291	86,343	82,935
Total operating expenses	395,585	423,806	802,871	819,126
Operating income	78,393	76,398	110,958	134,621
Interest expense:				
Interest income	592	557	930	1,186
Interest expense	14,535	19,030	28,666	33,954
Total interest expense, net	(13,943)	(18,473)	(27,736)	(32,768)
(Loss)/gain on investments and other, net	(4,353)	2,704	(3,418)	2,184
Income from continuing operations before equity in (losses)/earnings of affiliates and income taxes	60,097	60,629	79,804	104,037
Provision for income taxes	18,635	20,283	24,909	36,062
Income from continuing operations before equity in (losses)/earnings of affiliates	41,462	40,346	54,895	67,975
Equity in (losses)/earnings of affiliates, net of tax	(280)	78	(1,004)	(11)
Net income from continuing operations	41,182	40,424	53,891	67,964
Gain/(loss) from discontinued operations, net of tax	78	(4)	2,495	(62)
Gain from sale of discontinued operations, net of tax	—	—	312	—
Net income	$41,260	$40,420	$56,698	$67,902
Basic income per share:				
Net income from continuing operations	$0.49	$0.46	$0.64	$0.77
Gain/(loss) from discontinued operations, net of tax	—	—	0.03	—
Gain from sale of discontinued operations, net of tax	—	—	—	—
Net income	$0.49	$0.46	$0.67	$0.77
Diluted income per share:				
Net income from continuing operations	$0.48	$0.45	$0.63	$0.76
Gain/(loss) from discontinued operations, net of tax	—	—	0.03	—
Gain from sale of discontinued operations, net of tax	—	—	—	—
Net income	$0.48	$0.45	$0.66	$0.76
Weighted-average common shares outstanding:				
Basic	84,548	88,572	84,490	88,441
Diluted	86,097	89,968	86,224	89,947

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in thousands)	2017	2016	2017	2016
Net income	$41,260	$40,420	$56,698	$67,902
Other comprehensive income/(loss)				
Market value adjustments to marketable securities, net of tax	—	(480)	—	(86)
Market value adjustments on interest rate swaps, net of tax	50	(439)	1,580	(3,038)
Foreign currency translation adjustments	3,135	(6,285)	16,683	5,309
Supplemental benefit plans adjustments, net of tax	1,731	(107)	1,625	(213)
Total other comprehensive income/(loss)	4,916	(7,311)	19,888	1,972
Comprehensive income	$46,176	$33,109	$76,586	$69,874

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

3

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

(in thousands)	For the Six Months Ended June 30, 2017	2016
Cash flows from operating activities:		
Net income	$56,698	$67,902
Less: Income/(loss) from discontinued operations, net of tax	2,495	(62)
Less: Gain from sale of discontinued operations, net of tax	312	—
Net income from continuing operations	53,891	67,964
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	86,343	82,935
Amortization of debt issuance costs	2,870	2,966
Provision for bad debt and claim losses	7,939	6,927
Share-based compensation	20,939	19,318
Excess tax benefit related to stock options	—	(1,816)
Equity in losses of affiliates, net of taxes	1,004	11
Gain on sale of property and equipment	(231)	(16)
Deferred income tax	6,193	9,048
Loss/(gain) on investments and other, net	3,418	(2,184)
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(2,070)	(20,473)
Prepaid expenses and other current assets	(4,161)	(18,126)
Accounts payable and accrued expenses	(74,371)	(21,620)
Deferred revenue	24,675	22,147
Income taxes	(13,445)	27,461
Dividends received from investments in affiliates	1,097	6,921
Other assets and other liabilities	22,357	(8,135)
Net cash provided by operating activities - continuing operations	136,448	173,328
Net cash provided by/(used in) operating activities - discontinued operations	3,663	(84)
Total cash provided by operating activities	$140,111	$173,244
Cash flows from investing activities:		
Purchase of subsidiary shares from noncontrolling interests	$—	$(18,023)
Purchases of property and equipment	(20,237)	(27,858)
Purchases of capitalized data and other intangible assets	(17,202)	(17,927)
Cash paid for acquisitions, net of cash acquired	—	(396,816)
Purchases of investments	(70,000)	(615)
Proceeds from sale of property and equipment	304	16
Change in restricted cash	508	(83)
Net cash used in investing activities - continuing operations	(106,627)	(461,306)
Net cash provided by investing activities - discontinued operations	—	—
Total cash used in investing activities	$(106,627)	$(461,306)
Cash flows from financing activities:		
Proceeds from long-term debt	$70,000	$390,000
Repayment of long-term debt	(35,234)	(101,665)
Proceeds from issuance of shares in connection with share-based compensation	4,504	9,801

Payment of tax withholdings related to net share settlements	(13,420)	(9,098)
Shares repurchased and retired	(40,950)	(29,126)
Excess tax benefit related to stock options	—	1,816
Net cash (used in)/provided by financing activities - continuing operations	(15,100)	261,728
Net cash provided by financing activities - discontinued operations	—	—
Total cash (used in)/provided by financing activities	$(15,100)	$261,728
Effect of exchange rate on cash	(993)	(389)
Net change in cash and cash equivalents	17,391	(26,723)
Cash and cash equivalents at beginning of period	72,031	99,090
Less: Change in cash and cash equivalents - discontinued operations	3,663	(84)
Plus: Cash swept from/(to) discontinued operations	3,663	(84)
Cash and cash equivalents at end of period	$89,422	$72,367
Supplemental disclosures of cash flow information:		
Cash paid for interest	$24,076	$31,180
Cash paid for income taxes	$35,009	$3,438
Cash refunds from income taxes	$507	$415
Non-cash investing activities:		
Capital expenditures included in accounts payable and accrued liabilities	$5,304	$3,775

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

CoreLogic, Inc.
Condensed Consolidated Statement of Stockholder's Equity
(Unaudited)

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance as of December 31, 2016	84,368	$ 1	$400,452	$724,949	$ (122,418)	$1,002,984
Net income	—	—	—	56,698	—	56,698
Shares issued in connection with share-based compensation	935	—	4,504	—	—	4,504
Payment of tax withholdings related to net share settlements	—	—	(13,420)	—	—	(13,420)
Share-based compensation	—	—	20,939	—	—	20,939
Shares repurchased and retired	(1,000)	—	(40,950)	—	—	(40,950)
Other comprehensive income	—	—	—	—	19,888	19,888
Balance as of June 30, 2017	84,303	$ 1	$371,525	$781,647	$ (102,530)	$1,050,643

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 global property information, insight, analytics and data-enabled solutions provider operating in North America, Western Europe and Asia Pacific. Our combined data from public, contributory and proprietary sources provides detailed coverage of property, mortgages and other encumbrances, consumer credit, tenancy, location, hazard risk and related performance information. The markets we serve include real estate and mortgage finance, insurance, capital markets and the public sector. We deliver value to clients through unique data, analytics, workflow technology, advisory and managed solutions. Clients rely on us to help identify and manage growth opportunities, improve performance and mitigate risk.

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). 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 2016 year-end condensed consolidated balance sheet was derived from the Company's audited financial statements for the year ended December 31, 2016. Interim financial information does 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, 2016.

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.

Client Concentration

We generate the majority of our revenues from clients with operations in the U.S. residential real estate, mortgage origination and mortgage servicing markets. Approximately 41% and 43% of our operating revenues for the three and six months ended June 30, 2017 and 2016, respectively, were generated from our top ten clients, who consist of the largest U.S. mortgage originators and servicers. Two of our clients accounted for approximately 14% and 10% of our operating revenues for the three months ended June 30, 2017 and 15% and 11% of our operating revenues for the three months ended June 30, 2016. Two of our clients accounted for approximately 13% and 10% of our operating revenues for the six months ended June 30, 2017 and 14% and 12% of our operating revenues for the six months ended June 30, 2016.

Classification Correction

During the second quarter of 2017, we identified a balance sheet misclassification related to certain liability balances, which overstated our accounts payable and accrued expenses and understated other liabilities by approximately $32.0 million as of December 31, 2016. We corrected the balance sheet misclassification error on a prospective basis during the second quarter of 2017 as we determined the error was not material to the current financial condition or for the prior annual or interim periods.

Comprehensive Income

Comprehensive income includes all changes in equity except those resulting from investments by owners and distributions to owners. Specifically, foreign currency translation adjustments, amounts related to supplemental benefit plans, unrealized gains and losses on interest rate swap transactions and unrealized gains and losses on investment are recorded in other comprehensive income/(loss).

The following table shows the components of accumulated other comprehensive loss, net of taxes as of June 30, 2017 and December 31, 2016:

	2017	2016
Cumulative foreign currency translation	$(101,387)	$(118,071)
Cumulative supplemental benefit plans	(4,642)	(6,267)
Net unrecognized gains on interest rate swaps	3,499	1,920
Accumulated other comprehensive loss	$(102,530)	$(122,418)

Investment in Affiliates

Investments in affiliates are accounted for under the equity method of accounting when 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 impairments, capital contributions and loans from us, plus our equity in undistributed earnings or losses since inception of the investment.

We recorded equity in losses of affiliates, net of tax of $0.3 million and equity in earnings of affiliates, net of tax of $0.1 million for the three months ended June 30, 2017 and 2016, respectively, and equity in losses of affiliates, net of tax of $1.0 million and less than $0.1 million for the six months ended June 30, 2017 and 2016, respectively. For the three months ended June 30, 2017 and 2016, we recorded $1.9 million and $2.7 million, respectively, of operating revenues and $2.9 million for both the three months ended June 30, 2017 and 2016, of operating expenses related to our investment in affiliates. For the six months ended June 30, 2017 and 2016, we recorded $4.1 million and $5.2 million, respectively, of operating revenues and $5.7 million and $5.5 million, respectively, of operating expenses related to our investment in affiliates.

