CORELOGIC, INC.
Form 10-K
February 26, 2016

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

FORM 10-K

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

For the fiscal year ended December 31, 2015

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

Securities registered pursuant to Section 12(b) of the Act:

Common	New York Stock Exchange
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x
The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2015, the last business day of the registrant's most recently-completed second fiscal quarter was $3,501,483,234.
On February 22, 2016, there were 88,248,915 shares of common stock outstanding.
DOCUMENTS INCORPORATED BY REFERENCE
Portions of the registrant’s definitive proxy statement with respect to the 2016 annual meeting of the stockholders are incorporated by reference in Part III of this report. The definitive proxy statement or an amendment to this Form 10-K will be filed no later than 120 days after the close of the registrant’s fiscal year.

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PART I

Item 1. Business

The Company

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.

We are a leading global property information, analytics and data-enabled services 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, 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 900 million historical property transactions, over 96 million mortgage applications and property-specific data covering approximately 99% of U.S. residential and commercial properties exceeding 149 million records. We are also the industry's first parcel-based geocoder and have developed a proprietary parcel database covering more than 130 million parcels across the U.S. 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.

We were originally incorporated in California in 1894, and were reincorporated in Delaware on June 1, 2010. Before June 1, 2010, we operated as The First American Corporation (“First American” or “FAC”) but, in connection with a transaction in which we spun off our financial services businesses (referred to as the "Separation"), we changed our name to CoreLogic, Inc. and began trading on the New York Stock Exchange under the symbol “CLGX.” As used herein, the terms "CoreLogic," the "Company," "we," "our" and "us" refer to CoreLogic, Inc. and our consolidated subsidiaries, except where it is clear that the terms mean only CoreLogic, Inc. and not our subsidiaries. Our executive offices are located at 40 Pacifica, Irvine, California, 92618-7471, our telephone number is (949) 214-1000, and our website is www.corelogic.com.

Corporate Events

Pending Acquisition

In December 2015, we entered into an agreement to acquire FNC, Inc. ("FNC"), 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, for total consideration of $475.0 million, subject to certain closing adjustments. We expect the acquisition of FNC will expand our real estate asset valuation and appraisal solutions in connection with loan originations. The transaction's closing is conditioned upon customary closing conditions, including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR"), and there can be no assurance of completion. Following completion of the acquisition, FNC's operations will be reported within our Property Intelligence ("PI") reporting segment. The agreement may be terminated in certain circumstances, including by either party on or after September 1, 2016 in the event the transaction has not closed by such date.

Acquisitions

We completed the acquisitions of LandSafe Appraisal Services, Inc. ("LandSafe") in September 2015 for $122.0 million in cash, Cordell Information Pty Ltd ("Cordell") in October 2015 for AUD$70.0 million in cash, or $49.1 million, and the remaining 49.9% interest in RELS LLC ("RELS") in December 2015 for $65.0 million in cash. Certain of these acquisitions are subject to working capital adjustments and they are included as components of our PI reporting segment. We acquired LandSafe and RELS to expand our real estate asset valuation and appraisal solutions in connection with loan originations, and

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to provide the market with differentiated valuation solutions. The acquisition of Cordell expands our project activity and building information footprint in Australia.

Credit Agreement Amendment

In April 2015, the Company, CoreLogic Australia Pty Limited and the guarantors named therein amended and restated our senior secured credit facility (the "Credit Agreement") with Bank of America, N.A., as administrative agent, and other financial institutions. The Credit Agreement amended and restated our previous senior secured credit facility that was entered into in March 2014, increasing our borrowing capacity and lowering our future borrowing costs. In addition, the amendment provided for increased flexibility for acquisitions and certain types of investments as well as an extension of the term to April 2020. The Credit Agreement provides for an $850.0 million five-year term loan facility (the "Term Facility") and a $550.0 million five-year revolving credit facility (the "Revolving Facility") and expires on April 21, 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 increase the Term Facility and Revolving Facility by up to $750.0 million in the aggregate.

Productivity & Cost Management

In line with our commitment to operational excellence and margin expansion, in April of 2015 we announced an expanded three-year productivity and cost management program, which is expected to reduce expense, on an annual run-rate basis, by approximately $60.0 million by 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. Cash and non-cash charges associated with this program are expected to aggregate approximately $20.0 million and will be incurred over the course of the three-year program.

Our Data

Our data is the foundation of many of our products, analytics and services. Our data can generally be categorized as real property information, mortgage information and consumer information. We obtain our data from a variety of sources, including data gathered from public sources, data contributed by our clients and data obtained from data aggregators.

We gather a variety of data from public sources, including data and documents from federal, state and local governments. We enhance our public record information with the data we collect from other public and non-public sources to create comprehensive textual and geospatial views of each property within our coverage areas, including physical property characteristics, boundaries and tax values, current and historical ownership, voluntary and involuntary liens, tax assessments and delinquencies, replacement cost, property risk including environmental, flood and hazard information, criminal data, building permits, local trends, summary statistics and household demographics.

Our client agreements typically govern the use of our client-contributed data. These contractual arrangements often permit our clients to use our solutions which incorporate their data. We structure our client agreements to specify the particular uses of the data they contribute and to provide the required levels of data privacy and protection. Our contributed data includes loan performance information (from loan servicers, trustees, securitizers, issuers and others), appraisal information, mortgage, automotive, property rental and under-banked loan applications from various loan originators, landlords and property owners.

In addition, we gather property listing and tenant/landlord rental information from Boards of Realtors®, real estate agents, brokers, landlords, and owners of multi-tenant properties. We collect appraisals and property valuations from appraisers and we license consumer credit history information from credit reporting agencies, lenders and auto dealers.

Business Segments and Solution Groups

In line with our continuing strategic transformation and expansion, we updated our business and reporting segments effective as of December 2015. We revised the name of our Data & Analytics segment to PI to reflect the broad and unique nature of the property-level insights provided by these businesses. This segment includes our property information and analytics solutions businesses including international operations, and our valuation solutions group. In addition, we combined our solutions express business and advisory services businesses under our PI segment.

Also, we renamed our Technology and Processing Solutions segment to Risk Management and Work Flow ("RMW") in order to reflect the current mix of risk management and underwriting-focused solutions provided by these businesses. This segment comprises our credit and screening solutions units as well as our technology and post-closing focused units including

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property tax processing and flood data services. Our existing technology solutions businesses also report within RMW. In addition, we transferred our multifamily services business from our PI segment to our RMW segment.. The segment reporting presented herein reflect these transfers. The following table sets forth the key solutions we offer in each of these two segments:

Business Segments	Solution Groups
Property Intelligence	Property Information & Analytics Valuation Solutions
Risk Management and Work Flow	Credit & Screening Solutions Technology and Post-Closing Solutions

We believe that we hold the leading market position for many of our solutions, including:

- property tax processing, based on the number of loans under service;
- flood zone determinations, based on the number of flood zone certification reports issued;
- credit and income verification services to the United States mortgage lending industry, based on the number of credit reports issued;
- property information based on the number of inquiries received; and
- multiple listing services ("MLS"), based on the number of active desktops using our technology.

In addition to our two reporting segments, we also have a corporate group, which includes costs and expenses not allocated to our segments.

The following table sets forth our operating revenue for the last three years from our segments:

(in thousands)	2015	% of Total Operating Revenue		2014	% of Total Operating Revenue		2013	% of Total Operating Revenue	
PI	$663,344	43.4	%	$598,113	42.6	%	$518,622	36.9	%
RMW	875,057	57.3		816,717	58.1		895,953	63.8	
Corporate	39	—		31	—		631	—	
Eliminations	(10,330)	(0.7	)	(9,821)	(0.7	)	(10,805)	(0.8	)
Operating revenue	$1,528,110	100.0	%	$1,405,040	100.0	%	$1,404,401	100.0	%

More detailed financial information regarding each of the Company's business segments as well as information about our operating revenue attributed to domestic and foreign operations is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 19 - Segment Financial Information of the Notes to Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data of Part II of this report.

Products and Services

Property Intelligence

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 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.

Our data licensing and analytics solutions combine our real estate information with flood, demographics, crime, site inspection, neighborhood, document images and other information from proprietary sources to enable our clients to improve customer acquisition and retention, detect and prevent fraud, improve mortgage transaction cycle time and cost efficiency, identify real estate trends and neighborhood characteristics, track market performance and increase market share.

Our data-enabled advisory services assist our clients in detecting and preventing mortgage fraud and managing risk through a combination of patented predictive analytics and proprietary and contributed data. We also provide verification of applicant income, identity and certain employment verification services using Internal Revenue Service and Social Security Administration databases as well as third-party employment data providers.

Our platform solutions maintain the leading market share of real estate listing software systems, with more than 50% of all U.S. and Canadian real estate agents having access to our products and services. Our flagship software platform is customizable to meet our clients' needs while maintaining a single code base. We also provide a full range of professional services to listing organizations and assist our clients in identifying revenues opportunities and improving member services.

Our valuation solutions provide a variety of real estate valuation services in an effort to assist them in assessing their risk of loss with alternative forms of property valuations. We have been building property valuation and collateral risk management tools for more than 20 years and provide collateral information technology and solutions that automate property appraisal ordering, tracking, documentation and review for lender compliance with government regulations.

Risk Management & 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.

Our credit and screening solutions have access to one of the largest consumer and business databases, which enables us to provide credit and income verification services to the mortgage, automotive and multifamily housing industries. We provide comprehensive data about credit history, income verification, home address history, evictions, criminal records and additional proprietary sources. We normalize our data to provide a broad range of advanced business information solutions designed to reduce risk and improve business performance. We also provide wholesale background data to the background screening industry.

Our property tax processing solution aggregates property tax information from over 20,000 taxing authorities. We use this information to advise mortgage originators and servicers of the property tax payment status on their loans and to monitor that status over the life of the loans. If a mortgage lender requires tax payments to be impounded on behalf of its borrowers, we can also monitor and oversee the transfer of these funds to the taxing authorities and provide the lender with payment confirmation.

Our flood data services provides flood zone determinations within the U.S. Federal legislation passed in 1994, which requires that most mortgage lenders obtain a determination of the current flood zone status at the time each loan is originated and obtain applicable updates during the life of the loan. We provide flood zone determinations primarily to mortgage lenders.

Our technology solutions provide software and workflow platforms to the financial services market through a comprehensive suite of enterprise lending automation services. Our solutions automate lending activities, consolidate functions and connect lenders with their partners and consumers in a collaborative, real-time environment in order to help lenders price, originate, fulfill and service consumer loans. We also provide a suite of compliance solutions that allow our clients to benefit from our specialists and their knowledge of our data to provide project-based or client-customized reports.

Clients

We focus our marketing efforts predominantly on financial service institutions in the mortgage and insurance space. We provide our services to national and regional mortgage lenders, brokers, credit unions, commercial banks, investment banks, fixed-income investors, real estate agents, MLS companies, property and casualty insurance companies, government agencies and government-sponsored enterprises.

Our more significant client relationships tend to be long-term in nature and we typically provide a number of different services to each client. Because of the depth of these relationships, we derive a significant portion of our aggregate revenue from our largest clients, with 33.5% of our 2015 operating revenues being generated by our ten largest clients, However, for 2015, no single client accounted for 10% or more of our revenues.

Competition

We offer a diverse array of specialized products and services that compete directly and indirectly with similar products and services offered by national and local providers. We believe there is no single competitor who offers the same combination of products and services that we do. Therefore, we find that we compete with a broad range of entities.

Our PI segment competes with entities that provide access to data or data-based analytical products and services as part of their product offerings, including Black Knight Financial Services, which provides real estate information, analytics, valuation related services and other solutions, RealtyTrac, which provides public records data, Clear Capital, which provides valuation-related services, and Verisk Analytics, Inc., which provides data and risk assessment in the insurance and financial services space. We also compete with departments within financial institutions that utilize internal resources to provide similar analytics and services on a captive basis. We compete based on the breadth and quality of our data sets, the exclusive nature of some of our key data sets, the quality and effectiveness of our products and the integration of our platforms into client systems. We believe the data we offer is distinguished by quality, the broad range of our data sources (including non-public sources), the volume of records we maintain and our ability to provide data spanning a historical period of time that exceeds comparable data sets of most of our competitors.