In June 2017, we acquired a 45.0% interest in Mercury Network, LLC ("Mercury") for $70.0 million, which included a call option to purchase the remaining 55.0% interest within the next nine-month period. This investment rolls into our Property Information ("PI") segment. We fair-valued the call option using the Black-Scholes model and preliminarily recorded $4.6 million. See Note 8 - Fair Value of Financial Instruments for further discussion. The purchase of the remaining 55.0% ownership of Mercury Network is expected to close in the third quarter of 2017, subject to customary closing conditions. Mercury is a technology company servicing small and medium-sized mortgage lenders and appraisal management companies to manage their collateral valuation operations. As Mercury's stand-alone financial statements reflect a net deficient equity position, we preliminarily recorded $87.0 million of basis difference between the purchase price and our interest in the net assets of Mercury, which is comprised of an indefinite-lived component of $57.7 million and a finite-lived component of $29.3 million with an estimated weighted-average life of 15 years.

Tax Escrow Disbursement Arrangements

We administer tax escrow disbursements as a service to our clients in connection with our property tax processing solutions. These deposits are maintained in segregated accounts for the benefit of our clients. Tax escrow deposits totaled $1.0 billion as of June 30, 2017 and $619.4 million as of December 31, 2016. Because these deposits are held on behalf of our clients, they are not our funds and, therefore, are not included in the accompanying condensed consolidated balance sheets.

These deposits generally remain in the accounts for a period of two to five business days. We earn interest income or earnings credits from these deposits and bear the cost of bank-related fees.

Under our contracts with our clients, if we make a payment in error or fail to pay a taxing authority when a payment is due, we could be held liable to our clients for all or part of the financial loss they suffer as a result of our act or omission. We maintained claim reserves relating to incorrect disposition of assets of $21.1 million and $22.2 million as of June 30, 2017 and December 31, 2016, respectively, which is reflected in our accompanying condensed consolidated balance sheets as a component of other liabilities.

Pension Plan Buyout

We currently offer a variety of employee benefit plans, including a defined benefit pension plan incorporated with the acquisition of RELS (the "RELS Pension Plan"). The RELS Pension Plan offers participants annuity payments based on a number of factors and will offer an alternative lump sum distribution to certain participants. In October 2016, RELS voted to terminate the RELS Pension Plan effective October 31, 2016.

In June 2017, we made a contribution of $13.5 million to settle the defined benefit pension plan incorporated with the acquisition of RELS. We recorded a loss of $6.1 million within (loss)/gain on investments and other, net in our condensed consolidated statement of operations and cleared the corresponding RELS Pension Plan liability of $9.2 million and corresponding accumulated other comprehensive loss of $1.8 million within our condensed consolidated balance sheets and condensed consolidated statements of comprehensive income.

Recent Accounting Pronouncements

In May 2017, the Financial Accounting Standards Board (“FASB”), issued guidance to amend the terms or conditions to apply modification accounting for share-based payment awards. The amendment clarifies that modification accounting will be applied if the value, vesting conditions or classification of the award changes. An entity must disclose that compensation expense hasn’t changed, if that is the case. The guidance is effective prospectively in fiscal years beginning after December 15, 2017. Early adoption is permitted and we elected early adoption of this guidance which did not have a material impact on our consolidated financial statements.

In May 2014, the FASB issued updated guidance on revenue recognition in order to i) remove inconsistencies in revenue requirements, ii) provide a better framework for addressing revenue issues, iii) improve comparability across entities, industries, jurisdictions, and capital markets, iv) provide more useful information through improved disclosures, and v) simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer. Under the amendment, an entity should recognize revenue to depict the transfer of promised goods or services to clients in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting treatment for the incremental costs of obtaining a contract, which would not have been incurred had the contract not been obtained. Further, an entity is required to disclose sufficient information to enable the user of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with clients. The updated guidance provides two methods of adoption: i) retrospective application to each prior reporting period presented, or ii) recognition of the cumulative effect from the retrospective application at the date of initial application. We elected the modified retrospective approach. As updated by FASB in August 2015, the guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier adoption was permitted for annual reporting periods beginning after December 15, 2016 but we did not elect early adoption.

We believe our notes to the consolidated financial statements related to revenue recognition will be significantly expanded and are still assessing the quantitative impact to our consolidated financial statements. Also, we are in process of implementing changes to accounting policies, business processes, contract-management processes, systems and financial controls to support the new accounting and disclosure requirements. Once our evaluation is complete, we will disclose the quantitative impact of adopting the updated guidance.

Note 2 - Property, Equipment and Software Net

Property and equipment, net as of June 30, 2017 and December 31, 2016 consists of the following:

(in thousands)	2017	2016
Land	$7,476	$7,476
Buildings	6,487	6,293
Furniture and equipment	63,881	61,582
Capitalized software	884,880	866,398
Leasehold improvements	40,847	29,420
Construction in progress	1,322	20,613

	1,004,893	991,782
Less accumulated depreciation	(571,500)	(542,583)
Property and equipment, net	$433,393	$449,199

Depreciation expense for property and equipment was approximately $20.1 million and $21.4 million for the three months ended June 30, 2017 and 2016, respectively, and $40.7 million and $40.6 million for the six months ended June 30, 2017 and 2016, respectively.

Note 3 – Goodwill, Net

A reconciliation of the changes in the carrying amount of goodwill and accumulated impairment losses, by operating segment and reporting unit, for the six months ended June 30, 2017, is as follows:

(in thousands)	PI	RMW	Consolidated
Balance as of January 1, 2017			
Goodwill	$1,189,388	$925,392	$2,114,780
Accumulated impairment losses	(600)	(6,925)	(7,525)
Goodwill, net	1,188,788	918,467	2,107,255
Acquisitions	(5,681)	—	(5,681)
Translation adjustments	11,118	—	11,118
Balance as of June 30, 2017			
Goodwill, net	$1,194,225	$918,467	$2,112,692

For the six months ended June 30, 2017, we recorded an adjustment of $5.4 million to goodwill within our Property Intelligence ("PI") reporting unit related to the finalization of our FNC, Inc. ("FNC") acquisition purchase price allocation. See Note 11 - Acquisitions for additional information. Additionally, we recorded an adjustment of $0.2 million to goodwill within our PI reporting unit related to another acquisition that was not significant.

Note 4 – Other Intangible Assets, Net

Other intangible assets, net consist of the following:

	June 30, 2017			December 31, 2016		
(in thousands)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Client lists	$643,645	$ (280,449)	$363,196	$637,053	$ (257,787)	$379,266
Non-compete agreements	28,112	(13,332)	14,780	28,106	(11,136)	16,970
Trade names and licenses	118,854	(43,659)	75,195	121,086	(38,409)	82,677
	$790,611	$ (337,440)	$453,171	$786,245	$ (307,332)	$478,913

Amortization expense for other intangible assets, net was $13.9 million and $13.2 million for the three months ended June 30, 2017 and 2016, respectively, and $27.9 million and $24.9 million for the six months ended June 30, 2017 and 2016, respectively.

Estimated amortization expense for other intangible assets, net is as follows:

(in thousands)	
Remainder of 2017	$27,890
2018	55,119
2019	52,692
2020	50,490
2021	47,342
Thereafter	219,638
	$453,171

9

Note 5 – Long-Term Debt

Our long-term debt consists of the following:

	June 30, 2017			December 31, 2016		
(in thousands)	Gross	Debt Issuance Costs	Net	Gross	Debt Issuance Costs	Net
Bank debt:						
Term loan facility borrowings due April 2020, weighted-average interest rate of 2.76% and 2.31% as of June 30, 2017 and December 31, 2016, respectively	$1,263,750	$(10,329)	$1,253,421	$1,298,125	$(12,419)	$1,285,706
Revolving line of credit borrowings due April 2020, weighted-average interest rate of 2.76% and 2.31% as of June 30, 2017 and December 31, 2016, respectively	372,000	(3,981)	368,019	302,000	(4,761)	297,239
Notes:						
7.55% senior debentures due April 2028	14,645	(50)	14,595	14,645	(52)	14,593
Other debt:						
Various debt instruments with maturities through 2020	5,031	—	5,031	4,509	—	4,509
Total long-term debt	1,655,426	(14,360)	1,641,066	1,619,279	(17,232)	1,602,047
Less current portion of long-term debt	140,018	—	140,018	105,158	—	105,158
Long-term debt, net of current portion	$1,515,408	$(14,360)	$1,501,048	$1,514,121	$(17,232)	$1,496,889

As of June 30, 2017 and December 31, 2016, we have recorded $0.6 million and $0.8 million of accrued interest expense, respectively, on our debt-related instruments.

Credit Agreement

In July 2016, we amended and restated our senior secured credit facility, dated as of April 21, 2015 (the "Credit Agreement") with Bank of America, N.A., as administrative agent, and other financial institutions. The Credit Agreement provides for a $1.3 billion term loan facility (the "Term Facility") and a $550.0 million revolving credit facility (the "Revolving Facility"). The Term Facility matures and the Revolving Facility expires in April 2020. 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 request that the lenders increase the Term Facility by up to $225.0 million in the aggregate; however, the lenders are not obligated to do so. As of June 30, 2017, we had borrowing capacity under the Revolving Facility of $178.0 million and we were in compliance with all of our covenants under the Credit Agreement.

7.55% Senior Debentures

In April 1998, we issued $100.0 million in aggregate principal amount of 7.55% senior debentures due 2028. The indentures governing these debentures, as amended, contain limited restrictions on the Company.

Interest Rate Swaps

We have entered into amortizing interest rate swaps ("Swaps") in order to convert a portion of our interest rate exposure on the Term Facility floating rate borrowings from variable to fixed. In June 2017, we entered into Swaps which become effective in March 2018 and terminate in March 2021. The Swaps entered in June 2017 are for an initial notional balance of $275.0 million, with a notional step up of $200.0 million in March 2019 and a fixed interest rate of 1.83%. In August 2016, we entered into Swaps which became effective in September 2016 and terminate in April 2020. The Swaps entered in August 2016 are for an initial notional balance of $500.0 million, with a fixed interest rate of 1.03%, and amortize quarterly by $25.0 million through December 2018, with a notional step up of $100.0 million in March 2019, continued quarterly amortization of $25.0 million through April 2020, and a remaining notional amount of $275.0 million. In May 2014, we entered into Swaps which became effective in December 2014 and terminate in March 2019. The Swaps entered in May

2014 are for an initial notional balance of $500.0 million, with a fixed interest rate of 1.57%, and amortize quarterly by $12.5 million through December 31, 2017 and $25.0 million through December 31, 2018.

We have designated the Swaps as cash flow hedges. The estimated fair value of these cash flow hedges is recorded in other assets and/or other liabilities in the accompanying condensed consolidated balance sheets. The estimated fair value of these cash flow hedges resulted in an asset of $6.3 million and a liability of $0.6 million as of June 30, 2017. We recorded an asset of $5.4 million and a liability of $2.3 million as of December 31, 2016.

Unrealized gains of $0.1 million (net of less than $0.1 million in deferred taxes) and unrealized losses of $0.4 million (net of $0.3 million in deferred taxes) for the three months ended June 30, 2017 and 2016, respectively, and unrealized gains of $1.6 million (net of $1.0 million in deferred taxes) and unrealized losses of $3.0 million (net of $1.9 million in deferred taxes for the six months ended June 30, 2017 and 2016, respectively, were recognized in other comprehensive income/(loss) related to the Swaps.

Note 6 – Income Taxes

The effective income tax rate for income taxes as a percentage of income from continuing operations before equity in losses of affiliates and income taxes was 31.0% and 33.5% for the three months ended June 30, 2017 and 2016, respectively, and 31.2% and 34.7% for the six months ended June 30, 2017 and 2016, respectively.

For the three months ended June 30, 2017, when compared to 2016, the decrease in the effective income tax rate was primarily attributable to favorable tax benefits due to nonrecurring favorable adjustments related to prior year foreign deferred taxes, partially offset by nonrecurring prior year favorable release of reserves for foreign uncertain tax benefits.

For the six months ended June 30, 2017 when compared to 2016, the decrease in the effective tax rate was primarily attributable to favorable tax benefits related to the adoption of the stock based compensation accounting guidance and state tax benefit due to closure of the IRS exam for 2006-2009, partially offset by a nonrecurring prior year favorable release of reserves for foreign uncertain tax benefits.

Income taxes included in equity in losses of affiliates were a benefit of $0.2 million and expense of $0.3 million for the three months ended June 30, 2017 and 2016, respectively, and a benefit of $0.6 million and expense of $0.4 million for the six months ended June 30, 2017 and 2016, respectively. For the purpose of segment reporting, these amounts are included in corporate and therefore not reflected in our reportable segments.

We are currently under examination for the years 2006-2011, by the US, our primary taxing jurisdiction, and various taxing authorities. It is reasonably possible the amount of the unrecognized benefits with respect to unrecognized tax positions could change within the next twelve months. The portion of uncertain tax benefits that are not subject to the First American Financial Corporation (“FAFC”) indemnification could significantly increase or decrease and have an impact on net income. The FAFC indemnification could change by up to $14.0 million due to statutory requirements and would have no impact on net income.

Note 7 – Earnings Per Share

The following is a reconciliation of net income per share:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
(in thousands, except per share amounts)				
Numerator for basic and diluted net income per share:				
Net income from continuing operations	$41,182	$40,424	$53,891	$67,964
Gain/(loss) from discontinued operations, net of tax	78	(4)	2,495	(62)
Gain from sale of discontinued operations, net of tax	—	—	312	—
Net income attributable to CoreLogic	$41,260	$40,420	$56,698	$67,902
Denominator:				
Weighted-average shares for basic income per share	84,548	88,572	84,490	88,441
Dilutive effect of stock options and restricted stock units	1,549	1,396	1,734	1,506
Weighted-average shares for diluted income per share	86,097	89,968	86,224	89,947
Income per share				
Basic:				
Net income from continuing operations	$0.49	$0.46	$0.64	$0.77
Gain/(loss) from discontinued operations, net of tax	—	—	0.03	—
Gain from sale of discontinued operations, net of tax	—	—	—	—
Net income attributable to CoreLogic	$0.49	$0.46	$0.67	$0.77
Diluted:				
Net income from continuing operations	$0.48	$0.45	$0.63	$0.76
Gain/(loss) from discontinued operations, net of tax	—	—	0.03	—
Gain from sale of discontinued operations, net of tax	—	—	—	—
Net income attributable to CoreLogic	$0.48	$0.45	$0.66	$0.76

The dilutive effect of stock-based compensation awards has been calculated using the treasury-stock method. For the three months ended June 30, 2017 and 2016, an aggregate of less than 0.1 million restricted stock units ("RSUs") and an aggregate of less than 0.1 million RSUs, performance-based restricted stock units ("PBRSUs") and stock options, respectively, were excluded from the weighted-average diluted common shares outstanding due to their anti-dilutive effect. For the six months ended June 30, 2017 and 2016, an aggregate of less than 0.1 million RSUs and an aggregate of less than 0.1 million RSUs, PBRSUs, and stock options, respectively, were excluded from the weighted-average diluted common shares outstanding due to their anti-dilutive effect.

Note 8 – 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 active markets for similar assets and liabilities, or, quoted prices in markets that are not active.

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, 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 us and escrow accounts due to acquisitions and divestitures. We deem the carrying value to be a reasonable estimate of fair value due to the nature of these instruments.

Call Option

The call option was estimated using the Black-Scholes model, which relies on significant assumption and estimates including discount rates and future market conditions, among others. We have recorded the call option within our prepaid expenses and other current assets in our condensed consolidated balance sheets.

Long-term debt

The fair value of 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.

Swaps

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

The fair values of our financial instruments as of June 30, 2017 are presented in the following table:

	Fair Value Measurements Using			
(in thousands)	Level 1	Level 2	Level 3	Fair Value
Financial Assets:				
Cash and cash equivalents	$89,422	$—	$—	$89,422
Restricted cash	—	17,435	—	17,435
Call option	—	—	4,628	4,628
Total Financial Assets	$89,422	$17,435	$4,628	$111,485
Financial Liabilities:				
Total debt	$—	$1,659,268	$—	$1,659,268
Swaps:				
Asset for swap	$—	$6,268	$—	$6,268
Liability for swap	$—	$601	$—	$601

13

The fair values of our financial instruments as of December 31, 2016 are presented in the following table:

(in thousands)	Fair Value Measurements Using Level 1	Level 2	Level 3	Fair Value
Financial Assets:				
Cash and cash equivalents	$72,031	$—	$ —	$72,031
Restricted cash	—	17,943	—	17,943
Total Financial Assets	$72,031	$17,943	$ —	$89,974
Financial Liabilities:				
Total debt	$—	$1,622,811	$ —	$1,622,811
Swaps:				
Asset for swap	$—	$5,392	$ —	$5,392
Liability for swap	$—	$2,283	$ —	$2,283

There were no transfers between Level 1, Level 2 or Level 3 securities during the three and six months ended June 30, 2017.

Note 9 – Stock-Based Compensation

We currently issue equity awards under the Amended and Restated CoreLogic, Inc. 2011 Performance Incentive Plan, which was initially approved by our stockholders at our Annual Meeting held on May 19, 2011 with an amendment and restatement approved by our stockholders at our Annual Meeting held on July 29, 2014, and a subsequent technical amendment by the Board in December 2016 (the "Plan"). The Plan includes the ability to grant RSUs, PBRSUs and stock options. Prior to the approval of the Plan, we issued share-based awards under the CoreLogic, Inc. 2006 Incentive Plan. The Plan provides for up to 21,909,000 shares of the Company's common stock to be available for award grants.

We primarily utilize RSUs and PBRSUs 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, 2017 and 2016, we awarded 646,774 and 942,973 RSUs, respectively, with an estimated grant-date fair value of $25.7 million and $32.7 million, respectively. The RSU awards will vest ratably over three years from their grant date.

RSU activity for the six months ended June 30, 2017 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, 2016	1,555	$ 34.14
RSUs granted	647	$ 39.76
RSUs vested	(840)	$ 34.24

RSUs forfeited	(40)	$ 35.60
Unvested RSUs outstanding at June 30, 2017	1,322	$ 36.97

As of June 30, 2017, there was $38.3 million of total unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted-average period of 2.1 years. The fair value of RSUs is based on the market value of our common stock on the date of grant.

Performance-Based Restricted Stock Units

For the six months ended June 30, 2017 and 2016, we awarded 288,331 and 278,799 PBRSUs, respectively, with an estimated grant-date fair value of $11.5 million and $9.8 million, respectively. These awards are subject to service-based, performance-based and market-based vesting conditions. For PBRSUs awarded during the six months ended June 30, 2017, the performance period is from January 1, 2017 to December 31, 2019 and the performance metrics are adjusted earnings per share and market-based conditions. Subject to satisfaction of the performance criteria, the 2017 awards will vest on December 31, 2019.

The performance period for the PBRSUs awarded during the six months ended June 30, 2016 is from January 1, 2016 to December 31, 2018 and the performance metrics are adjusted earnings per share and market-based conditions. Subject to satisfaction of the performance criteria, the 2016 awards will vest on December 31, 2018.

The fair values of the 2017 and 2016 awards were estimated using Monte-Carlo simulation with the following weighted-average assumptions:

	For the Six Months Ended June 30, 2017	2016
Expected dividend yield	— %	— %
Risk-free interest rate [(1)]	1.47 %	0.99 %
Expected volatility [(2)]	27.83%	25.12 %
Average total stockholder return [(2)]	1.46 %	(1.23)%

(1) The risk-free interest rate for the periods within the contractual term of the PBRSUs is based on the U.S. Treasury yield curve in effect at the time of the grant.

(2) The expected volatility and average total stockholder return are measures of the amount by which a stock price has fluctuated or is expected to fluctuate based primarily on our and our peers' historical data.

PBRSU activity for the six months ended June 30, 2017 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, 2016	738	$ 34.13
PBRSUs granted	288	$ 39.79
PBRSUs vested	(227)	$ 31.90
PBRSUs forfeited	(121)	$ 36.72
Unvested PBRSUs outstanding at June 30, 2017	678	$ 36.62

As of June 30, 2017, there was $12.7 million of total unrecognized compensation cost related to unvested PBRSUs that is expected to be recognized over a weighted-average period of 1.9 years. The fair value of PBRSUs is based on the market value of our common stock on the date of grant.