Our RMW segment competes with third-party providers such as Black Knight Financial Services and Lereta LLC, which provide tax and flood services, as well as credit and screening solutions providers such as Equifax, Inc., Kroll Factual Data, RealPage, Inc. and Yardi Systems, Inc. With these services, we compete largely based on the quality of the products and services we provide, our ability to provide scalable services at competitive prices and our ability to provide integrated platforms. We also compete with departments within financial institutions that utilize internal resources to provide similar services on a captive basis. We generally compete with captive providers based on the quality of our products and services, the scalability of our services, cost efficiencies and our ability to provide some level of risk mitigation.

Sales and Marketing

Our sales strategy is client-focused and resources are primarily assigned based on client size and complexity. For our largest clients, we assign a dedicated sales executive whose sole responsibility is to manage the overall client relationship. For our remaining large and mid-sized clients, a sales executive is assigned to multiple clients, the number of which is dependent on the size of that sales executive’s portfolio. Each of our sales executives develops and maintains key relationships within each client’s business units and plays an important role in relationship management as well as prospecting for new business. Our sales executives understand the current marketplace environment and demonstrate extensive knowledge of our clients’ internal operating structure and business needs. The depth and breadth of this relationship between us and our clients allows us to develop and implement solutions that are tailored to the specific needs of each client in a prompt and efficient manner.

Smaller clients, measured by revenue or geographic coverage, are primarily managed through our telesales operations, which are responsible for working with mortgage and real estate brokers, property and casualty insurance companies, fixed-income investors, appraisers, real estate agents, correspondents and other lenders.

Several of our product and service lines have sales teams and subject matter experts who specialize in specific products and services. These sales teams and subject matter experts work collaboratively with our sales executives and our telesales operations to assist with client sales by combining our data, products and data-enabled services to meet the specific needs of each client. They may be assigned to assist with sales in targeted markets, for certain categories of clients or for particular service groups.

Our marketing strategy is to accelerate growth by building trusted relationships with our clients and delivering superior value through unique property-related data, analytics and data-enabled solutions. We use the most efficient methods available to successfully identify, target, educate and engage potential and existing clients to build awareness, familiarity and interest in our business solutions, demand for our products and services, and increase volume, quality and velocity of sales opportunities. Our marketing activities include direct marketing, advertising, public relations, event marketing, social media and other targeted activities.

Acquisitions and Divestitures

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Historically, we have accelerated our growth into new markets, products and services through acquisitions. We continually evaluate our business mix and opportunistically seek to optimize our business portfolio through acquisitions and divestitures.

Intellectual Property

We own significant intellectual property rights, including patents, copyrights, trademarks and trade secrets. We consider our intellectual property to be proprietary and we rely on a combination of statutory (e.g., copyright, trademark, trade secret and patent) and contractual safeguards in an intellectual property enforcement program to protect our intellectual property rights.

We have 49 issued patents in the U.S. covering business methods, software and systems patents, principally relating to automated valuation, fraud detection, data gathering, flood detection, MLS technology and property monitoring. We also have approximately 90 patent applications pending in these and other areas in the U.S. In addition, we have a number of issued patents and pending patent applications internationally, including in Canada and Australia. We believe the protection of our proprietary technology is important to our success and we intend to continue to seek to protect those intellectual property assets for which we have expended substantial research and development capital and which are material to our business.

In addition, we own more than 300 trademarks in the U.S. and foreign countries, including the names of our products and services and our logos and tag lines, many of which are registered. We believe many of our trademarks, trade names, service marks and logos are material to our business as they assist our clients in identifying our products and services and the quality that stands behind them.

We own more than 1,000 registered copyrights in the U.S. and foreign countries, covering computer programs, reports and manuals. We also have other literary works, including marketing materials, handbooks, presentations and website contents that are protected under common law copyright. We believe our written materials are essential to our business as they provide our clients with insight into various areas of the financial and real estate markets in which we operate.

Our research and development activities focus primarily on the design and development of our analytical tools, software applications, and data sets. We expect to continue our practice of investing to develop new software applications and systems in response to the market and client needs we identify through client input collected in meetings, phone calls and web surveys. We also assess opportunities to cross-link existing data sets to enhance our products' effectiveness.

In order to maintain control of our intellectual property, we enter into license agreements with our clients, granting rights to use our products and services, including our software and databases. We also audit our clients from time to time to ensure compliance with our agreements. This helps to maintain the integrity of our proprietary intellectual property and to protect the embedded information and technology contained in our solutions. As a general practice, employees, contractors and other parties with access to our proprietary information sign agreements that prohibit the unauthorized use or disclosure of our proprietary rights, information and technology.

Information Technology

Technology Transformation Initiative. In July 2012, as part of our on-going cost efficiency initiatives, we announced the launch of our Technology Transformation Initiative ("TTI"), which is designed to provide us with new functionality, increased performance and reduced application management and development costs. The TTI encompasses two phases. The first phase was designed to transform our existing technology infrastructure to run in a private, dedicated cloud computing environment hosted in Dell's technology center located in Quincy, WA and was completed in the second quarter of 2015.

The second phase of the TTI, launched in 2014, involves the creation of a next generation technology platform designed to augment and eventually replace portions of our legacy systems. We laid the foundations with the selection of Pivotal Labs' ("Pivotal") Platform as a Service ("PaaS") operating system, which operates in our new private, dedicated cloud computing environment hosted by Dell. We successfully completed the development of two pilot products, which are already being on-boarded by clients, using PaaS. In 2015, we formed CoreLogic Innovation Labs in collaboration with Pivotal to develop next generation technology platforms and associated applications, analytical models and solutions. CoreLogic Innovation Labs is co-located with Pivotal in Santa Monica, CA. As a result, we are well positioned to take full advantage of this next generation platform and development capability, leveraging social media, mobility, voice and other capabilities via a compelling new delivery portal driven by a common order management system and a state-of-art integrated data and analytics platform.

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Technology. Our new private, dedicated cloud computing environment hosted by Dell is designed to enable us to deliver secure and compliant data, analytics and services to support client needs. A secure and certified network of systems, combined with enterprise-level service operations, positions us as a leading property insights provider to the financial services market. Additionally, our platform stores, processes and delivers our data and our proprietary technologies that are the foundation of our business as well as the development of our solutions. In conjunction with Dell, we operate a computing technology environment intended to allow us to provide flexible systems at all times, enabling us to deliver increased capacity as needed or when client needs demand increased speed of delivery. Additionally, our unified network architecture allows us to operate multiple systems as a single resource capable of delivering our applications, data and analytics as a combined solution to our clients.

Security. We have deployed a wide range of physical and technology security measures, along with a formal governance program, designed to secure our information technology infrastructure, personnel and data. Our governance program is based on extensive corporate information security policies, an information security awareness training program along with an enterprise compliance program. Both our technology managers and Dell’s technology infrastructure managers are Information Technology Infrastructure Library certified. Dell is contractually obligated to comply with our information security policies and procedures. Our digital security framework provides layered protection designed to secure both active and inactive virtual machines in the data centers we use. This approach enables dedicated virtual machines to regularly scan all of our systems. These measures help to detect and prevent intrusions, monitor firewall integrity, inspect logs, catch and quarantine malware and prevent data breaches. Our physical and virtual security solutions run in tandem, enabling us to better identify suspicious activities and implement preventive measures.

Regulation

Various aspects of our businesses are subject to federal and state regulation. Our failure to comply with any applicable laws and regulations could result in restrictions on our ability to provide certain services, as well as the possible imposition of civil fines and criminal penalties. Among the more significant areas of regulation for our business are the following:

Privacy and Protection of Consumer Data

Because our business involves the collection, processing and distribution of personal public and non-public data, certain of our solutions and services are subject to regulation under federal, state and local laws in the United States and, to a lesser extent, foreign countries. These laws impose requirements regarding the collection, protection, use and distribution of some of the data we have, and provide for sanctions and penalties in the event of violations of these requirements.

The Gramm-Leach-Bliley Act ("GLBA") regulates the sharing of non-public personal financial information held by financial institutions and applies indirectly to companies that provide services to financial institutions. In addition to regulating the information sharing, the GLBA requires that non-public personal financial information be safeguarded using physical, administrative and technological means. Certain of the non-public personal information we hold is subject to protection under the GLBA.

The Drivers Privacy Protection Act prohibits the public disclosure, use or resale by any state's department of motor vehicles of personal information about an individual that was obtained by the department in connection with a motor vehicle record, except for a “permissible purpose.”

Other federal and state laws also impose requirements relating to the privacy of information held by us. Certain state laws require consumer reporting agencies to implement “credit file freezes” at an individual's request, which allows those individuals, particularly victims of identity theft, to place and lift a “freeze” on access to the credit file. A number of states also have enacted security breach notification legislation, which requires companies to notify affected consumers in the event of security breaches.

The privacy and protection of consumer information remains a developing area and we continue to monitor legislative and regulatory developments at the federal, state and local level.

Regulation of Credit Reporting Businesses

The Fair Credit Reporting Act ("FCRA") governs the practices of consumer reporting agencies that are engaged in the business of collecting and analyzing certain types of information about consumers, including credit eligibility information. The FCRA also governs the submission of information to consumer reporting agencies, the access to and use of information

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provided by consumer reporting agencies and the ability of consumers to access and dispute information held about them. A number of our databases and services are subject to regulation under the FCRA. The Fair and Accurate Credit Transactions Act of 2003 ("FACT Act") amended the FCRA to add a number of additional requirements such as free annual credit reports, consumers' rights to include fraud alerts on their credit files, the development of procedures to combat identity theft, procedures for the accuracy and integrity of the information reported to consumer reporting agencies, notices in connection with credit pricing decisions based on credit report information and restrictions on the use of information shared among affiliates for marketing purposes. Certain of the FACT Act requirements apply to our businesses.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") gave the Consumer Financial Protection Bureau ("CFPB") supervisory authority over “larger participants” in the market for consumer financial services, as the CFPB defines by rule. In July 2012, the CFPB finalized its regulation regarding larger participants in the consumer reporting market. Under the regulation, certain of our credit businesses are considered larger participants. As a result, the CFPB has the authority to conduct examinations of the covered credit businesses, and we will continue to be examined by the CFPB as part of this authority.

Regulation of Settlement Services

The Real Estate Settlement Procedures Act ("RESPA") is enforced by the CFPB. RESPA generally prohibits the payment or receipt of fees or any other item of value for the referral of real estate-related settlement services. RESPA also prohibits fee shares or splits or unearned fees in connection with the provision of residential real estate settlement services, such as mortgage brokerage and real estate brokerage. Notwithstanding these prohibitions, RESPA permits payments for goods furnished or for services actually performed, so long as those payments bear a reasonable relationship to the market value of the goods or services provided. Our mortgage origination-related businesses that supply credit reports, flood and tax services and valuation products to residential mortgage lenders and, as applicable, our joint venture relationships, are structured and operated in a manner intended to comply with RESPA and related regulations.

Regulation of Property Valuation Activities

Real estate appraisals and Automated Valuation Models ("AVMs") are subject to federal and/or state regulation. The Dodd-Frank Act and implemented rules and guidance thereunder, and interagency guidance jointly issued by the federal financial institution regulators, have expanded regulation of these activities. Among the ways these activities are regulated are the following:

- Appraisals, AVMs and other forms of home value estimates are now subject to more explicit and detailed quality control requirements, and creditors are required to disclose to applicants information about the purpose, and provide consumers with a free copy, of any appraisal, AVM or other estimate of a home's value developed in connection with a residential real estate mortgage loan application; and
- The increased regulation of AVMs has created opportunities for expanded use of these tools in the residential mortgage lending industry. We have introduced new products to pursue these opportunities.

Regulation and Potential Examination by Consumer Financial Protection Bureau and Federal Financial Institution Regulators

The CFPB now serves as the principal federal regulator of providers of consumer financial products and services. As such, the CFPB has significant rulemaking authority under existing federal statutes (including the FCRA, the GLBA, and RESPA), as well as the authority to conduct examinations of certain providers of financial products and services. As discussed above, under the CFPB's authority to supervise larger market participants of the credit reporting market, the CFPB has the authority to conduct examinations of us. The CFPB also has the authority to initiate an investigation of our other businesses if it believes that a federal consumer financial law is being violated. Additionally, in early 2013, the CFPB issued several regulations that, although not directly applicable to us, potentially could present regulatory risk to us in our role as a service provider to providers of financial products and services. These regulations include the CFPB's Ability to Repay and Qualified Mortgage Standards, Mortgage Servicing Rules, Escrow Requirements for Higher-Priced Mortgage Loans, Appraisal Requirements for Higher-Priced Mortgage Loans, Loan Originator Compensation Requirements, Disclosure and Delivery Requirements for Copies of Appraisals and Other Written Valuations, and High-Cost Mortgage and Homeownership Counseling Requirements. The CFPB issued additional regulations in December 2013 that mandate integrated mortgage disclosures under the Truth in Lending Act and RESPA beginning in October 2015. We have evaluated the impact of these regulations on the services we provide and, where necessary, adjusted our products and services to conform to the new requirements.