15

Stock Options

Prior to 2015, we issued stock options as incentive compensation for certain employees. Option activity for the six months ended June 30, 2017 is as follows:

(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, 2016	1,504	$ 21.22		
Options exercised	(195)	$ 24.84		
Options outstanding at June 30, 2017	1,309	$ 20.68	3.0	$ 29,724
Options vested and expected to vest at June 30, 2017	1,309	$ 20.68	3.0	$ 29,724
Options exercisable at June 30, 2017	1,309	$ 20.68	3.0	$ 29,724

As of June 30, 2017, there was no unrecognized compensation cost related to unvested stock options.

The intrinsic value of options exercised was $2.8 million and $3.2 million for the six months ended June 30, 2017 and 2016, respectively. This intrinsic value represents the difference between the fair market value of our common stock on the date of exercise and the exercise price of each option.

Employee Stock Purchase Plan

The employee stock purchase plan allows eligible employees to purchase our common stock at 85.0% of the lesser of the closing price on the first day or the last day of each quarter. Our 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 estimated fair value of the discount during each offering period.

The following table sets forth the stock-based compensation expense recognized for the six months ended June 30, 2017 and 2016.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in thousands)	2017	2016	2017	2016
RSUs	$6,596	$6,560	$16,378	$13,578
PBRSUs	1,809	2,701	3,477	4,514
Stock options	—	217	144	601
Employee stock purchase plan	367	297	940	625
	$8,772	$9,775	$20,939	$19,318

The above includes $1.8 million and $1.4 million of stock-based compensation expense within cost of services in the accompanying condensed consolidated statements of operations for the three months ended June 30, 2017 and 2016, respectively, and $3.1 million and $2.9 million for the six months ended June 30, 2017 and 2016, respectively.

Note 10 – Litigation and Regulatory Contingencies

We have been named in various lawsuits and 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 be incurred. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. The actual outcome of such matters could differ materially from management's estimates. We record expenses for legal fees as incurred.

Fair Credit Reporting Act Class Action

In February 2012, CoreLogic National Background Data, LLC (n/k/a CoreLogic Background Data, LLC) ("CBD") was named as a defendant in a putative class action styled Tyrone Henderson, et. al., v. CoreLogic National Background Data, in the United States District Court for the Eastern District of Virginia. Plaintiffs allege violation of the Fair Credit Reporting Act, and have pled a putative class claim relating to CBD's return of criminal record data in response to search queries initiated by its consumer reporting agency customers, which then prepare and transmit employment background screening reports to their employer customers. Plaintiffs contend that CBD failed to send notice letters to consumers each time search results were returned to CBD's consumer reporting agency customers. In February 2016, the court denied CBD's motion for partial summary judgment. Plaintiffs initially sought to represent a nationwide class of consumers who were the subject of searches conducted by CBD's customers. The court denied without prejudice Plaintiffs' motion to certify a nationwide class on three separate occasions in April 2015, April 2016 and September 2016. However, in September 2016, the court allowed Plaintiffs to seek certification of three subclasses and in March 2017, Plaintiffs filed a motion for class certification as to one of these subclasses, seeking to certify a class of consumers for whom sex offender records were returned that did not reflect a date of birth associated with the record. That motion is fully briefed and remains pending.

In June 2015, a companion case, Witt v. CoreLogic National Background Data, et. al. was filed in the United States District Court for the Eastern District of Virginia by the same attorneys as in Henderson, alleging the same claim against CBD. Witt also names as a defendant CoreLogic SafeRent, LLC (n/k/a CoreLogic Rental Property Solutions, LLC) ("RPS")) on the theory that RPS provides criminal record "reports" to CBD at the same time that CBD delivers reports to CBD's consumer reporting agency customers. Witt is pending in the same court and before the same judge as Henderson, and the two cases have been deemed related by the Court. In April 2017, Plaintiffs filed a motion for class certification, seeking to certify a class of consumers for whom Virginia criminal record data was returned that did not reflect a year of birth associated with the record. That motion is fully briefed and remains pending.

CBD has defended and will continue to defend against these claims vigorously; however, CBD may not be successful. At this time, CBD cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

Separation

Following 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 (the "Separation and Distribution Agreement"), 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. At June 30, 2017, 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 our predecessor, The First American Corporation's ("FAC") 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 11 – Acquisitions

In April 2016, we completed the acquisition of FNC for up to $475.0 million, with $400.0 million in cash paid at closing, subject to certain closing adjustments, and up to $75.0 million to be paid in cash in 2018, contingent upon the achievement of certain revenue targets in fiscal 2017. We fair-valued the contingent payment using the Monte Carlo simulation model and initially recorded $8.0 million as contingent consideration, which was fully reversed as of December 31, 2016. The contingent payment is fair-valued quarterly and changes are recorded within our condensed consolidated statement of operations. See Note 8 - Fair Value of Financial Instruments for further discussion. FNC is a leading provider of real estate collateral information technology and solutions that automates property appraisal ordering, tracking, documentation and review for lender compliance with government regulations and is included as a component of our PI reporting segment. The acquisition expands our property valuation capabilities. 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 unobservable inputs. We recorded a deferred tax liability of $85.4 million, property and equipment of $79.8 million with an estimated average life of 12 years, customer lists of $145.3 million with an estimated average life of 16 years, trade names of $15.9 million with an estimated average life of 19 years, non-compete agreements of $18.8 million with an estimated average life of 5 years, and goodwill of $220.2 million. For the three and six months ended June 30, 2017, goodwill was reduced by $5.4 million as a result of a change in the purchase price allocation for certain tax adjustments. This business combination did not have a material impact on our condensed consolidated statements of operations.

In January 2016, we completed the acquisition of the remaining 40% mandatorily redeemable noncontrolling interest in New Zealand-based Property IQ Ltd ("PIQ") for NZD $27.8 million, or $19.0 million, and settled the mandatorily redeemable noncontrolling interest. PIQ is included as a component of our PI reporting segment.

We incurred $7.3 million and $5.1 million of acquisition-related costs within selling, general and administrative expenses on our consolidated statements of operations for the three months ended June 30, 2017 and 2016, respectively, and $7.5 million and $6.1 million for the six months ended June 30, 2017 and 2016, respectively.

Note 12 – Discontinued Operations

In September 2014, we completed the sale of our collateral solutions and field services businesses, which were included in the former reporting segment Asset Management and Processing Solutions ("AMPS"). In September 2012, we completed the wind down of our consumer services business and our appraisal management company business, which were included in our PI and Risk Management and Work Flow ("RMW") segments, respectively. In September 2011, we closed our marketing services business, which was included in our PI segment. In December 2010, we completed the sale of our Employer and Litigation Services businesses ("ELI").

In connection with previous divestitures, we retain the prospect of contingent liabilities for indemnification obligations or breaches of representations or warranties. With respect to one such divestiture, in September 2016, a jury returned an unfavorable verdict against a discontinued operating unit that, if upheld on appeal, could result in the reasonable possibility of indemnification exposure up to $25.0 million, including interest. We do not consider this outcome to be probable and intend to vigorously assert our contractual and other rights, including to pursue an appeal to eliminate or substantially reduce any potential post-divestiture contingency. Any actual liability that comes to fruition would be reflected in our results from discontinued operations.

Each of these businesses is reflected in our accompanying condensed consolidated financial statements as discontinued operations. For the six months ended June 30, 2017, we recorded a gain of $4.5 million related to a pre-tax legal settlement in AMPS within our discontinued operations. Summarized below are certain assets and liabilities classified as discontinued operations as of June 30, 2017 and December 31, 2016:

(in thousands)					
As of June 30, 2017	PI	RMW	ELI	AMPS	Total
Deferred income tax asset and other current assets	$325	$(231)	$144	$568	$806
Accounts payable, accrued expenses and other current liabilities	$80	$166	$76	$1,660	$1,982
As of December 31, 2016					
Deferred income tax asset and other current assets	$325	$(231)	$—	$568	$662
Accounts payable, accrued expenses and other current liabilities	$202	$167	$624	$2,130	$3,123

Summarized below are the components of our gain/(loss) from discontinued operations for the three and six months ended June 30, 2017 and 2016:

(in thousands)					
For the Three Months Ended June 30, 2017	PI	RMW	ELI	AMPS	Total
Operating revenue	$—	$ —	$—	$ —	$—
Gain/(loss) from discontinued operations before income taxes	138	—	(131)	120	127
Income tax expense/(benefit)	53	—	(50)	46	49
Gain/(loss) from discontinued operations, net of tax	$85	$ —	$(81)	$ 74	$78
For the Three Months Ended June 30, 2016					
Operating revenue	$—	$ —	$—	$ —	$—
Loss from discontinued operations before income taxes	—	(3)	—	(3)	(6)
Income tax benefit	—	(1)	—	(1)	(2)
Loss from discontinued operations, net of tax	$—	$ (2)	$—	$ (2)	$(4)

(in thousands)					
For the Six Months Ended June 30, 2017	PI	RMW	ELI	AMPS	Total
Operating revenue	$—	$ —	$—	$—	$—
Gain/(loss) from discontinued operations before income taxes	138	—	(253)	4,155	4,040
Income tax expense/(benefit)	53	—	(97)	1,589	1,545
Gain/(loss) from discontinued operations, net of tax	$85	$ —	$(156)	$2,566	$2,495
For the Six Months Ended June 30, 2016					
Operating revenue	$—	$ —	$—	$—	$—
Loss from discontinued operations before income taxes	—	(4)	—	(95)	(99)
Income tax benefit	—	(1)	—	(36)	(37)
Loss from discontinued operations, net of tax	$—	$ (3)	$—	$(59)	$(62)

Note 13 – Segment Information

We have organized our reportable segments into two segments: PI and RMW.

Property Intelligence. Our PI segment owns or licenses real property information, mortgage information and consumer information, which includes loan information, property sales and characteristic information, property risk and replacement cost, natural hazard data, geospatial data, parcel maps and mortgage-backed securities information. We have also developed proprietary technology and software platforms to access, automate or track our data and assist our clients with compliance regulations. We deliver this information directly to our clients in a standard format over the web, through customizable software platforms or in bulk data form. Our products and services include data licensing and analytics, data-enabled advisory services, platform solutions and valuation solutions in North America, Western Europe and Asia Pacific. The segment's primary clients are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, Multiple Listing Service companies, property and casualty insurance companies, title insurance companies, government agencies and government-sponsored enterprises.

The operating results of our PI segment included intercompany revenues of $1.2 million and $1.5 million for the three months ended June 30, 2017 and 2016, respectively, and $2.1 million and $2.7 million for the six months ended June 30, 2017 and 2016, respectively. The segment also included intercompany expenses of $0.7 million and $1.2 million for the three months ended June 30, 2017 and 2016, respectively, and $1.4 million and $2.9 million for the six months ended June 30, 2017 and 2016, respectively.

Risk Management and Work Flow. Our RMW segment owns or licenses real property information, mortgage information and consumer information, which includes loan information, property sales and characteristic information, natural hazard data, parcel maps, employment verification, criminal records and eviction records. We have also developed proprietary technology and software platforms to access, automate or track our data and assist our clients with compliance regulations. Our products and services include credit and screening solutions, property tax processing, flood data services and technology solutions in North America. The segment’s primary clients are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, fixed-income investors, government agencies and casualty insurance companies.

The operating results of our RMW segment included intercompany revenues of $0.7 million and $1.2 million for the three months ended June 30, 2017 and 2016, respectively, and $1.4 million and $2.9 million for the six months ended June 30, 2017 and 2016, respectively. The segment also included intercompany expenses of $1.2 million and $1.5 million for the three months ended June 30, 2017 and 2016, respectively, and $2.1 million and $2.7 million for the six months ended June 30, 2017 and 2016, respectively.

We also separately report on our corporate and eliminations. Corporate consists primarily of corporate personnel and other expenses associated with our corporate functions and facilities, investment gains and losses, equity in earnings of affiliates, net of tax, and interest expense.

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

Selected financial information by reportable segment is as follows:

(in thousands)

For the Three Months Ended June 30, 2017	Operating Revenues	Depreciation and Amortization	Operating Income/(Loss)	Equity in Earnings/(Losses) of Affiliates, Net of Tax	Net Income/(Loss) From Continuing Operations	Capital Expenditures
PI	$251,124	$ 31,642	$ 34,532	$ (340)	$ 27,786	$ 12,524
RMW	224,773	6,095	64,163	—	64,154	4,701
Corporate	—	5,134	(20,302)	60	(50,758)	3,102
Eliminations	(1,919)	—	—	—	—	—
Consolidated (excluding discontinued operations)	$473,978	$ 42,871	$ 78,393	$ (280)	$ 41,182	$ 20,327
For the Three Months Ended June 30, 2016						
PI	$276,681	$ 32,373	$ 34,027	$ 504	$ 33,111	$ 14,064
RMW	226,240	6,614	66,332	—	66,322	2,793
Corporate	7	4,304	(23,961)	(426)	(59,009)	10,097
Eliminations	(2,724)	—	—	—	—	—
Consolidated (excluding discontinued operations)	$500,204	$ 43,291	$ 76,398	$ 78	$ 40,424	$ 26,954
For the Six Months Ended June 30, 2017						
PI	$478,543	$ 64,297	$ 45,248	$ (1,426)	$ 36,642	$ 23,695
RMW	438,878	12,103	106,272	—	106,253	7,742
Corporate	(2)	9,943	(40,562)	422	(89,004)	6,002
Eliminations	(3,590)	—	—	—	—	—
Consolidated (excluding discontinued operations)	$913,829	$ 86,343	$ 110,958	$ (1,004)	$ 53,891	$ 37,439
For the Six Months Ended June 30, 2016						
PI	$518,121	$ 60,300	$ 52,107	$ 552	$ 49,796	$ 25,959
RMW	441,258	14,332	119,263	—	119,243	5,128
Corporate	3	8,303	(36,749)	(563)	(101,075)	14,698
Eliminations	(5,635)	—	—	—	—	—
Consolidated (excluding discontinued operations)	$953,747	$ 82,935	$ 134,621	$ (11)	$ 67,964	$ 45,785

(in thousands) Assets	As of June 30, 2017	As of December 31, 2016
PI	$2,495,243	$2,429,167
RMW	1,314,728	1,328,008
Corporate	5,592,302	5,575,846
Eliminations	(5,425,975)	(5,426,149)

Consolidated (excluding assets of discontinued operations)	$3,976,298	$3,906,872

21

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 cost management program, our acquisition strategy and our growth plans, expectations regarding our recent acquisitions, share repurchases, the level of aggregate U.S. mortgage originations and the reasonableness of the carrying value related to specific financial assets and liabilities.

Our expectations, beliefs, objectives, intentions and strategies regarding 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 clients or us, including with respect to consumer financial services and the use of public records and consumer data;
- the inherent uncertainty and unpredictability of our litigation;
- compromises in the security or stability of our data and systems, including from cyber-based attacks, the unauthorized transmission of confidential information or systems interruptions;
- difficult or uncertain conditions in the mortgage and consumer lending industries and the economy generally;
- our ability to protect proprietary technology rights;
- our ability to realize the anticipated benefits of certain acquisitions and the timing thereof;
- risks related to the outsourcing of services and international operations;
- our cost-containment and growth strategies and our ability to effectively and efficiently implement them;
- the level of our indebtedness, our ability to service our indebtedness and the restrictions in our various debt agreements;
- intense competition in the market against third parties and the in-house capabilities of our clients;
- our ability to attract and retain qualified management;
- impairments in our goodwill or other intangible assets; and
- the remaining tax sharing arrangements and other obligations associated with the spin-off of First American Financial Corporation ("FAFC").

We urge you to carefully consider these risks and uncertainties and review the additional disclosures we make concerning risks and uncertainties that may materially affect the outcome of our forward-looking statements and our future business and operating results, including those made in Item 1A of Part II below, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the Securities and Exchange Commission. We assume no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law. 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.

22

Business Overview

We are a leading global property information, analytics and data-enabled services provider operating in North America, Western Europe and Asia Pacific. Our vision is to deliver unique property-level insights that power the global real estate economy, differentiated by superior data, analytics and data-enabled solutions. Our mission is to empower our clients to make smarter decisions through data-driven insights.

Our combined data from public, contributory and proprietary sources provides detailed coverage of property, mortgages and other encumbrances, property risk and replacement cost, consumer credit, tenancy, location, hazard risk and related performance information. We have more than one million users who rely on our data and predictive decision analytics to reduce risk, enhance transparency and improve the performance of their businesses.

We offer our clients a comprehensive national database of public, contributory and proprietary data covering real property and mortgage information, judgments and liens, building and replacement costs, parcel and geospatial data, criminal background records, eviction information, non-prime lending records, credit information, and tax information, among other data types. Our databases include over 904 million historical property transactions, over 100 million mortgage applications and property-specific data covering approximately 99% of U.S. residential properties, as well as commercial locations, totaling nearly 150 million records. We are also the industry's first parcel-based geocoder and have developed a proprietary parcel database covering more than 140 million parcels across the U.S. We believe the quality of the data we offer is distinguished by our broad range of data sources and our expertise in aggregating, organizing, normalizing, processing and delivering data to our clients.

With our data as a foundation, we have built strong analytics capabilities and a variety of value-added business services to meet our clients’ needs for property tax processing, property valuation, mortgage and automotive credit reporting, tenancy screening, hazard risk, property risk and replacement cost, flood plain location determination and other geospatial data analytics and related services.

Reportable Segments

We have organized our reportable segments into the following two segments: Property Intelligence ("PI") and Risk Management and Work Flow ("RMW").

Our PI segment owns or licenses real property, mortgage and consumer information, which includes loan information, property sales and characteristic information, property risk and replacement cost, natural hazard data, geospatial data, parcel maps and mortgage-backed securities information. We have also developed proprietary technology and software platforms to access, automate or track this information and assist our clients with compliance regulations. We deliver this information directly to our clients in a standard format over the web, through customizable software platforms or in bulk data form. Our solutions include data licensing and analytics, data-enabled advisory services, platform solutions and valuation solutions in North America, Western Europe and Asia Pacific.

Our RMW segment owns or licenses real property information, mortgage information and consumer information, which includes loan information, property sales and characteristic information, natural hazard data, parcel maps, employment verification, criminal records and eviction records. We have also developed proprietary technology and software platforms to access, automate or track this information and assist our clients with compliance regulations. Our solutions include credit and screening, property tax processing, flood data services and technology solutions in North America.

RESULTS OF OPERATIONS

Overview of Business Environment and Company Developments

Business Environment

The volume of U.S. mortgage loan originations serves as a key market driver for more than half of our business. We believe the volume of real estate and mortgage 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. We believe mortgage originations loan applications decreased by approximately 15% in the second quarter of 2017 relative to the same period in 2016, primarily due to lower mortgage refinance volumes resulting from higher interest rates. We expect full-year 2017 mortgage unit volumes to be approximately 20% lower relative to 2016 levels mostly due to lower expected levels of refinance activity due to the expectation of rising interest rates.

We generate the majority of our revenues from clients with operations in the U.S. residential real estate, mortgage origination and mortgage servicing markets. Approximately 41% and 43% of our operating revenues for the three and six months ended June 30, 2017 and 2016, respectively, were generated from our top ten clients, who consist of the largest U.S. mortgage originators and servicers. Two of our clients accounted for approximately 14% and 10% of our operating revenues for the three months ended June 30, 2017 and 15% and 11% of our operating revenues for the three months ended June 30, 2016. Two of our clients accounted for approximately 13% and 10% of our operating revenues for the six months ended June 30, 2017 and 14% and 12% of our operating revenues for the six months ended June 30, 2016. Both of our PI and RMW segments reported revenue from these two customers.

Acquisition

In June 2017, we purchased a 45.0% interest in Mercury Network, LLC ("Mercury") for $70.0 million. We funded the transaction with cash on hand and available capacity on our Revolving Credit Facility. See Note 1 – Basis of Condensed Consolidated Financial Statements for further discussion. The purchase of the remaining 55% ownership of Mercury is expected to close in the third quarter of 2017, subject to customary closing conditions, and will be funded with available capacity on our Revolving Credit Facility. Mercury is a technology company servicing small and medium-sized mortgage lenders and appraisal management companies to manage their collateral valuation operations.

Productivity and Cost Management

In line with our on-going commitment to operational excellence and margin expansion, we are continuing to target a cost reduction of approximately $30 million in 2017. Savings are expected to be realized through the reduction of operating costs, selling, general and administrative costs, outsourcing certain business process functions, consolidation of facilities and other operational improvements.