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The Bank Service Company Act permits the regulators of federal financial institutions to examine vendors, such as us, that provide outsourced services to their regulated entities. Similarly, the CFPB can conduct examinations of service providers to institutions under the supervision of the CFPB if that service provider provides a "material service" to the institution. As a result, most of our businesses could be examined by the CFPB or a federal banking regulator as a service provider to banks and other financial institutions.

In addition, settlement agreements entered into between the Office of the Comptroller of the Currency ("OCC") and a number of our largest clients related to mortgage servicing practices increase the likelihood that providers of certain outsourced services will be examined by the OCC. Moreover, the OCC and other federal regulators have issued guidance encouraging greater supervision of third party relationships by regulated entities. This increased level of scrutiny may cause an increase in the cost of compliance for us.

Enhanced regulation in the area of financial as well as personal data privacy is possible and could significantly impact some of our business practices because this is an area where both the FTC and the CFPB have jurisdiction. It is too early to assess the financial and operational impact to our business of this heightened regulation, if adopted.

In addition to the foregoing areas of regulation, several of our other businesses are subject to regulation, including the following:

- Our tenant screening business is subject to certain landlord-tenant laws;
- Our loan document business must monitor state laws applicable to our clients relating to loan documents and fee limitations as well as Fannie Mae and Freddie Mac requirements to develop and maintain compliant loan documents and other instruments; and
- Our activities in foreign jurisdictions are subject to the requirements of the Foreign Corrupt Practices Act and comparable foreign laws.

We do not believe that compliance with current and future laws and regulations related to our businesses, including consumer protection laws and regulations, will have a material adverse effect on us, but such activities will likely increase our compliance costs.

Other Regulations

The Fair Debt Collection Practices Act and similar state laws apply to loss mitigation activities and lien release statutes affect some document processing we conduct on behalf of servicers. In February 2012, 49 state attorneys general and the federal government announced a joint state-federal settlement with the country's five largest mortgage servicers known as the National Mortgage Settlement. As part of the settlement, the affected mortgage servicers agreed to a set of strict servicing standards that require, among other things, a single point of contact for delinquent consumers, adequate staffing levels and training, better communication with borrowers, and appropriate standards for executing documents in foreclosure cases, ending improper fees, and ending dual-track foreclosures for many loans. The CFPB has codified the majority of these standards in its Mortgage Servicing Rules issued in final form on January 17, 2013. We must comply with these rules, which became effective on January 10, 2014, when supplying certain services to our servicer clients.

Employees

As of December 31, 2015, we had approximately 6,500 employees, of which approximately 5,800 were employed in the U.S. and 700 outside the U.S.

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission ("SEC"). The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), are also available free of charge through the "Investors" page on our Internet site at http://

www.corelogic.com as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC. The information on our website is not, and shall not be deemed to be, a part hereof or incorporated into this or any of our other filings with the SEC.

Item 1A. Risk Factors

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 CFPB has authority to write rules affecting the business of credit 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 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

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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 FCRA, the GLBA, and the Driver's Privacy Protection Act and, to a lesser extent, various other federal, state, and local laws and regulations. These laws and regulations are designed to protect the privacy of consumers and to prevent the unauthorized access and misuse of personal information in the marketplace. Our failure to comply with these laws, or any future laws or regulations of a similar nature, could result in substantial regulatory penalties, litigation expense and loss of revenue.

In addition, some of our data suppliers face similar regulatory requirements and, consequently, they may cease to be able to provide data to us or may substantially increase the fees they charge us for this data which may make it financially burdensome or impossible for us to acquire data that is necessary to offer our products and services. Further, many consumer advocates, privacy advocates and government regulators believe that existing laws and regulations do not adequately protect privacy or ensure the accuracy of consumer-related data. As a result, they are seeking further restrictions on the dissemination or commercial use of personal information to the public and private sectors as well as contemplating requirements relative to data accuracy and the ability of consumers to opt to have their personal data removed from databases such as ours. 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. 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 Dell's technology center in Quincy, WA. We cannot be sure that certain systems interruptions or events beyond our control, including issues with Dell's technology center or our third-party network and infrastructure providers, 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

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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.

6. 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.

7. 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 33.5% of our operating revenues for the year ended December 31, 2015. 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 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.

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

We have acquired and expect to continue to acquire, on an opportunistic basis, companies, businesses, products and services. These activities may increase our expenses, and the expected benefits, synergies and growth from these initiatives may not materialize as planned. In addition, we may have difficulty integrating our completed or any future acquisitions into our operations, 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. 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 Dell. Although we have service-level arrangements with our providers, we do not ultimately control their performance, which may make our operations vulnerable to

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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.

10. 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. These countries are 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 can impact our ability to deliver our products and services on a timely basis, if at all, and to a lesser extent can decrease efficiency and increase our costs. 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 United States 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 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 Foreign Corrupt Practices Act ("FCPA"). Any violations of FCPA or local anti-corruption laws by us, our subsidiaries or our local agents, could have an adverse effect on our business and reputation and result in substantial financial penalties or other sanctions.

11. 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.

12. 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.

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13. 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 December 31, 2015, our total debt was approximately $1.4 billion, and we have unused commitments of approximately $475.0 million under our credit facilities.

Subject to the limitations contained in the credit agreement governing our credit facilities, the indenture governing the 7.25% senior notes ("notes") 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 indenture governing the notes and the credit agreement governing our credit facilities each impose operating and financial restrictions on our activities. These restrictions include the financial covenants in our credit facilities which require on-going compliance with certain financial tests and ratios, including a minimum interest coverage ratio and maximum leverage ratio. The operating and financial restrictions in the indenture or the credit agreement could limit or prohibit our ability to, among other things:

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

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

14. 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 holders of the notes or the lenders under our credit facilities could declare all outstanding principal and interest to be due and payable, and the lenders under our credit facilities could terminate their revolving commitments to loan money and foreclose against the assets securing their borrowings, and we could be forced into bankruptcy or liquidation.

15. 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

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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.

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 Financial Corporation ("FAFC") 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.

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In connection with the Separation we received a private letter ruling from the Internal Revenue Service ("IRS") 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.

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Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2015, our real estate portfolio of 1.6 million square feet is comprised of leased property throughout 25 states in the U.S. at approximately 1.5 million square feet and 100,000 square feet in the aggregate in Australia, Canada, India, France, Mexico, New Zealand and the United Kingdom. Our properties range in size from a single property under 1,000 square feet to our large, multiple-building complex in Westlake, TX totaling approximately 600,000 square feet. The Westlake property lease expires in March 2017 and in January 2017 we will begin relocating to a new 325,000 square feet facility nearby in Dallas, TX as part of our cost efficiency and productivity initiatives. The lease governing our new Dallas, TX property expires in March 2032. Our corporate headquarters are located in Irvine, CA, where we occupy 170,000 square feet pursuant to a lease that expires in July 2021.

All properties are primarily used as offices and have multiple expiration dates. The office facilities we occupy are, in all material respects, in good condition and adequate for their intended use.

Item 3. Legal Proceedings

For a description of our legal proceedings, see Note 15 - Litigation and Regulatory Contingencies of the Notes to Consolidated Financial Statements included in Item 8 - Financial Statements and Supplementary Data of this Annual Report on Form 10-K, which is incorporated by reference in response to this item.

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock Market Prices and Dividends

Our common stock is listed on the New York Stock Exchange and trades under the symbol "CLGX". The approximate number of record holders of our common stock on February 22, 2016 was 2,679. High and low stock prices for the last two years were as follows:

	2015		2014	
	High	Low	High	Low
Quarter ended March 31,	$36.44	$30.39	$35.96	$29.12
Quarter ended June 30,	$40.86	$34.45	$31.03	$26.58
Quarter ended September 30,	$42.31	$34.83	$31.04	$26.47
Quarter ended December 31,	$41.39	$33.27	$33.71	$25.54

We did not declare dividends for the years ended December 31, 2015 and 2014 and have not declared dividends since we changed our name to CoreLogic on June 1, 2010 and began trading on the New York Stock Exchange under the symbol “CLGX.” We do not expect to pay regular quarterly cash dividends, and any future dividends will be dependent on future earnings, financial condition, compliance with agreements governing our outstanding debt and capital requirements. In addition, the amount of dividends we could pay may be limited by the restricted payments covenant in the indenture governing our 7.25% senior notes, as amended, and by the terms of our credit agreement.

Unregistered Sales of Equity Securities

During the quarter ended December 31, 2015, we did not issue any unregistered shares of our common stock.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On July 31, 2015, the Board of Directors canceled all prior repurchase authorizations and established a new share repurchase authorization of up to $350.0 million. The new share repurchase authorization replaces the unused portion of our previous share repurchase authorization, which was announced in December 2013. As of December 31, 2015, we have $311.3 million in value of shares that may yet be purchased under the plans or programs. The stock repurchase plan has no expiration date. Repurchases under our stock repurchase plan may be made in the open market or in privately negotiated transactions and may be made 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 3.50:1.0. In addition, our stock repurchase capacity is limited by the restricted payments covenant in the indenture governing our 7.25% senior notes, as amended. While we continue to preserve the capacity to execute share repurchases under our existing share repurchase authorization, going forward we will consider the repurchase of shares of our common stock and retirement of outstanding debt on an opportunistic basis.

Stock Performance Graph

The following performance graph and related information shall not be deemed “soliciting material” or “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, or the Securities Exchange Act of 1934, each as amended, except to the extent that it is specifically incorporated by reference into such filing.

The following graph compares the yearly percentage change in the cumulative total stockholder return on our common stock with corresponding changes in the cumulative total returns of the Russell 2000 Index and two peer group indices. The comparison assumes an investment of $100 at the close of business on December 31, 2010 and reinvestment of dividends. This historical performance is not indicative of future performance.

We have presented the Russell 2000 Index in the stock performance graph because we believe that the Russell 2000 Index is a more relevant and useful comparison for the Company based on the size of companies included. We have included the S&P 400 Midcap Index for transition purposes only.

The Old Peer Group, which was used by the Board's Compensation Committee for 2014 compensation decisions, consisted of: Acxiom Corporation, Alliance Data Systems Corporation, Broadridge Financial Solutions, Inc., CIBER Inc., CSG Systems International Inc., DST Systems, Inc., The Dun & Bradstreet Corporation, Equifax, Inc., Fair Isaac Corporation, Fidelity National Information Services, Inc., Fiserv, Inc., Gartner, Inc., IHS Inc., Jack Henry & Associates, Inc., Sapient Corp., Syntel, Inc. and Verisk Analytics, Inc. In early 2015, the Compensation Committee adopted the New Peer Group for use in 2015 compensation decisions, modifying the Old Peer Group to add Fidelity National Financial, Inc., First American Financial and Neustar, Inc., and to remove Alliance Data Systems Corporation, Fidelity National Information Services, Inc., Fiserv, Inc., Sapient Corp. and Syntel, Inc. The Compensation Committee believes that the New Peer Group more accurately and appropriately reflects our business and the industries in which we compete and also reflects the recent merger and acquisition activity and corporate reorganizations impacting companies in the Old Peer Group.

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Item 6. Selected Financial Data

The selected consolidated financial data for the Company for the five-year period ended December 31, 2015 has been derived from the consolidated financial statements. The selected consolidated financial data should be read in conjunction with the consolidated financial statements and notes thereto, “Item 1—Business—Corporate Events—Acquisitions and “Item 7—Management’s Discussion and Analysis of Financial Condition and Consolidated Results of Operations.” The consolidated statements of operations data for the years ended December 31, 2012 and 2011 and the consolidated balance sheet data as of December 31, 2013, 2012, and 2011 have been derived from financial statements not included herein.

In September 2011, we closed our marketing services business. In August 2012, we completed the disposition of American Driving Records within our transportation services business. In September 2012, we completed the wind down of our consumer services business and our then-owned appraisal management company business. In September 2014, we completed the sale of our collateral solutions and field services businesses. Therefore, these results of operations are all reflected as discontinued operations. See Note 18 – Discontinued Operations of the Notes to Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data of Part II of this report for additional disclosures.