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.

Consolidated Results of Operations

Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

Operating Revenues

Our consolidated operating revenues were $474.0 million for the three months ended June 30, 2017, a decrease of $26.2 million, or 5.2%, when compared to 2016, and consisted of the following:

(in thousands, except percentages)	2017	2016	$ Change	% Change
PI	$251,124	$276,681	$(25,557)	(9.2)%
RMW	224,773	226,240	(1,467)	(0.6)
Corporate and eliminations	(1,919)	(2,717)	798	(29.4)
Operating revenues	$473,978	$500,204	$(26,226)	(5.2)%

Our PI segment revenues decreased by $25.6 million, or 9.2%, when compared to 2016. Acquisition activity contributed $4.6 million of additional revenues in 2017. Excluding acquisition activity, the decrease of $30.2 million was primarily due to lower valuation solutions revenues of $26.9 million, which included a decline in U.S. mortgage market unit volumes and planned vendor diversification by a significant appraisal management client. Property information and analytics revenues decreased by $3.3 million primarily due to lower mortgage market unit volumes, partially offset by new product contributions, international operations and higher insurance and spatial revenues.

Our RMW segment revenues decreased by $1.5 million, or 0.6%, when compared to 2016. The decrease was primarily due to lower mortgage market unit volumes, partially offset by a mix of new product contributions, market-share gains and improved pricing.

Our corporate and eliminations were comprised of intercompany revenue eliminations between our operating segments.

Cost of Services

Our consolidated cost of services was $249.2 million for the three months ended June 30, 2017, a decrease of $15.6 million, or 5.9%, when compared to 2016. Acquisition activity contributed $2.9 million of additional expense in 2017. Excluding acquisition activity, the decrease of $18.5 million was primarily due to lower operating revenues and product mix.

Selling, General and Administrative Expense

Our consolidated selling, general and administrative expenses were $103.6 million for the three months ended June 30, 2017, a decrease of $12.2 million, or 10.6%, when compared to 2016. Acquisition activity contributed a decrease of $2.2 million in 2017 primarily due to severance charges incurred during the prior year related to an acquisition that occurred in April 2016. Excluding acquisition activity, the decrease of $10.0 million was primarily due to our on-going operational efficiency programs, which resulted in lower compensation-related expenses of $9.9 million, lower real estate related costs of $1.5 million, lower integration costs of $2.3 million and lower other costs of $1.3 million. The decrease was partially offset by higher external services costs of $5.0 million (including investments in technology, innovation and compliance-related capabilities).

Depreciation and Amortization

Our consolidated depreciation and amortization expense was $42.9 million for the three months ended June 30, 2017, a decrease of $0.4 million, or 1.0%, when compared to 2016. Acquisition activity contributed $0.8 million of additional expense in 2017. Excluding acquisition activity, the decrease of $1.2 million was due to lower depreciation as a result of assets that were fully depreciated in the prior year.

Operating Income

Our consolidated operating income was $78.4 million for the three months ended June 30, 2017, an increase of $2.0 million, or 2.6%, when compared to 2016, and consisted of the following:

(in thousands, except percentages)	2017	2016	$ Change	% Change
PI	$34,532	$34,027	$505	1.5 %
RMW	64,163	66,332	(2,169)	(3.3)
Corporate and eliminations	(20,302)	(23,961)	3,659	(15.3)
Operating income	$78,393	$76,398	$1,995	2.6 %

Our PI segment operating income increased by $0.5 million, or 1.5%, when compared to 2016. Acquisition activity contributed $3.1 million of lower operating income in 2017. Excluding acquisition activity, operating income decreased by $2.6 million primarily due to lower mortgage market unit volumes and planned vendor diversification by a significant appraisal management client, partially offset by improvements in pricing, international operations and the positive impacts of our ongoing operational efficiency programs. Operating margins increased by 66 basis points primarily as a result of our ongoing operational efficiency programs.

Our RMW segment operating income decreased by $2.2 million, or 3.3%, and operating margins decreased 77 basis points when compared to 2016 primarily due to higher investments in technology, innovation and compliance-related capabilities and lower mortgage market unit volumes, partially offset by market-share gains, improved pricing and the impact of ongoing operational efficiency programs.

Corporate and eliminations had a favorable variance of $3.7 million primarily due to the impact of ongoing operational efficiency programs.

Total Interest Expense, Net

Our consolidated total interest expense, net was $13.9 million for the three months ended June 30, 2017, a decrease of $4.5 million, or 24.5%, when compared to 2016. The decrease was primarily due to lower interest rates, partially offset by a higher average outstanding balance in the current year. The lower interest rates were the result of our refinancing activities in July 2016 in which we amended and restated our senior secured credit facility, dated as of April 21, 2015 (the "Credit Agreement") and redeemed all of our outstanding senior notes due June 2021.

(Loss)/Gain on Investments and Other, Net

Our consolidated loss on investments and other, net was $4.4 million for the three months ended June 30, 2017, an unfavorable variance of $7.1 million when compared to 2016, due primarily to losses recorded on the final settlement of a pension plan and lower realized gains on investments.

Provision for Income Taxes

Our consolidated provision for income taxes from continuing operations before equity in losses of affiliates and incomes taxes was $18.6 million and $20.3 million for the three months ended June 30, 2017 and 2016, respectively. The effective tax rate was 31.0% and 33.5% for the three months ended June 30, 2017 and 2016, respectively. The decrease in the effective income tax rate was primarily attributable to favorable tax benefits due to nonrecurring favorable adjustments related to prior year foreign deferred taxes, partially offset by a nonrecurring prior year favorable release of reserves for foreign uncertain tax benefits.

Equity in Losses of Affiliates, Net of Tax

Our consolidated equity in losses of affiliates, net of tax, was $0.3 million for the three months ended June 30, 2017, an increase of $0.4 million when compared to 2016.

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

Operating Revenues

Our consolidated operating revenues were $913.8 million for the six months ended June 30, 2017, a decrease of $39.9 million, or 4.2%, when compared to 2016, and consisted of the following:

(in thousands, except percentages)	2017	2016	$ Change	% Change
PI	$478,543	$518,121	$(39,578)	(7.6)%
RMW	438,878	441,258	(2,380)	(0.5)
Corporate and eliminations	(3,592)	(5,632)	2,040	(36.2)
Operating revenues	$913,829	$953,747	$(39,918)	(4.2)%

Our PI segment revenues decreased by $39.6 million, or 7.6%, when compared to 2016. Acquisition activity contributed $17.8 million of additional revenues in 2017. Excluding acquisition activity, the decrease of $57.4 million was primarily due to lower valuation solutions revenues of $51.8 million, which included a decline in U.S. mortgage market unit volumes and planned vendor diversification by a significant appraisal management client. Property information and analytics revenues decreased by $5.6 million primarily due to lower mortgage market volumes, partially offset by new product contributions, higher revenues from our international operations, and higher insurance and spatial revenues.

Our RMW segment revenues decreased by $2.4 million, or 0.5%, when compared to 2016. The variance was primarily due to lower mortgage market unit volumes and the exit of certain business lines, partially offset by a mix of new product contributions, market-share gains and improved pricing.

Our corporate and eliminations were comprised of intercompany revenue eliminations between our operating segments.

Cost of Services

Our consolidated cost of services was $501.1 million for the six months ended June 30, 2017, a decrease of $9.0 million, or 1.8%, when compared to 2016. Acquisition activity contributed $9.6 million of additional expense in 2017. Excluding acquisition activity, the decrease of $18.6 million was primarily due to lower operating revenues, partially offset by product mix.

Selling, General and Administrative Expense

Our consolidated selling, general and administrative expenses were $215.4 million for the six months ended June 30, 2017, a decrease of $10.7 million, or 4.7%, when compared to 2016. Acquisition activity contributed $0.9 million of additional expense in 2017. Excluding acquisition activity, the decrease of $11.6 million was primarily due to our on-going operational efficiency programs, which resulted in lower compensation-related expenses of $26.4 million, lower integration costs of $4.8 million and lower other costs of $1.1 million. The decrease was partially offset by higher external services costs of $13.4 million (including investments in technology, innovation and compliance-related capabilities), accelerated stock compensation of $4.2 million from a one-time vesting acceleration in accordance with our Plan, higher severance of $1.6 million and higher real estate consolidation-related costs of $1.5 million.

Depreciation and Amortization

Our consolidated depreciation and amortization expense was $86.3 million for the six months ended June 30, 2017, an increase of $3.4 million, or 4.1%, when compared to 2016. Acquisition activity contributed $6.3 million of additional expense in 2017. Excluding acquisition activity, the decrease of $2.9 million was due to lower depreciation from assets that were fully depreciated in the prior year.

Operating Income

Our consolidated operating income was $111.0 million for the six months ended June 30, 2017, a decrease of $23.7 million, or 17.6%, when compared to 2016, and consisted of the following:

(in thousands, except percentages)	2017	2016	$ Change	% Change
PI	$45,248	$52,107	$(6,859)	(13.2)%
RMW	106,272	119,263	(12,991)	(10.9)
Corporate and eliminations	(40,562)	(36,749)	(3,813)	10.4
Operating income	$110,958	$134,621	$(23,663)	(17.6)%

Our PI segment operating income decreased by $6.9 million, or 13.2%, when compared to 2016. Acquisition activity contributed $1.0 million of lower operating income in 2017. Excluding acquisition activity, operating income decreased by $7.9 million and operating margins decreased 37 basis points primarily due to lower mortgage market unit volumes and planned vendor diversification by a significant appraisal management client, partially offset by improvements in pricing, international operations and the impact of ongoing operational efficiency programs.

Our RMW segment operating income decreased by $13.0 million, or 10.9%, and operating margins decreased 281 basis points when compared to 2016 primarily due to higher investments in technology, innovation and compliance-related capabilities and lower mortgage market unit volumes, partially offset by pricing and market-share gains and the impact of ongoing operational efficiency programs.

Corporate and eliminations had an unfavorable variance of $3.8 million, or 10.4%, primarily due to the acceleration of stock compensation of $4.2 million from a one-time vesting acceleration in accordance with our Plan, partially offset by the result of ongoing operational efficiency programs.

Total Interest Expense, net

Our consolidated total interest expense, net was $27.7 million for the six months ended June 30, 2017, a decrease of $5.0 million, or 15.4%, when compared to 2016. The decrease was primarily due to lower interest rates, partially offset by a higher average outstanding balance in the current year. The lower interest rates were the result of our financing activities in July 2016 in which we amended and restated our Credit Agreement, dated as of April 21, 2015 and redeemed all of our outstanding senior notes due June 2021.

(Loss)/Gain on Investments and Other, Net

Our consolidated loss on investments and other, net was $3.4 million for the six months ended June 30, 2017, an unfavorable variance of $5.6 million when compared to 2016, due primarily to losses recorded on the final settlement of a previously terminated pension plan offset by lower realized gains on investments.

Provision for Income Taxes

Our consolidated provision for income taxes from continuing operations before equity in losses of affiliates and income taxes was $24.9 million and $36.1 million for the six months ended June 30, 2017 and 2016, respectively. The effective tax rate was 31.2% and 34.7% for the six months ended June 30, 2017 and 2016, respectively. The decrease in the effective tax rate was primarily attributable to favorable tax benefits related to the adoption of the stock-based compensation accounting guidance and a state tax benefit due to the closure of the IRS exam for 2006-2009, partially offset by a nonrecurring prior year favorable release of reserves for foreign uncertain tax benefits.

Equity in (Losses)/Earnings of Affiliates, Net of Tax

Our consolidated equity in losses of affiliates, net of tax, was $1.0 million for the six months ended June 30, 2017, an increase of $1.0 million when compared to 2016.

Gain/(loss) from Discontinued Operations, Net of Tax

Our consolidated gain from discontinued operations, net of tax was $2.5 million for the six months ended June 30, 2017, an increase of $2.6 million when compared to 2016, due primarily to a legal settlement gain in the current year, partially offset by legal costs.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at June 30, 2017 totaled $89.4 million, an increase of $17.4 million from December 31, 2016. Our cash balances held outside of the U.S. are primarily related to our international operations and, as of June 30, 2017, totaled $34.3 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 $17.4 million as of June 30, 2017 and $17.9 million as of December 31, 2016 represents cash pledged for various letters of credit provided in the ordinary course of business to certain vendors in connection with obtaining insurance and real property leases and escrow accounts due to acquisitions and divestitures.

Cash Flow

Operating Activities. Cash provided by operating activities reflects net income adjusted for certain non-cash items and changes in operating assets and liabilities. Total cash provided by operating activities was approximately $140.1 million and $173.2 million for the six months ended June 30, 2017 and 2016, respectively. The decrease in cash provided by operating activities was primarily due to unfavorable changes in working capital items and lower cash generated from lower profitability as adjusted for non-cash activities.

Investing Activities. Total cash used in investing activities was approximately $106.6 million and $461.3 million during the six months ended June 30, 2017 and 2016, respectively. The decrease in investing activities was primarily related to net cash paid for acquisitions in the prior year including $394.8 million for FNC and an acquisition that was not significant for $1.9 million. Also in the prior year, we acquired the remaining 40.0% interest in Property IQ Ltd ("PIQ") for $18.0 million. Further, for the six months ended June 30, 2017 and 2016, we had investments in property and equipment of $20.2 million and $27.9 million, respectively, and capitalized data and other intangible assets of $17.2 million and $17.9 million, respectively. Lastly, we acquired a 45.0% interest in Mercury for $70.0 million in June 2017, which included a call option to purchase the remaining interest.

Financing Activities. Total cash used in financing activities was approximately $15.1 million for the six months ended June 30, 2017, which was primarily comprised of share repurchases of $41.0 million, repayment of long-term debt of $35.2 million, stock-based compensation-related transactions of $8.9 million, partially offset by proceeds from long-term debt of $70.0 million. Total cash provided by financing activities was approximately $261.7 million for the six months ended June 30, 2016, which was primarily comprised of proceeds from debt issuance of $390.0 million and net proceeds from stock-based compensation-related transactions of $2.5 million, partially offset by repayment of long-term debt of $101.7 million and share repurchases of $29.1 million.

Financing and Financing Capacity

Total debt outstanding, gross, was $1.7 billion and $1.6 billion as of June 30, 2017 and December 31, 2016, respectively. Our significant debt instruments and borrowing capacity are described below.

Credit Agreement

The Credit Agreement provides for a $1.3 billion term loan facility (the "Term Facility") and a $550.0 million revolving credit facility (the "Revolving Facility"). The Term Facility matures and the Revolving Facility expires in April 2020. For a detailed description of our Credit Agreement, see Note 5 - Long-Term Debt of our condensed consolidated financial statements. As of June 30, 2017, we had borrowing capacity under the Revolving Facility of $178.0 million and were in compliance with the financial and restrictive covenants of the Credit Agreement.

Interest Rate Swaps

We have entered into amortizing interest rate swaps ("Swaps") in order to convert a portion of our interest rate exposure on the Term Facility floating rate borrowings from variable to fixed. In June 2017, we entered into Swaps which become effective in March 2018 and terminate in March 2021. The Swaps entered in June 2017 are for an initial notional balance of $275.0 million, with a notional step up of $200.0 million in March 2019, and a fixed interest rate of 1.83%. In August 2016, we entered into Swaps which became effective in September 2016 and terminate in April 2020. The Swaps entered in August 2016 are for an initial notional balance of $500.0 million, with a fixed interest rate of 1.03%, and amortize quarterly by $25.0 million through December 2018, with a step up in the notional balance of $100.0 million in March 2019 and continued quarterly amortization of $25.0 million through April 2020. In May 2014, we entered into Swaps which became effective in December 2014 and terminate in March 2019. The Swaps entered in May 2014 are for an initial notional balance of $500.0 million, with a fixed interest rate of 1.57%, and amortize quarterly by $12.5 million through December 31, 2017 and $25.0 million through December 31, 2018.

Liquidity and Capital Strategy

We expect that cash flow from operations and current cash balances, together with available borrowings under our Revolving Facility, will be sufficient to meet operating requirements through the next twelve months. Cash available from operations, however, could be affected by any general economic downturn or any decline or adverse changes in our business such as a loss of clients, competitive pressures or other significant change in business environment.

We strive to pursue a balanced approach to capital allocation and will consider the repurchase of common shares, the retirement of outstanding debt, investments and the pursuit of strategic acquisitions on an opportunistic basis.

During the six months ended June 30, 2017, we repurchased approximately 1.0 million shares of our common stock for $41.0 million including commission costs.

Availability of Additional Capital

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.

In July 2017, we launched a marketing effort to amend and extend our existing Credit Agreement in order to increase financial flexibility by expanding capacity and extending tenor We expect to close the new credit facility with terms substantially equivalent to our existing Credit Agreement in August 2017.

Critical Accounting Policies and Estimates

For additional information with respect to our critical accounting policies, which are those that could have the most significant effect on our 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 our Annual Report on Form 10-K for the year ended December 31, 2016 and Note 1 – Basis for Condensed Consolidated Financial Statement, of our quarterly report on Form 10-Q for the period ended March 31, 2017 and incorporated by reference in response to this item, for updates on our policies over pension, goodwill and other intangible assets and stock-based compensation.

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. We monitor our risk associated with fluctuations in interest rates and currently use derivative financial instruments to hedge some of these risks. We have entered into Swaps in order to convert a portion of our interest rate exposure on the Term Facility floating rate borrowings from variable to fixed. In June 2017, we entered into Swaps which become effective in March 2018 and terminate in March 2021. The Swaps entered in June 2017 are for an initial notional balance of $275.0 million, with a notional step up of $200.0 million in March 2019 and a fixed interest rate of 1.83%. In August 2016, we entered into Swaps which became effective in September 2016 and terminate in April 2020. The Swaps entered in August 2016 are for an initial notional balance of $500.0 million, with a fixed interest rate of 1.03%, and amortize quarterly by $25.0 million through December 2018, with a step-up in the notional balance of $100.0 million in March 2019 and continued quarterly amortization of $25.0 million through April 2020. In May 2014, we entered into Swaps which became effective in December 2014 and terminate in March 2019. The Swaps entered in May 2014 are for an initial notional balance of $500.0 million, with a fixed interest rate of 1.57%, and amortize quarterly by $12.5 million through December 31, 2017 and $25.0 million through December 31, 2018. 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.

As of June 30, 2017, we had approximately $1.7 billion in gross long-term debt outstanding, all of which was variable-interest-rate debt. As of June 30, 2017, the remaining notional balance of the Swaps was $800.0 million. A hypothetical 1% increase or decrease in interest rates could result in an approximately $2.1 million change to interest expense on a quarterly basis.

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).

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings.

For a description of our legal proceedings, see Note 10 – Litigation and Regulatory Contingencies and Note 12 - Discontinued Operations 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 Quarterly Report on Form 10-Q for the year quarter ended March 31, 2017. 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

1. 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 clients. 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 too expensive, 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 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.

2. Our clients and we are subject to various governmental regulations, and a failure to comply with government regulations or changes in these regulations could result in penalties, restrict or limit our or our clients' 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 clients' 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 the 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 clients. Specifically, the Consumer Financial Protection Bureau ("CFPB") has authority to write rules affecting the business of consumer reporting agencies and also to supervise, conduct examinations of, and enforce compliance as to federal consumer financial protection 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 Comptroller of the Currency ("OCC") 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 clients are subject to consent orders with the OCC 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 laws and regulations 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 or restrictions 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 compliance costs.

Our operations could be negatively affected by changes to laws and regulations and enhanced regulatory oversight of our clients and us. 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 clients, we may experience client 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 are subject to regulation under the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, 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. 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.

4. 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, lawsuits and other regulatory imposed restrictions and penalties because of lost or misappropriated information, including sensitive consumer data.

Likewise, our clients 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 clients, it could negatively affect our relationships with those clients or increase our operating costs, which could harm our business or reputation.