(in thousands, except per share amounts)	For the Year Ended December 31,				
Income Statement Data:	2015	2014	2013	2012	2011
Operating revenue	$1,528,110	$1,405,040	$1,404,401	$1,333,479	$1,100,086
Operating income	$202,924	$169,758	$142,142	$170,402	$46,576
Equity in earnings of affiliates, net of tax	$13,720	$14,120	$27,361	$35,983	$30,270
Amounts attributable to CoreLogic:					
Income from continuing operations, net of tax	$128,400	$89,741	$100,313	$96,065	$26,637
(Loss)/income from discontinued operations, net of tax	(556)	(16,653)	14,423	12,387	(101,246)
Gain/(loss) from sale of discontinued operations, net of tax	—	112	(7,008)	3,841	—
Net income/(loss)	$127,844	$73,200	$107,728	$112,293	$(74,609)
Balance Sheet Data:					
Assets of discontinued operations	$681	$4,267	$38,926	$50,187	$106,575
Total assets	$3,701,050	$3,516,362	$3,003,131	$3,027,497	$3,115,822
Long-term debt, excluding discontinued operations	$1,364,008	$1,330,563	$839,930	$792,426	$908,287
Total equity	$1,049,490	$1,014,167	$1,044,373	$1,170,945	$1,244,820
Amounts attributable to CoreLogic:					
Basic income/(loss) per share:					
Income from continuing operations, net of tax	$1.44	$0.99	$1.05	$0.93	$0.24
(Loss)/income from discontinued operations, net of tax	(0.01)	(0.18)	0.15	0.12	(0.93)
Gain/(loss) from sale of discontinued operations, net of tax	—	—	(0.07)	0.04	—
Net income/(loss)	$1.43	$0.81	$1.13	$1.09	$(0.69)
Diluted income/(loss) per share:					
Income from continuing operations, net of tax	$1.42	$0.97	$1.03	$0.92	$0.24
(Loss)/income from discontinued operations, net of tax	(0.01)	(0.18)	0.15	0.12	(0.92)
	—	—	(0.07)	0.04	—

Gain/(loss) from sale of discontinued operations, net of tax					
Net income/(loss)	$1.41	$0.79	$1.11	$1.08	$(0.68)
Weighted average shares outstanding					
Basic	89,070	90,825	95,088	102,913	109,122
Diluted	90,564	92,429	97,109	104,050	109,712

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Item 7. Management’s Discussion and Analysis of Financial Condition and Consolidated Results of Operations

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 Annual Report, other than statements that are purely historical, are forward-looking statements. Words such as “anticipate,” “expect,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “sho “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;
- compromises in the security of our data, including cyber-based attacks, the transmission of confidential information or systems interruptions;
- difficult 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 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, “Risk Factors” in this 10-K, 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 Annual Report on Form 10-K.

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 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 900 million historical property transactions, over 96 million mortgage applications and property-specific data covering approximately 99% of U.S. residential and commercial properties exceeding 149 million

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records. 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 mortgage and automotive credit reporting, property tax, property valuation, tenancy, hazard risk, property risk and replacement cost, flood plain location determination and other geospatial data and related services.

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 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 increased during the year in 2015 relative to the same period in 2014, primarily due to low interest rates and improvement in home purchase-related and mortgage loan refinancing-related origination volumes. We expect 2016 mortgage unit volumes to be 15% lower relative to 2015 levels.

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 33.5% of our operating revenues for the year ended December 31, 2015 were generated from our ten largest clients who consist of the largest U.S. mortgage originators and servicers.

While the majority of our revenues are generated in the U.S., continued strengthening of the U.S. dollar versus other currencies in 2015 unfavorably impacted the financial results translation of our international operating revenues by $23.4 million.

Recent Company Developments

Pending Acquisition

In December 2015, we entered into an agreement to acquire FNC, 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, for total consideration of $475.0 million, subject to certain closing adjustments. We expect the acquisition of FNC will expand our real estate asset valuation and appraisal solutions in connection with loan originations. The transaction's closing is conditioned upon customary closing conditions, including the expiration or termination of the HSR waiting period, and there can be no assurance of completion. Following completion of the acquisition, FNC's operations will be reported within our PI reporting segment. The agreement may be terminated in certain circumstances, including by either party on or after September 1, 2016 in the event the transaction has not closed by such date.

Acquisitions

We completed the acquisitions of LandSafe in September 2015 for $122.0 million in cash, Cordell in October 2015 for AUD$70.0 million in cash, or $49.1 million, and RELS in December 2015 for $65.0 million in cash. Certain of these acquisitions are subject to working capital adjustments and they are included as components of our PI reporting segment. We acquired LandSafe and the remaining 49.9% interest in RELS to expand our real estate asset valuation and appraisal solutions in connection with loan originations, and to provide the market with differentiated valuation solutions. The acquisition of Cordell expands our solutions sets, with project activity and building cost information, and our footprint in Australia.

Credit Agreement Amendment

In April 2015, we completed an amendment and restatement of our senior secured credit facility agreement, increasing our borrowing capacity and lowering our future borrowing costs. In addition, the amendment provided for increased flexibility for acquisitions and certain types of investments as well as an extension of the term to April 2020. See "Corporate Events" under Item 1. Business of Part I of this report for additional information.

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Productivity & Cost Management

In line with our commitment to operational excellence and margin expansion, in April 2015, we announced an expanded three-year productivity and cost management program, which is expected to reduce expense, on an annual run-rate basis, by approximately $60.0 million by 2018. Savings are expected to be realized through the reduction of selling, general and administrative costs, outsourcing certain business process functions, consolidation of facilities and other operational improvements. Cash and non-cash charges associated with this program are expected to aggregate approximately $20.0 million and will be incurred over the course of the three-year program.

Business Segments and Solutions

In line with our continuing strategic transformation and expansion, we updated our business and reporting segments effective as of December 2015. We revised the name of our Data & Analytics segment to PI to reflect the broad and unique nature of the property-level insights provided by these businesses. This segment includes our property information and analytics solutions businesses, including international operations, and our valuation solutions group. In addition, we combined our solutions express business and advisory services businesses under our PI segment.

Also, we renamed our Technology and Processing Solutions segment to RMW in order to reflect the current mix of risk management and underwriting-focused solutions provided by these businesses. This segment comprises our credit and screening solutions units as well as our technology and post-closing focused units including property tax processing and flood data services. Our existing technology solutions businesses also report within RMW. In addition, we transferred our multifamily services business from our PI segment to our RMW segment. The segment reporting presented herein reflect these transfers.

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

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Consolidated Results of Operations

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Operating Revenues

Our consolidated operating revenues were $1.5 billion for the year ended December 31, 2015, an increase of $123.1 million when compared to 2014, and consisted of the following:

(in thousands, except percentages)	2015	2014	$ Change	% Change
PI	$663,344	$598,113	$65,231	10.9 %
RMW	875,057	816,717	58,340	7.1
Corporate and eliminations	(10,291)	(9,790)	(501)	5.1
Operating revenues	$1,528,110	$1,405,040	$123,070	8.8 %

Our PI segment revenues increased by $65.2 million, or 10.9%, when compared to 2014. Acquisition activity contributed an increase of $68.3 million in 2015. Excluding acquisition activity, the decrease of $3.1 million was primarily due to lower property information and analytics revenues of $2.9 million, which included the impact of unfavorable foreign currency exchange fluctuations of $23.4 million, partially offset by higher mortgage origination volumes and improved pricing.

Our RMW segment revenues increased by $58.3 million, or 7.1%, when compared to 2014. Acquisition activity contributed an increase of $13.5 million in 2015. Excluding acquisition activity, the increase of $45.0 million was primarily due to higher mortgage origination volumes and market-share gains, which increased our revenues from property tax processing by $26.9 million, credit and screening solutions by $13.5 million and flood data services by $16.9 million, partially offset by lower technology solutions revenues of $12.3 million.

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

Cost of Services (exclusive of depreciation and amortization)

Our consolidated cost of services was $776.5 million for the year ended December 31, 2015, an increase of $36.2 million, or 4.9%, when compared to 2014. Acquisition activity contributed an increase of $36.0 million in 2015. Excluding acquisition activity, the increase of $0.2 million was primarily due to higher mortgage origination volumes which impacted cost of services by $21.8 million, partially offset by favorable product mix of $21.6 million resulting from our ongoing operational efficiency programs including synergies from acquisition integration activities and off-shore efficiencies.

Selling, General and Administrative Expense

Our consolidated selling, general and administrative expenses were $398.3 million for the year ended December 31, 2015, an increase of $46.7 million, or 13.3%, when compared to 2014. Acquisition activity contributed an increase of $32.8 million in 2015. Excluding acquisition activity, the increase of $14.0 million was primarily due to a $13.9 million gain from disposition of property and equipment in 2014, which offset selling, general and administrative expenses in the prior year.

Depreciation and Amortization

Our consolidated depreciation and amortization expense was $146.6 million for the year ended December 31, 2015, an increase of $8.2 million, or 5.9%, when compared to 2014. Acquisition activity contributed an increase of $11.4 million in 2015. Excluding acquisition activity, the decrease of $3.3 million was primarily due to assets that were fully depreciated in the prior year primarily in the RMW segment.

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Impairment Loss

Our impairment loss was $3.8 million for the year ended December 31, 2015, a decrease of $1.2 million, or 24.1%, when compared to 2014. The variance was primarily due to goodwill impairment charges related to our technology solutions, solutions express and outsourcing services businesses of $3.9 million in the second quarter of the prior year, partially offset by higher impairment charges for our internally-developed software in 2015.

Operating Income

Our consolidated operating income was $202.9 million for the year ended December 31, 2015, an increase of $33.2 million, or 19.5%, when compared to 2014, and consisted of the following:

(in thousands, except percentages)	2015	2014	$ Change	% Change
PI	$72,761	$70,181	$2,580	3.7 %
RMW	216,178	166,640	49,538	29.7
Corporate and eliminations	(86,015)	(67,063)	(18,952)	28.3
Operating income	$202,924	$169,758	$33,166	19.5 %

Our PI segment operating income increased by $2.6 million, or 3.7%, when compared to 2014. Acquisition-related activity contributed to operating income by $3.6 million in 2015. Excluding acquisition activity, operating income decreased $1.0 million and operating margins decreased 10 basis points primarily due to lower volume, partially offset by lower costs from the impact of ongoing cost efficiency programs.

Our RMW segment operating income increased by $49.5 million, or 29.7%, when compared to 2014. Acquisition activity contributed to higher losses of $2.1 million in 2015 due to higher depreciation and amortization expense and higher integration costs. Excluding acquisition activity, operating income increased $51.8 million and operating margins increased 497 basis points primarily due to the increase in mortgage origination volumes, market-share gains and the impact of ongoing operational efficiency programs.

Corporate and eliminations operating loss increased $19.0 million, or 28.3%, due to higher non-recurring selling, general and administrative expenses primarily related to investments related to our operational efficiency programs announced in April of 2015 and due to the impact of a $13.9 million gain from disposition of property and equipment in 2014, which offset selling, general and administrative expenses in the prior year.

Total Interest Expense, Net

Our consolidated total interest expense, net was $61.3 million for the year ended December 31, 2015, a decrease of $5.7 million, or 8.5%, when compared to 2014. The decrease was primarily due to an out-of-period adjustment recorded during the first quarter of 2015, which reduced interest expense by $5.2 million.

Gain on Investments and Other, Net

Our consolidated gain on investments and other income, net was $31.6 million for the year ended December 31, 2015, an increase of $27.7 million when compared to 2014. The increase is primarily due to the acquisition of the remaining 49.9% interest in RELS which resulted in a $34.3 million gain due to the step-up in fair value on the previously held interest, partially offset by a $6.0 million distribution gain from a previously impaired investment in affiliate recorded in the prior year.

Provision for Income Taxes

Our consolidated provision for income taxes from continuing operations was $57.4 million and $29.8 million for the years ended December 31, 2015 and 2014, respectively. Our effective income tax rate was 33.4% and 28.2% for the years ended December 31, 2015 and 2014, respectively. The change in income tax was primarily attributable to unfavorable foreign rate differentials, due to foreign exchange gains and losses in jurisdictions with tax rates lower than the U.S., offset by a favorable valuation allowance released in the United Kingdom and the impact of the RELS acquisition.

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Equity in Earnings of Affiliates, Net of Tax

Our consolidated equity in earnings of affiliates, net of tax was $13.7 million for the year ended December 31, 2015, a decrease of $0.4 million, or 2.8%, when compared to 2014. We have equity interests in various affiliates which primarily provide settlement services in connection with residential mortgage loans. The decrease is primarily due to higher losses of $1.3 million from our property and casualty insurance investment in affiliate. The decrease was partially offset by higher mortgage loan origination volumes in RELS. For the years ended December 31, 2015 and 2014, RELS contributed 84.9% and 80.0%, respectively, of our total equity in earnings of affiliates, net of tax. Due to the acquisition of RELS, we do not expect equity in earnings of affiliates to be significant in future reporting periods.

(Loss)/Income from Discontinued Operations, Net of Tax

Our consolidated loss from discontinued operations, net of tax was $0.6 million for the year ended December 31, 2015, a favorable variance of $16.1 million when compared to 2014. The variance is primarily due to pre-tax legal settlements of $21.9 million incurred in the prior year.

Net Income/(Loss) Attributable to Noncontrolling Interests

Our consolidated net income attributable to noncontrolling interests was $1.2 million for the year ended December 31, 2015, a decrease of $0.1 million, or 9.1%, when compared to 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Operating Revenues

Our consolidated operating revenues were $1.4 billion for the year ended December 31, 2014, an increase of $0.6 million when compared to 2013, and consisted of the following:

(in thousands, except percentages)	2014	2013	$ Change	% Change
PI	$598,113	$518,622	$79,491	15.3 %
RMW	816,717	895,953	(79,236)	(8.8)
Corporate and eliminations	(9,790)	(10,174)	384	(3.8)
Operating revenues	$1,405,040	$1,404,401	$639	— %

Our PI segment revenues increased by $79.5 million, or 15.3%, when compared to 2013. Acquisition activity contributed an increase of $107.0 million in 2014. Excluding acquisition activity, the decrease of $27.5 million was primarily due to lower property information and analytics revenues of $32.1 million, which included the exit of a non-core product line and the impact of unfavorable foreign currency exchange fluctuations of $6.3 million.

Our RMW segment revenues decreased by $79.2 million, or 8.8%, when compared to 2013. Acquisition activity contributed an increase of $20.7 million in 2014. Excluding acquisition activity, the decrease of $99.9 million was primarily due to the significant decline in mortgage origination volumes which decreased credit and screening solutions by $34.6 million, technology solutions by $29.4 million, property tax processing by $28.6 million and flood data services by $8.9 million; partially offset by an increase in other of $1.6 million.

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

Cost of Services (exclusive of depreciation and amortization)

Our consolidated cost of services was $740.3 million for the year ended December 31, 2014, an increase of $23.1 million, or 3.2%, when compared to 2013. Acquisition activity contributed an increase of $66.8 million in 2014. Excluding acquisition activity, the decrease of $43.7 million was primarily due to the significant decline in mortgage loan origination volumes, which decreased cost of services by approximately $64.8 million, partially offset by unfavorable product mix of $21.1 million primarily in our RMW segment.

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Selling, General and Administrative Expense

Our consolidated selling, general and administrative expenses was $351.6 million for the year ended December 31, 2014, a decrease of $22.7 million, or 6.1%, when compared to 2013. Acquisition activity contributed an increase of $25.8 million in 2014. Excluding acquisition activity, the decrease of $48.5 million was primarily due to a $13.9 million gain on sale of real estate assets and cost reductions from our on-going cost efficiency programs, which lowered salaries and benefits by $29.8 million, facility and lease equipment costs by $9.6 million, professional fees by $4.8 million, marketing fees by $1.0 million and other expenses by $8.1 million, partially offset by lower capitalized costs of $18.7 million.

Depreciation and Amortization

Our consolidated depreciation and amortization expense was $138.4 million for the year ended December 31, 2014, an increase of $12.1 million, or 9.5%, when compared to 2013. Acquisition activity contributed an increase of $22.7 million in 2014. Excluding acquisition activity, the decrease of $10.6 million was primarily due to assets that were fully depreciated in the prior year primarily in the RMW segment.

Impairment Loss

Our impairment loss was $5.0 million for the year ended December 31, 2014, a decrease of $39.5 million, or 88.8%, when compared to 2013. The variance was primarily due to higher goodwill impairment charges related to our technology solutions, solutions express and outsourcing services businesses in the fourth quarter of the prior year.

Operating Income

Our consolidated operating income was $169.8 million for the year ended December 31, 2014, an increase of $27.6 million, or 19.4%, when compared to 2013, and consisted of the following:

(in thousands, except percentages)	2014	2013	$ Change	% Change
PI	$70,181	$56,515	$13,666	24.2 %
RMW	166,640	181,673	(15,033)	(8.3)
Corporate and eliminations	(67,063)	(96,046)	28,983	(30.2)
Operating income	$169,758	$142,142	$27,616	19.4 %

Our PI segment operating income increased by $13.7 million, or 24.2%, when compared to 2013. Acquisition activity contributed $1.6 million of higher losses in 2014 due to higher depreciation and amortization expense and higher integration costs. Excluding acquisition activity, operating income increased $15.2 million and operating margins increased 379 basis points primarily due to lower goodwill impairment charges of $13.4 million related to our solutions express businesses recorded in the prior year.

Our RMW segment operating income decreased by $15.0 million, or 8.3%, when compared to 2013. Acquisition activity contributed $13.9 million of operating income in 2014. Excluding acquisition activity, operating income decreased $28.9 million and operating margins decreased 93 basis points primarily due to a significant decline in mortgage origination volumes, partially offset by lower goodwill impairment charges of $25.7 million related to our technology solutions and outsourcing services businesses.

Corporate and eliminations operating loss decreased $29.0 million, or 30.2%, due to lower selling, general and administrative expenses from on-going cost efficiency programs and the impact of a $13.9 million gain from disposition of property and equipment in 2014, which offset selling, general and administrative expenses.

Total Interest Expense, Net

Our consolidated total interest expense, net was $67.0 million for the year ended December 31, 2014, an increase of $19.4 million, or 40.7%, when compared to 2013. The increase was due to higher average outstanding debt balances and higher fees of $1.0 million related to the new borrowings in connection with our acquisition of MSB/DataQuick in March 2014.

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Gain on Investments and Other, Net

Our consolidated gain on investments and other income, net was $3.9 million for the year ended December 31, 2014, a decrease of $8.2 million when compared to 2013. The decrease was primarily due to a $6.6 million gain, recorded in the prior year, related to the acquisition of a controlling interest in an investment in affiliate, a $4.1 million loss from the termination of an interest rate swap agreement in connection with the refinancing of our outstanding debt, lower realized gains on investments of $3.2 million and a $0.3 million write-off of an investment in affiliate, partially offset by a $6.0 million distribution from a previously impaired investment in affiliate.

Provision for Income Taxes

Our consolidated provision for income taxes from continuing operations was $29.8 million and $33.7 million for the years ended December 31, 2014 and 2013, respectively. Our effective income tax rate was 28.2% and 31.6% for the years ended December 31, 2014 and 2013, respectively. The change in the income tax was primarily attributable to foreign rate differentials in jurisdictions with tax rates lower than the U.S. as well as valuation allowances released in certain foreign jurisdictions.

Equity in Earnings of Affiliates, Net of Tax

Our consolidated equity in earnings of affiliates, net of tax was $14.1 million for the year ended December 31, 2014, a decrease of $13.2 million, or 48.4%, when compared to 2013. We have equity interests in various affiliates which primarily provide settlement services in connection with residential mortgage loans. The decrease in equity in earnings was primarily due to declining mortgage loan origination volumes.

(Loss)/Income from Discontinued Operations, Net of Tax

Our consolidated loss from discontinued operations, net of tax was $16.7 million for the year ended December 31, 2014, an unfavorable variance of $31.1 million when compared to 2013. The variance was primarily due to legal settlements of $21.9 million, on a pre-tax basis, as well as declining default market volumes which adversely impacted revenues and net income associated with our collateral solutions and field services businesses.

Gain/(Loss) from Sale of Discontinued Operations, Net of Tax

Our consolidated gain from sale of discontinued operations, net of tax was $0.1 million, for the year ended December 31, 2014, a favorable variance of $7.1 million, when compared to 2013. The variance was primarily related to the settlement of tax contingencies of $7.4 million from the sale of a business line in the prior year.

Net Income/(Loss) Attributable to Noncontrolling Interests

Our consolidated net income attributable to noncontrolling interests was $1.3 million for the year ended December 31, 2014, an increase of $1.3 million when compared to 2013. The variance was primarily due to the step-up acquisition of a previously held noncontrolling interest in the third quarter of 2013.

Liquidity and Capital Resources

Cash and cash equivalents totaled $99.1 million and $104.7 million as of December 31, 2015 and 2014, respectively, representing a decrease of $5.6 million compared to 2014. Furthermore, cash and cash equivalents decreased $29.7 million in 2014 compared to 2013.

We hold our cash balances inside and outside of the U.S. Our cash balances held outside of the U.S. are primarily related to our international operations. As of December 31, 2015, we held $38.3 million in foreign jurisdictions. 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 $10.9 million and $12.4 million at December 31, 2015 and 2014, respectively, represents cash pledged for various letters of credit provided in the ordinary course of business to certain vendors including in connection with obtaining insurance and real property leases.

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 $328.5 million, $321.9 million and $353.8 million for the years ended December 31, 2015, 2014 and 2013, respectively. The increase in cash provided by operating activities in 2015 relative to 2014 was primarily due to lower cash used by operating activities from our discontinued operations of $6.1 million due to the sale of our collateral solutions and field services businesses in September 2014.

The decrease in cash provided by operating activities in 2014 relative to 2013 was primarily due to lower cash provided by operating activities from our discontinued operations of $39.3 million resulting from declining default market volumes, the sale of our collateral solutions and field services businesses in September of 2014 and a legal settlement in 2014. This decrease was partially offset by higher cash provided by operating activities from our continuing operations of $7.4 million in 2014 due to higher dividends received from investments in affiliates and the timing of payments for accounts payable and accrued expenses.

Investing Activities. Total cash used in investing activities consists primarily of capital expenditures, acquisitions and dispositions. Cash used in investing activities was approximately $277.2 million, $741.5 million, and $186.8 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Cash used in investing activities from continuing operations during 2015 was primarily related to net cash paid for acquisitions, including $27.1 million for RELS in December 2015, $48.1 million for Cordell in October 2015 and $119.3 million for LandSafe in September 2015. Further, we had investments in property and equipment and capitalized data of $44.1 million and $36.4 million, respectively, in 2015.

Cash used in investing activities from continuing operations during 2014 was primarily related to cash paid for acquisitions, including $19.6 million for Bank of America's credit services operations in November 2014, $652.5 million for MSB/DataQuick in March 2014, $11.9 million for Terralink in January 2014 and $11.0 million, net of cash acquired, for other acquisitions that were not significant. Further, we had investments in property and equipment and capitalized data of $52.0 million and $35.1 million, respectively; which were partially offset by proceeds from sale of discontinued operations of $25.4 million and proceeds from the sale of property and equipment of $13.9 million.

Cash used in investing activities from continuing operations during 2013 was primarily related to cash paid for acquisitions, including $62.5 million for Bank of America's flood zone determination and tax processing services operations in July 2013, $2.6 million for an additional 10% interest in PIQ in September 2013 and $22.2 million for EQECAT in December 2013. We also acquired two other businesses for $10.0 million that were not significant. Further, we had investments in property and equipment and capitalized data of $68.7 million and $37.8 million, respectively; which were partially offset by favorable changes in restricted cash of $10.1 million.

For the year ending December 31, 2016, the Company anticipates investing in the aggregate between $95 million and $105 million in capital expenditures for property and equipment and capitalized data. Capital expenditures are expected to be funded by existing cash balances, cash generated from operations or additional borrowings.

Financing Activities. Total cash used in financing activities was approximately $58.5 million, $390.5 million and $179.9 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Net cash used in financing activities during 2015 was primarily comprised of share repurchases of $97.4 million, repayment of long-term debt of $82.9 million and debt issuance costs of $6.5 million, partially offset by proceeds from debt issuance of $114.4 million and net settlement from stock-based compensation related transactions of $13.9

million.

Net cash used in financing activities during 2014 was primarily comprised of proceeds from debt issuance of $690.0 million and net settlement from stock-based compensation related transactions of $6.0 million, partially offset by repayment of long-term debt of $200.0 million, share repurchases of $91.5 million and debt issuance costs of $14.0 million.

Net cash used in financing activities during 2013 was primarily comprised of $241.2 million in repurchases of our common stock, $10.4 million of debt issuance costs and $4.7 million of repayments of long-term debt. This was partially offset by proceeds from the issuance of long-term debt of $51.6 million and net settlement from stock-based compensation related transactions of $24.7 million.