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

Our ten largest clients generated approximately 41% of our operating revenues for the quarter ended June 30, 2017, and two of our largest clients generated approximately 14% and 10% of our revenue in the second quarter of 2017. We expect that a limited number of our clients will continue to represent a significant portion of our revenues for the foreseeable future, and that our concentration of revenue with one or more clients may continue to be significant or increase. These clients face continued pressure in the current economic and regulatory climate. Many of our relationships with these clients 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. In addition, in response to increased regulatory oversight, clients in the mortgage lending industry may have internal policies that require them to use multiple vendors or service providers, thereby causing a diversification of revenue among many vendors. Deterioration in or termination of any of these relationships, including through vendor diversification policies or merger or consolidation among our clients, could significantly reduce our revenue and could adversely affect our business, financial condition and results of operations. In addition, certain of our businesses have higher client 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 client.

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

System interruptions may impair the delivery of our products and services, resulting in a loss of clients and a corresponding loss in revenue. Our technology infrastructure runs primarily in a private dedicated cloud-based environment hosted in NTT Data Corporation's ("NTT") technology center in Quincy, WA. We cannot be sure that certain systems interruptions or events beyond our control, including issues with NTT's technology center or our third-party network and infrastructure providers or in connection with our upgrading or replatforming key systems, will not interrupt or terminate the delivery of our products and services to our clients. These interruptions also may interfere with our suppliers' ability to provide necessary data to us and our employees' ability to attend to work and perform their responsibilities. Any of these possible outcomes could result in a loss of clients or a loss in revenue, which could have an adverse effect on our business or operations.

7. Because our revenue from clients in the mortgage, consumer lending and real estate industries is affected by the 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 or adverse changes in the interest rate environment 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 and/or increasing interest rate environments could affect the performance and financial condition of some of our clients in many of our businesses, which may lead to negative impacts on our revenue, earnings and liquidity in particular if these clients go bankrupt or otherwise exit certain businesses.

8. Our acquisition and integration of businesses 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. These activities may increase our expenses, and the expected results, synergies and growth from these initiatives may not materialize as planned. While management believes that acquisitions will improve our competitiveness and profitability, no assurance can be given that acquisitions will be successful or accretive to earnings.

In addition, we may have difficulty integrating our completed or any future acquisitions into our operations, including implementing at the acquired companies controls, procedures and policies in line with our controls, procedures and policies. If we fail to properly integrate acquired businesses, products, technologies and personnel, it could impair relationships with employees, clients and strategic partners, distract management attention from our core businesses, 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. Although part of our business strategy may include growth through strategic acquisitions, we may not be able to identify suitable acquisition candidates, obtain the capital necessary to pursue acquisitions or complete acquisitions on satisfactory terms.

9. 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 clients against both third parties and the in-house capabilities of our clients. Many of our competitors 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 be disruptive to our existing technology or service offerings, 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. Any competitive pressures we face in the markets in which we operate could materially adversely affect our business, financial condition and results of operations.

10. 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 clients.

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 NTT. 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 clients, which could materially and adversely affect our business, client relationships, financial condition, operating results and cash flow.

11. Our international service providers and our own international operations subject us to additional risks, which could have an adverse effect on our results of operations and 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 through outsourcing arrangements. It is likely that the countries where our outsourcing vendors are located may be subject to 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 could impact our ability to deliver our products and services on a timely basis, if at all, and to a lesser extent could decrease efficiency and increase our costs. Fluctuations 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 U.S. and, as a result, many of our clients 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 clients, which ultimately could have an adverse effect on our results of operations.

In addition, the U.S. or the foreign countries in which we have service provider 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. Furthermore, 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 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.

12. 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, distribution and creation of derivative products 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.

13. 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.

14. 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. Further, the instruments governing our indebtedness subject us to various restrictions that could limit our operating flexibility.

As of June 30, 2017, our total debt was approximately $1.7 billion, and we had unused commitments of approximately $178.0 million under our Revolving Facility. In July 2016, we completed $525.0 million of incremental term loan borrowings through an amendment to our Credit Agreement. A portion of the proceeds of the new borrowings were used to complete the redemption of all outstanding balances under our outstanding senior notes due June 2021 plus accrued and unpaid interest for approximately $411.0 million. The remaining portion of the proceeds were utilized to reduce our outstanding balance within the Revolving Facility.

Subject to the limitations contained in the Credit Agreement governing our credit facilities and our other debt instruments, we may incur 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 increase. Specifically, our level of debt could have important consequences to us, including increasing our vulnerability to adverse economic and industry conditions and compromising our flexibility to capitalize our business opportunities and to plan for, or react to, competitive pressures and changes in our business or market conditions.

The Credit Agreement governing our credit facilities imposes operating and financial restrictions on our activities. These restrictions include the financial covenants in our credit facilities which require ongoing compliance with certain financial tests and ratios, including a minimum interest coverage ratio and maximum leverage ratio, and 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.

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 the lenders under our credit facilities could declare all outstanding principal and interest to be due and payable and 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 may not be able to attract and retain qualified management or develop current management to assist in or lead company growth, which could have an adverse effect on our ability to maintain or expand 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.

17. 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.

Goodwill is assessed for impairment annually or sooner if circumstances indicate a possible impairment. Factors that could lead to impairment of goodwill include significant underperformance 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 may have a material adverse effect on our business, financial condition and results of operations.

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

Our ability to execute on our cost-containment and growth strategies depends in part on maintaining our competitive advantage with current solutions in new and existing markets, as well as our ability to develop new technologies and solutions to serve such markets. There can be no assurance that we will be able to realize all of the projected benefits of our cost-containment plans or that we will be able to compete successfully in new markets or continue to compete effectively in our existing markets. In addition, development of new technologies and solutions may require significant investment by us. If we fail to introduce new technologies or solutions on a cost-effective or timely basis, or if we are not successful in introducing or obtaining regulatory or market acceptance for new solutions, we may lose market share and our results of operations or cash flows could be adversely affected.

19.

We share responsibility with First American for certain income tax liabilities for tax periods prior to and including the date of the Separation.

Under the Tax Sharing Agreement, by and between FAC and FAFC, dated as of June 1, 2010 (the "Tax Sharing Agreement") we entered into in connection with the Separation transaction, we are generally responsible for taxes attributable to our business, assets and liabilities and FAFC is generally responsible for all taxes attributable to members of the FAFC group of companies and the assets, liabilities or businesses of the FAFC group of companies. Generally, any liabilities arising from tax adjustments to consolidated tax returns for tax periods prior to and including the date of the Separation 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 tax 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.

20. If certain transactions, including 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 Internal Revenue Service to the effect that, among other things, certain internal transactions undertaken in anticipation of the Separation will qualify for favorable treatment under the U.S. Internal Revenue Code of 1986, as amended (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 and state income tax purposes, we and our stockholders that are subject to income tax could incur significant income tax liabilities.

In addition, under the terms of the Tax Sharing Agreement, in the event a transaction were determined to be taxable and such determination were the result of actions taken after the Separation 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-Separation actions taken by or in respect of the responsible party or its stockholders, regardless of when the actions occur after the Separation, and the other party consents to such actions or such party obtains a favorable letter ruling or opinion of tax counsel as described above.

21. 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 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 and the Restrictive Covenants Agreement. 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. 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 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, 2017, we did not issue any unregistered shares of our common stock.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On October 27, 2016, the Board of Directors canceled all prior repurchase authorizations and established a new share repurchase authorization of up to $500.0 million. The new share repurchase authorization replaces the unused portion of our previous share repurchase authorization, which was announced in July 2015. As of June 30, 2017, we had $377.0 million in value of shares remaining that could be purchased in the future under the current authorization. The stock repurchase authorization has no expiration date and repurchases may be made in the open market, in privately negotiated transactions or under a Rule 10b5-1 plan.

Under our Credit Agreement, our stock repurchase capacity is restricted to $150.0 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 total leverage ratio does not exceed 3.5 to 1.0. While we continue to preserve the capacity to execute share repurchases under our existing share repurchase authorization, going forward we will strive to pursue a balanced approach to capital allocation and will consider the repurchase of shares of our common shares, the retirement of outstanding debt and the pursuit of strategic acquisitions on an opportunistic basis.

The following table summarizes our share repurchase activity during the quarter ended June 30, 2017. All of our share repurchases were made pursuant to our existing share repurchase authorization.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	(a) Average Price Paid per Share (1)	(b) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
April 1 to April 30, 2017	25,000	$ 42.72	25,000	$ 397,048,983
May 1 to May 31, 2017	299,666	$ 41.85	299,666	$ 384,507,961
June 1 to June 30, 2017	175,335	$ 42.79	175,335	$ 377,007,595
Total	500,001	$ 42.22	500,001	

(1) Calculated inclusive of commissions.

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/ Frank Martell
Frank Martell
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ James L. Balas
James L. Balas
Chief Financial Officer
(Principal Financial Officer)

By: /s/ John K. Stumpf
John K. Stumpf
Controller
(Principal Accounting Officer)

Date: July 26, 2017

EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated December 17, 2015, by and among CoreLogic Solutions, LLC, CoreLogic Acquisition Co., Inc., FNC Holding Company, Inc. and, solely in his capacity as Shareholder Representative, Dennis S. Tosh, Jr. (incorporated by reference to Exhibit 2.2 to the Company's Annual Report on Form 10-K as filed with the SEC on February 26, 2016)^+
2.2	First Amendment to Agreement and Plan of Merger, dated as of April 7, 2016, by and among CoreLogic Solutions, LLC, CoreLogic Acquisition Co., Inc., FNC Holding Company, Inc. and Dennis S. Tosh, Jr. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K as filed with the SEC on April 8, 2016)^
3.1	Amended and Restated Certificate of Incorporation of CoreLogic, Inc., dated May 28, 2010 (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K as filed with the SEC on June 1, 2010)
3.2	Amended and Restated Bylaws of CoreLogic, Inc. (incorporated by reference to the Company’s Current Report on Form 8-K as filed with the SEC on March 5, 2014)
10.1	Assignment and Amendment No. 2 to the Master Professional Services Agreement entered into effective as of May 12, 2017 between CoreLogic Real Estate Solutions, LLC and Cognizant Technology Solutions U.S. Corporation and Cognizant Worldwide Limitedü
10.2	Employment Agreement, effective as of March 6, 2017, between CoreLogic, Inc. and Frank Martell (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K as filed with the SEC on May 19, 2017)*
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

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) have 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.

* Indicates a management contract or compensatory plan or arrangement in which any director or named executive officer participates.