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Financing and Financing Capacity

We had total debt outstanding of $1.4 billion and $1.3 billion as of December 31, 2015 and 2014, respectively. Our significant debt instruments are described below.

Senior Notes

On May 20, 2011, CoreLogic, Inc. issued $400.0 million aggregate principal amount of 7.25% senior notes due 2021 (the "Notes"). For a detailed description of the Notes, see Note 8 - Long-Term Debt of the Notes to Consolidated Financial Statements included in Item 8 - Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

The indenture governing the Notes contains a financial covenant for the incurrence of additional indebtedness that requires that the interest coverage ratio be at least 2.00 to 1.00 on a pro forma basis after giving effect to any new indebtedness. There are carve-outs that permit us to incur certain indebtedness notwithstanding satisfaction of this ratio, but they are limited. Based on our EBITDA and interest charges as of December 31, 2015, we would be able to incur additional indebtedness without breaching the limitation on indebtedness covenant contained in the indenture and we are in compliance with all of our covenants under the indenture.

Credit Agreement

For a detailed description of our senior secured credit facility (the "Credit Agreement"), see Note 8 - Long-Term Debt of the Notes to Consolidated Financial Statements included in Item 8 - Financial Statements and Supplementary Data of this Annual Report on Form 10-K. The Credit Agreement provides for an $850.0 million five-year term loan facility (the "Term Facility") and a $550.0 million revolving credit facility (the "Revolving Facility") that 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 increase the Term Facility and Revolving Facility by up to $750.0 million in the aggregate.

The Credit Agreement contains customary financial maintenance covenants, including a (i) maximum total leverage ratio not to exceed 4.50 to 1.00; provided that such total leverage ratio shall step down to (a) 4.25 to 1.00 starting with the fiscal quarter ending June 30, 2016, (b) 4.00 to 1.00 starting with the fiscal quarter ending June 30, 2017, and (c) 3.50 to 1.00 starting with the fiscal quarter ending June 30, 2018, and is subject to additional adjustments if the Company completes a Qualified Acquisition (as defined in the Credit Agreement); and (ii) a minimum interest coverage ratio of not less than 3.00 to 1.00.

At December 31, 2015, we had additional borrowing capacity under the Revolving Facility of $475.0 million, and were in compliance with the financial and restrictive covenants of the Credit Agreement. However, if we have a significant increase in our outstanding debt or if our EBITDA decreases significantly, we may be unable to incur additional indebtedness, and the lenders under the Credit Agreement may be unwilling to permit us to amend the financial or restrictive covenants described above to provide additional flexibility.

As of December 31, 2015 and December 31, 2014, we have recorded $3.6 million and $9.2 million, respectively, of accrued interest expense.

Interest Rate Swaps

In May 2014, we entered into amortizing interest rate swap transactions ("Swaps"). The Swaps became effective on December 31, 2014 and terminate in March 2019. The Swaps 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, with a remaining notional amount of $250.0 million.

Liquidity and Capital Strategy

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

In December 2015, we entered into a definitive agreement to acquire FNC in connection with our valuation solutions strategy. The transaction's closing is subject to customary closing conditions including regulatory clearance. While we maintain adequate cash balances and borrowing capacity to complete the transaction, we will continue to evaluate additional financing alternatives as we determine appropriate.

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

During the years ended December 31, 2015 and 2014, we repurchased approximately 2.5 million and 3.1 million shares of our common stock for $97.4 million and $91.5 million, respectively, 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.

Contractual Obligations

A summary, by due date, of our total contractual obligations at December 31, 2015, is as follows:

(in thousands)	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Operating leases	$32,789	$34,192	$22,947	$7,710	$97,638
Long-term debt (1)	48,497	171,390	691,476	452,645	1,364,008
Interest payments related to debt (2)	53,201	109,926	91,297	48,020	302,444
Service agreement (3)	51,238	—	—	—	51,238
Total (4)	$185,725	$315,508	$805,720	$508,375	$1,815,328

(1) Includes the remaining acquisition-related note payable of $5.0 million, which is non-interest bearing and discounted to $4.9 million.
(2) Estimated interest payments are calculated assuming current interest rates over minimum maturity periods specified in debt agreements.
(3) Net minimum commitment with Cognizant.
(4) Excludes a net liability of $13.3 million related to uncertain tax positions including associated interest and penalties, and deferred compensation of $32.2 million due to uncertainty of payment period.

Critical Accounting Policies and Estimates

Our significant accounting policies are discussed in Note 2 - Significant Accounting Policies of the Notes to Consolidated Financial Statements included in Item 8 - Financial Statements and Supplementary Data. We consider the accounting policies described below to be critical in preparing our consolidated financial statements. These policies require us to make estimates and judgments that affect the reported amounts of certain assets, liabilities, revenues, expenses and related disclosures of contingencies. Our assumptions, estimates and judgments are based on historical experience, current trends and other factors that we believe to be relevant at the time we prepare the consolidated financial statements. Although we believe that our estimates and assumptions are reasonable, we cannot determine future events. Consequently, actual results could differ materially from our assumptions and estimates.

Revenue recognition. We derive our revenues principally from U.S. mortgage originators and servicers with good creditworthiness. Our product and service deliverables are generally comprised of data or other related services. Our revenue arrangements with our clients generally include a work order or written agreement specifying the data products or services to be delivered and related terms of sale including payment amounts and terms. The primary revenue recognition-related judgments we exercise are to determine when all of the following criteria have been met: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) our price to the buyer is fixed or determinable; and (iv) collectability is reasonably assured.

For products or services where delivery occurs at a point in time, we recognize revenue upon delivery. These products or services include sales of tenancy data and analytics, credit solutions for mortgage and automotive industries, under-banked credit services, flood and data services and claims management.

For products or services where delivery occurs over time, we recognize revenue ratably on a subscription basis over the contractual service period once initial delivery has occurred. Generally these service periods range from one to three years. Products or services recognized on a license or subscription basis include information and analytic products, property risk and replacement cost, flood database licenses, realtor solutions and lending solutions. For certain of our products or services, clients may also pay us upfront set-up fees, which we defer and recognize into revenue over the longer of the contractual term or expected client relationship period.

Property tax processing revenues are comprised of periodic loan fees and life-of-loan fees. For periodic loans, we generate monthly fees at a contracted fixed rate for as long as we service the loan. Loans serviced with a one-time, life-of-loan fee are billed once the loan is boarded to our property tax processing system in accordance with a client tax servicing agreement. Life-of-loan fees are then deferred and recognized ratably over the expected service period. The rates applied to recognize revenues assume a 10-year expected life and are adjusted to reflect prepayments. We review the property tax processing contract portfolio quarterly to determine if there have been material changes in the expected lives, deferred on-boarding costs, expected service period, and/or changes in the number and/or timing of prepayments. Accordingly, we may adjust the rates to reflect current trends.

Purchase Accounting. The purchase method of accounting requires companies to assign values to assets and liabilities acquired based upon their fair values at the acquisition date. In most instances there are not readily defined or listed market prices for individual assets and liabilities acquired in connection with a business, including intangible assets. The determination of fair value for assets and liabilities in many instances requires a high degree of estimation. The valuation of intangible assets, in particular, is very subjective. We generally obtain third-party valuations to assist us in estimating fair values. The use of different valuation techniques and assumptions could change the amounts and useful lives assigned to the assets and liabilities acquired and related amortization expense.

Goodwill and other intangible assets. We perform an annual impairment test for goodwill and other indefinite-lived intangible assets for each reporting unit every fourth quarter. In addition, we periodically assess whether events or circumstances have occurred that potentially indicate the carrying amounts of these assets may not be recoverable. In assessing the overall carrying value of our goodwill and other intangibles, we first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Examples of such events or circumstances include the following: cost factors, financial performance, legal and regulatory factors, entity specific events, industry and market factors, macroeconomic conditions and other considerations.

If, after assessing the totality of events or circumstances, we determine that it is more likely than not the fair value of a reporting unit is less than its carrying value, then our impairment testing process may include two additional steps. The first step ("Step 1") compares the fair value of each reporting unit to its book value. The fair value of each reporting unit is determined by using discounted cash flow analysis and market approach valuations. If the fair value of the reporting unit exceeds its book value, then goodwill is not considered impaired and no additional analysis is required. However, if the book value is greater than the fair value, a second step ("Step 2") must be completed to determine if the implied fair value of the goodwill exceeds the book value of the goodwill.

Step 2 involves calculating an implied fair value of goodwill for each reporting unit for which Step 1 indicated impairment. The implied fair value of goodwill is determined in a manner similar to the amount of goodwill calculated in a business combination, by measuring the excess of the estimated fair value of the reporting unit, as determined in Step 1, over the aggregate estimated fair values of the individual assets, liabilities and identifiable intangibles as if the reporting unit was being acquired in a business combination. If the implied fair value of goodwill exceeds the carrying value of goodwill assigned to the reporting unit, there is no impairment. If the carrying value of goodwill assigned to a reporting unit exceeds the implied fair value of the goodwill, an impairment loss is recorded for the excess. An impairment loss cannot exceed the carrying value of goodwill assigned to a reporting unit, and the loss establishes a new basis in the goodwill. Subsequent reversal of goodwill impairment losses is not permitted. The valuation of goodwill requires assumptions and estimates of many critical factors including revenue growth, cash flows, market multiples and discount rates. Forecasts of future operations are based, in part, on operating results and our expectations as to future market conditions. These types of analysis contain uncertainties because they require us to make assumptions and to apply judgments to estimate industry economic factors and the profitability of future business strategies. However, if actual results are not consistent with our estimates and assumptions, we may be exposed to an additional impairment loss that could be material.

These tests utilize a variety of valuation techniques, all of which require us to make estimates and judgments. Fair value is determined by employing an expected present value technique, which utilizes multiple cash flow scenarios that reflect a range of possible outcomes and an appropriate discount rate. The use of comparative market multiples compares the reporting unit to other comparable companies (if such comparables are present in the marketplace) based on valuation multiples to arrive at a fair value. We also use certain of these valuation techniques in accounting for business combinations, primarily in the determination of the fair value of acquired assets and liabilities. In assessing the fair value, we utilize the results of the valuations and consider the range of fair values determined under all methods and the extent to which the fair value exceeds the book value of the equity.

In December 2015, we transferred our multifamily services business from our PI segment to our RMW segment, relocated our solutions express business and consolidated our advisory services under our PI segment to leverage the core business capabilities of each segment and represent changes in our management structure and internal reporting. As a result of these actions, we revised our reporting for segment disclosure purposes and reassessed our reporting units for purposes of evaluating the carrying value of our goodwill. This assessment required us to perform a fourth quarter reassignment of our goodwill to each reporting unit impacted using the relative fair value approach, based on the fair values of the reporting units as of December 31, 2015. As of December 31, 2015, the assessment resulted in $101.8 million of goodwill allocated to our RMW reporting unit from our PI reporting unit and $6.6 million of goodwill allocated to our PI reporting unit from our RMW reporting unit.

As of December 31, 2015 our reporting units related to continuing operations are PI and RMW. During the fourth quarter of 2015, we performed a Step 1 analysis on our reporting units. Determining the fair value of a reporting unit is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates, operating margins, discount rates and future market conditions, among others. Key assumptions used to determine the fair value of our reporting units in our testing were: (a) expected cash flow for the period from 2016 to 2021; and (b) a discount rate of 9.5%, which was based on management's best estimate of the after-tax weighted average cost of capital. We noted no indicators of impairment on our reporting units related to continuing operations through our Step 1 analysis. It is reasonably possible that changes in the facts, judgments, assumptions and estimates used in assessing the fair value of the goodwill could cause a reporting unit to become impaired.

Income taxes. We account for income taxes under the asset and liability method, whereby we recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as expected benefits of utilizing net operating loss and credit carryforwards. We measure deferred tax assets and liabilities using enacted tax rates we expect to apply in the years in which we expect to recover or settle those temporary differences. We recognize in income the effect of a change in tax rates on deferred tax assets and liabilities in the period that includes the enactment date.

We recognize the effect of income tax positions only if sustaining those positions is more likely than not. We reflect changes in recognition or measurement of uncertain tax positions in the period in which a change in judgment occurs. We recognize interest and penalties, if any, related to uncertain tax positions within income tax expense. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheet.

We evaluate the need to establish a valuation allowance based upon expected levels of taxable income, future reversals of existing temporary differences, tax planning strategies and recent financial operations. We establish a valuation allowance to reduce deferred tax assets to the extent we believe it is more likely than not that some or all of the deferred tax assets will not be realized.

Stock-based compensation. We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost is recognized over the period during which an employee is required to provide services in exchange for the award. We utilize the Monte-Carlo simulation to estimate the fair value for any performance-based restricted stock units ("PBRSUs") granted. We used the Black-Scholes model to estimate the fair value of stock options. We utilize the straight-line single option method of attributing the value of stock-based compensation expense unless another expense attribution model is required. As stock-based compensation expense recognized in results of operations is based on awards ultimately expected to vest, stock-based compensation expense has been reduced for estimated forfeitures.

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Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. We apply the long-form method for determining the pool of windfall tax benefits.

Currently, our primary means of providing stock-based compensation is granting restricted stock units ("RSUs") and PBRSUs. The fair value of any grant is based on the market value of our shares on the date of grant and is generally recognized as compensation expense over the vesting period.

In addition, we have an employee stock purchase plan that allows eligible employees to purchase common stock of the Company at 85.0% of the closing price on the first or last day of each quarter, whichever is lower (which was updated for 2014 from the closing price on the last day of each quarter). We recognize an expense in the amount equal to the estimated fair value of the discount.

Recent Accounting Pronouncements

For a description of recently issued and adopted accounting pronouncements, including the respective dates of adoption and expected effects on our results of operations and financial condition, see Note 2 - Significant Accounting Policies of the Notes to Consolidated Financial Statements included in Item 8 - Financial Statements and Supplementary Data of this Annual Report on Form 10-K, which is incorporated by reference in response to this item.

Item 7A. 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. Until March 2014, we had an outstanding interest rate swap that we entered into in June 2011, which partially converted the interest rate exposure of our floating rate debt from variable to fixed rate. The interest rate swap agreement was terminated in connection with the full repayment of the associated underlying debt in March 2014.

In May 2014, we entered into the Swaps, which became effective on December 31, 2014 and terminate in March 2019. The Swaps 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, with a remaining notional amount of $250.0 million. We entered into the Swaps in order to convert a portion of our interest rate exposure on the Term Facility floating rate borrowings from variable to fixed. We have designated the Swaps as cash flow hedges.

As of December 31, 2015, we had approximately $1.4 billion in long-term debt outstanding, of which approximately $903.8 million was variable-interest-rate debt. As of December 31, 2015, the remaining notional balance of the Swaps was $450.0 million. A hypothetical 1% increase or decrease in interest rates could result in an approximately $1.1 million change to interest expense on a quarterly basis.

We are also subject to equity price risk related to our equity securities portfolio. At December 31, 2015, we had equity securities with a cost and fair value of $22.7 million.

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

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Item 8. Financial Statements and Supplementary Data

We have one significant equity method investment. The audited financials of our significant subsidiary are included as an exhibit to this Form 10-K.

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Financial statement schedules not listed are either omitted because they are not applicable or the required information is shown in the consolidated financial statements or in the notes thereto.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of CoreLogic, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operation, comprehensive income, stockholders’ equity, and cash flows present fairly, in all material respects, the financial position of CoreLogic, Inc. and its subsidiaries at December 31, 2015 and December 31, 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and the financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Orange County, California
February 26, 2016

CoreLogic, Inc.
Consolidated Balance Sheets
As of December 31, 2015 and 2014
(in thousands, except par value)

Assets	2015	2014
Current assets:		
Cash and cash equivalents	$99,090	$104,677
Marketable securities	22,709	22,264
Accounts receivable (less allowances of $6,212 and $10,826 in 2015 and 2014, respectively)	240,988	214,344
Prepaid expenses and other current assets	45,882	51,375
Income tax receivable	37,029	13,357
Deferred income tax assets, current	95,887	90,341
Assets of discontinued operations	681	4,267
Total current assets	542,266	500,625
Property and equipment, net	375,654	368,614
Goodwill, net	1,881,547	1,780,758
Other intangible assets, net	352,148	278,270
Capitalized data and database costs, net	327,841	333,265
Investment in affiliates, net	69,205	103,598
Deferred income tax assets, long-term	2,219	—
Restricted cash	10,926	12,360
Other assets	139,244	138,872
Total assets	$3,701,050	$3,516,362
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$158,213	$170,418
Accrued salaries and benefits	117,187	99,786
Deferred revenue, current	269,071	255,330
Mandatorily redeemable noncontrolling interests	18,981	—
Current portion of long-term debt	48,497	11,352
Liabilities of discontinued operations	2,527	13,704
Total current liabilities	614,476	550,590
Long-term debt, net of current	1,315,511	1,319,211
Deferred revenue, net of current	448,819	389,308
Deferred income tax liabilities, long-term	107,249	63,979
Other liabilities	165,505	161,084
Total liabilities	2,651,560	2,484,172
Redeemable noncontrolling interests	—	18,023
Equity:		
CoreLogic, Inc.'s ("CoreLogic") stockholders' equity:		
Preferred stock, $0.00001 par value; 500 shares authorized, no shares issued or outstanding	—	—
Common stock, $0.00001 par value; 180,000 shares authorized; 88,228 and 89,343 shares issued and outstanding as of December 31, 2015 and 2014, respectively	1	1
Additional paid-in capital	551,206	605,511
Retained earnings	618,399	492,441
Accumulated other comprehensive loss	(120,116)	(83,786)

Total CoreLogic stockholders' equity	1,049,490	1,014,167
Total liabilities and equity	$3,701,050	$3,516,362

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

CoreLogic, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2015, 2014 and 2013

(in thousands, except per share amounts)	2015	2014	2013
Operating revenue	$1,528,110	$1,405,040	$1,404,401
Cost of services (exclusive of depreciation and amortization)	776,509	740,301	717,205
Selling, general and administrative expenses	398,300	351,617	374,289
Depreciation and amortization	146,607	138,394	126,332
Impairment loss	3,770	4,970	44,433
Total operating expenses	1,325,186	1,235,282	1,262,259
Operating income	202,924	169,758	142,142
Interest expense:			
Interest income	4,021	4,110	4,748
Interest expense	65,311	71,092	52,350
Total interest expense, net	(61,290)	(66,982)	(47,602)
Gain on investments and other, net	31,592	3,882	12,032
Income from continuing operations before equity in earnings of affiliates and income taxes	173,226	106,658	106,572
Provision for income taxes	57,394	29,770	33,673
Income from continuing operations before equity in earnings of affiliates	115,832	76,888	72,899
Equity in earnings of affiliates, net of tax	13,720	14,120	27,361
Net income from continuing operations	129,552	91,008	100,260
(Loss)/income from discontinued operations, net of tax	(556)	(16,653)	14,423
Gain/(loss) from sale of discontinued operations, net of tax	—	112	(7,008)
Net income	128,996	74,467	107,675
Less: Net income/(loss) attributable to noncontrolling interests	1,152	1,267	(53)
Net income attributable to CoreLogic	$127,844	$73,200	$107,728
Amounts attributable to CoreLogic:			
Income from continuing operations, net of tax	$128,400	$89,741	$100,313
(Loss)/income from discontinued operations, net of tax	(556)	(16,653)	14,423
Gain/(loss) from sale of discontinued operations, net of tax	—	112	(7,008)
Net income attributable to CoreLogic	$127,844	$73,200	$107,728
Basic income/(loss) per share:			
Income from continuing operations, net of tax	$1.44	$0.99	$1.05
(Loss)/income from discontinued operations, net of tax	(0.01)	(0.18)	0.15
Gain/(loss) from sale of discontinued operations, net of tax	—	—	(0.07)
Net income attributable to CoreLogic	$1.43	$0.81	$1.13
Diluted income/(loss) per share:			
Income from continuing operations, net of tax	$1.42	$0.97	$1.03
(Loss)/income from discontinued operations, net of tax	(0.01)	(0.18)	0.15
Gain/(loss) from sale of discontinued operations, net of tax	—	—	(0.07)
Net income attributable to CoreLogic	$1.41	$0.79	$1.11
Weighted-average common shares outstanding:			
Basic	89,070	90,825	95,088
Diluted	90,564	92,429	97,109

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

CoreLogic, Inc.
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2015, 2014 and 2013

(in thousands)	2015	2014	2013
Net income	$128,996	$74,467	$107,675
Other comprehensive loss:			
Market value adjustments to marketable securities, net of tax	275	27	32
Market value adjustments on interest rate swap, net of tax	(364)	(2,408)	1,526
Reclassification adjustments for gains on terminated interest rate swap included in net income	—	2,555	—
Foreign currency translation adjustments	(36,968)	(26,673)	(43,337)
Supplemental benefit plans adjustments, net of tax	727	(3,698)	3,704
Total other comprehensive loss	(36,330)	(30,197)	(38,075)
Comprehensive income	92,666	44,270	69,600
Less: Comprehensive income/(loss) attributable to the noncontrolling interests	1,152	1,267	(53)
Comprehensive income attributable to CoreLogic	$91,514	$43,003	$69,653

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

CoreLogic, Inc.
Consolidated Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2015, 2014 and 2013

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at January 1, 2013	97,698	$1	$866,720	$318,094	$(15,514)	$1,645	$1,170,946
Net income	—	—	—	107,728	—	(26)	107,702
Shares repurchased and retired	(8,121)	—	(241,161)	—	—	—	(241,161)
Shares issued in connection with share-based compensation	1,677	—	28,232	—	—	—	28,232
Tax withholdings related to net share settlements	—	—	(8,665)	—	—	—	(8,665)
Share-based compensation	—	—	27,039	—	—	—	27,039
Sale of subsidiary shares to noncontrolling interests	—	—	—	—	—	(1,619)	(1,619)
Adjust redeemable noncontrolling interests to redemption value	—	—	—	(26)	—	—	(26)
Other comprehensive loss	—	—	—	—	(38,075)	—	(38,075)
Balance at December 31, 2013	91,254	$1	$672,165	$425,796	$(53,589)	$—	$1,044,373
Net income	—	—	—	73,200	—	—	73,200
Shares repurchased and retired	(3,125)	—	(91,475)	—	—	—	(91,475)
Shares issued in connection with share-based compensation	1,214	—	15,213	—	—	—	15,213
Tax withholdings related to net share settlements	—	—	(15,980)	—	—	—	(15,980)
Share-based compensation	—	—	25,588	—	—	—	25,588
Adjust redeemable noncontrolling interests to redemption value	—	—	—	(6,555)	—	—	(6,555)
Other comprehensive loss	—	—	—	—	(30,197)	—	(30,197)
Balance at December 31, 2014	89,343	$1	$605,511	$492,441	$(83,786)	$—	$1,014,167
Net income	—	—	—	127,844	—	—	127,844
Shares repurchased and retired	(2,528)	—	(97,430)	—	—	—	(97,430)
Shares issued in connection with share-based compensation	1,413	—	22,569	—	—	—	22,569
Tax withholdings related to net share settlements	—	—	(15,230)	—	—	—	(15,230)
Share-based compensation	—	—	35,786	—	—	—	35,786
Adjust redeemable noncontrolling interest to redemption value	—	—	—	(1,886)	—	—	(1,886)
Other comprehensive loss	—	—	—	—	(36,330)	—	(36,330)
Balance at December 31, 2015	88,228	$1	$551,206	$618,399	$(120,116)	$—	$1,049,490

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

CoreLogic, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2015, 2014 and 2013

(in thousands)	2015	2014	2013
Cash flows from operating activities:			
Net income	$128,996	$74,467	$107,675
Less: (Loss)/income from discontinued operations, net of tax	(556)	(16,653)	14,423
Less: Gain/(loss) from sale of discontinued operations, net of tax	—	112	(7,008)
Income from continuing operations, net of tax	129,552	91,008	100,260
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	146,607	138,394	126,332
Impairment loss	3,770	4,970	44,433
Provision for bad debts and claim losses	8,260	11,825	13,345
Share-based compensation	35,786	25,379	26,901
Tax benefit related to stock options	(6,513)	(6,791)	(5,146)
Equity in earnings of investee, net of taxes	(13,720)	(14,120)	(27,361)
Loss/(gain) on sale of property and equipment	24	(13,866)	—
Loss on early extinguishment of debt	1,589	763	—
Deferred income tax	35,110	20,986	8,120
Gain on investments and other, net	(33,181)	(3,882)	(12,032)
Change in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(15,400)	13,151	24,553
Prepaid expenses and other assets	7,104	1,231	113
Accounts payable and accrued expenses	(45,289)	(5,000)	(9,330)
Deferred revenue	68,410	16,010	48,125
Income taxes	(32,771)	(11,380)	(27,543)
Dividends received from investments in affiliates	30,084	38,655	36,680
Other assets and other liabilities	16,727	28,260	(19,230)
Net cash provided by operating activities - continuing operations	336,149	335,593	328,220
Net cash (used in)/provided by operating activities - discontinued operations	(7,612)	(13,717)	25,600
Total cash provided by operating activities	$328,537	$321,876	$353,820
Cash flows from investing activities:			
Purchases of property and equipment	$(44,149)	$(52,025)	$(68,745)
Purchases of capitalized data and other intangible assets	(36,409)	(35,129)	(37,841)
Cash paid for acquisitions, net of cash acquired	(194,491)	(694,871)	(92,049)
Cash received from sale of subsidiary, net	—	25,366	2,263
Purchases of investments	(3,748)	—	(2,351)
Proceeds from sale of property and equipment	137	13,937	—
Change in restricted cash	1,434	(310)	10,068
Net cash used in investing activities - continuing operations	(277,226)	(743,032)	(188,655)
Net cash provided by investing activities - discontinued operations	—	1,536	1,862
Total cash used in investing activities	$(277,226)	$(741,496)	$(186,793)
Cash flows from financing activities:			
Proceeds from long-term debt	$114,375	$690,017	$51,647
Debt issuance costs	(6,452)	(14,042)	(10,436)
Repayments of long-term debt	(82,891)	(200,006)	(4,666)

Shares repurchased and retired	(97,430)	(91,475)	(241,161)
Proceeds from issuance of shares in connection with share-based compensation	22,569	15,213	28,232
Minimum tax withholdings related to net share settlements	(15,230)	(15,980)	(8,665)
Tax benefit related to stock options	6,513	6,791	5,146
Net cash (used in)/provided by financing activities - continuing operations	(58,546)	390,518	(179,903)
Net cash used in financing activities - discontinued operations	—	—	—
Total cash (used in)/provided by financing activities	$(58,546)	$390,518	$(179,903)
Effect of exchange rate on cash	2,182	(625)	(2,116)
Net change in cash and cash equivalents	$(5,053)	$(29,727)	$(14,992)
Cash and cash equivalents at beginning of year	104,677	134,419	149,568
Less: Change in cash and cash equivalents of discontinued operations	(7,612)	(12,181)	27,462
Plus: Cash swept (to)/from discontinued operations	(8,146)	(12,196)	27,305
Cash and cash equivalents at end of year	$99,090	$104,677	$134,419
Supplemental disclosures of cash flow information:			
Cash paid for interest	$64,679	$59,376	$46,432
Cash paid for income taxes	$47,783	$5,436	$71,055
Cash refunds from income taxes	$3,737	$27,545	$14,096
Non-cash investing and financing activities:			
Capital expenditures included in accounts payable and accrued liabilities	$5,909	$4,492	$2,339

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

Note 1 - Description of the Company

We are a leading global property information, analytics and data-enabled services 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, 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. 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 mortgage and automotive credit reporting, property tax, property valuation, tenancy, hazard risk, property risk and replacement cost, flood plain location determination and other geospatial data, analytics and related services. Clients rely on us to help identify and manage growth opportunities, improve performance and mitigate risk. We are also a party to various joint ventures under which we share control of the management of the operations with the other partner.

We were originally incorporated in California in 1894, and were reincorporated in Delaware on June 1, 2010 immediately following a transaction that spun-off our financial services businesses, which we refer to as "the Separation" as more fully described below. Before June 1, 2010, we operated as The First American Corporation ("First American" or "FAC"). In connection with the Separation, we changed our name to CoreLogic, Inc. and began trading on the New York Stock Exchange under the symbol "CLGX." As used herein, the terms "CoreLogic," the Company," "we," "our" and "us" refer to CoreLogic, Inc. and our consolidated subsidiaries, except where it is clear that the terms mean only CoreLogic, Inc. and not our subsidiaries.

Reporting Segments

In December 2015, we renamed our Data & Analytics segment to Property Intelligence ("PI") to reflect the broad and unique nature of the property-level insights provided by these businesses. Also, we renamed our Technology and Processing Solutions segment to Risk Management and Work Flow ("RMW") in order to reflect the current mix of risk management and underwriting-focused solutions provided by these businesses. In addition, we transferred our multifamily services business from our PI segment to RMW segment and relocated our solutions express business and consolidated our advisory services businesses under our PI segment. The changes above represent changes in our management structure and internal reporting. All segment reporting disclosures presented herein reflect these changes.

Separation Transaction

On June 1, 2010, we completed the Separation under which we spun-off our financial services businesses into a new, publicly-traded, New York Stock Exchange-listed company called First American Financial Corporation ("FAFC") through a distribution (the "Distribution") of all of the outstanding shares of FAFC to the holders of our common shares, par value $1.00 per share, as of May 26, 2010. After the Distribution, we retained the information solutions businesses which we renamed CoreLogic Inc. as noted above.

To effect the Separation, we entered into a Separation and Distribution Agreement (the "Separation and Distribution Agreement") that governs the rights and obligations of the Company and FAFC regarding the Distribution. It also governs the on-going relationship between the Company and FAFC subsequent to the completion of the Separation and provides for the allocation of assets and liabilities between FAFC and the Company. In addition, we also entered into a Tax Sharing Agreement (the "Tax Sharing Agreement") as described in Note 9 – Income Taxes.

While we are a party to the Separation and Distribution Agreement and various other agreements relating to the Separation, we have determined that we have no material continuing involvement in the operations of FAFC.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all controlled subsidiaries. All significant intercompany transactions and balances have been eliminated. Equity investments in which we exercise significant influence, do not control, and are not the primary beneficiary, are accounted for using the equity method. Investments in which we do not exercise significant influence over the investee are accounted for under the cost method.

Out-of-Period Adjustment

During the first quarter of 2015, we identified an error which overstated our interest expense by $5.2 million ($3.1 million, net of tax), reflected within continuing operations, for the year ended December 31, 2014. We recorded an out-of-period adjustment to correct the error in the quarter ended March 31, 2015, which increased basic and diluted net income per share by $0.03. We assessed the materiality of this error and concluded the error was not material to the results of operations or financial condition for the years ended December 31, 2015 and 2014.

Use of Estimates

The preparation of financial statements in accordance with general accepted accounting policies ("GAAP") requires management to make estimates and assumptions that affect the financial statements. Actual results could differ from the estimates and assumptions used.

Cash Equivalents

We consider cash equivalents to be all short-term investments that have an initial maturity of 90 days or less and are not restricted.

Accounts Receivable

Accounts receivable are generally due from mortgage originators and servicers, financial institutions, insurers, government and government-sponsored enterprises located throughout the United States and abroad. Credit is extended based on an evaluation of the client’s financial condition, and generally, collateral is not required.

The allowance for doubtful accounts for all probable uncollectible receivables is based on a combination of historical data, cash payment trends, specific client issues, write-off trends, general economic conditions and other factors. These factors are continuously monitored by management to arrive at the estimate for the amount of accounts receivable that may be ultimately uncollectible. In circumstances where a specific client’s is unable to meet its financial obligations, we record a specific allowance for doubtful accounts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected.

Marketable Securities

Debt securities are carried at fair value and consist primarily of investments in obligations of various corporations and mortgage-backed securities. Equity securities are carried at fair value and consist primarily of investments in marketable common and preferred stock. We classify our publicly traded debt and equity securities as available-for-sale and carry them at fair value with unrealized gains or losses classified as a component of accumulated other comprehensive loss. As of December 31, 2015 and 2014, our marketable securities consist primarily of investments in preferred stock of $22.7 million and $22.3 million, respectively.

Property and Equipment

Property and equipment is recorded at cost and includes computer software acquired or developed for internal use and for use with our products. Software development costs include certain payroll-related costs of employees directly associated with developing software and payments to third parties for completed or developing software. We begin capitalizing qualifying software development costs on a project when the preliminary project stage is completed and management has authorized further funding for completion. Capitalization ends once a project is substantially complete and the software is ready for its intended use. Costs incurred in the planning and post-implementation phases of software developing are expensed as incurred.

Depreciation on buildings and on furniture and equipment is computed using the straight-line method over estimated useful lives of 25 to 40, and 3 to 10 years, respectively. Capitalized software costs are amortized using the straight-line method over estimated useful lives of 3 to 10 years. Leasehold improvements are amortized over useful lives that are consistent with the lease terms.

Capitalized Data and Database Development Costs, Net

Capitalized data and database development costs represent our cost to acquire or develop the proprietary databases of information for client use. The costs are capitalized from the time the third party data is acquired until the information is ready for use, assuming both the preliminary project stage is complete and management has authorized funding for the completion of the data project. Property and eviction data costs are amortized using the straight-line method over estimated useful lives of 5 to 20 years.

The carrying value for the flood data zone certification is $55.4 million as of December 31, 2015 and 2014. Because properly maintained flood zone databases have indefinite lives and do not diminish in value with the passage of time, no provision has been made for depreciation or amortization. We periodically analyze our assets for impairment. This analysis includes, but is not limited to, the effects of obsolescence, duplication, demand and other economic factors. See further discussion in Note 4 – Capitalized Data and Database Development Costs, Net.

Restricted Cash

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

Purchase Accounting

The purchase method of accounting requires companies to assign values to assets and liabilities acquired based upon their fair values at the acquisition date. In most instances, there are not readily defined or listed market prices for individual assets and liabilities acquired in connection with a business, including intangible assets. The determination of fair value for assets and liabilities in many instances requires a high degree of estimation. The valuation of intangible assets, in particular, is very subjective. We generally obtain third-party valuations to assist us in estimating fair values. The use of different valuation techniques and assumptions could change the amounts and useful lives assigned to the assets and liabilities acquired and related amortization expense.

Goodwill

We perform an annual impairment test for goodwill and other indefinite-lived intangible assets for each reporting unit every fourth quarter. In addition, we periodically assess whether events or circumstances have occurred that potentially indicate the carrying amounts of these assets may not be recoverable. In assessing the overall carrying value of our goodwill and other intangibles, we first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Examples of such events or circumstances include the following: cost factors, financial performance, legal and regulatory factors, entity specific events, industry and market factors, macroeconomic conditions and other considerations.

If, after assessing the totality of events or circumstances, we determine that it is more likely than not the fair value of a reporting unit is less than its carrying value, then our impairment testing process may include two additional steps. The first step ("Step 1") compares the fair value of each reporting unit to its book value. The fair value of each reporting unit is determined by using discounted cash flow analysis and market approach valuations. If the fair value of the reporting unit exceeds its book value, then goodwill is not considered impaired and no additional analysis is required. However, if the book value is greater than the fair value, a second step ("Step 2") must be completed to determine if the implied fair value of the goodwill exceeds the book value of the goodwill.

Step 2 involves calculating an implied fair value of goodwill for each reporting unit for which Step 1 indicated impairment. The implied fair value of goodwill is determined in a manner similar to the amount of goodwill calculated in a business combination, by measuring the excess of the estimated fair value of the reporting unit, as determined in Step 1, over the aggregate estimated fair values of the individual assets, liabilities and identifiable intangibles as if the reporting unit was being acquired in a business combination. If the implied fair value of goodwill exceeds the carrying value of goodwill assigned to the reporting unit, there is no impairment. If the carrying value of goodwill assigned to a reporting unit exceeds the implied fair value of the goodwill, an impairment loss is recorded for the excess. An impairment loss cannot exceed the carrying value of goodwill assigned to a reporting unit, and any recorded loss establishes a new basis in the goodwill. Subsequent reversal of goodwill impairment losses is not permitted. The valuation of goodwill requires assumptions and estimates of many critical factors including revenue growth, cash flows, market multiples and discount rates. Forecasts of future operations are based, in part, on operating results and our expectations as to future market conditions. These types of analysis contain uncertainties because they require us to make assumptions and to apply judgments to estimate industry economic factors and the profitability of future business strategies. However, if actual results are not consistent with our estimates and assumptions, we may be exposed to an additional impairment loss that could be material.

These tests utilize a variety of valuation techniques, all of which require us to make estimates and judgments. Fair value is determined by employing an expected present value technique, which utilizes multiple cash flow scenarios that reflect a range of possible outcomes and an appropriate discount rate. The use of comparative market multiples compares the reporting unit to other comparable companies (if such comparables are present in the marketplace) based on valuation multiples to arrive at a fair value. We also use certain of these valuation techniques in accounting for business combinations, primarily in the determination of the fair value of acquired assets and liabilities. In assessing the fair value, we utilize the results of the valuations and consider the range of fair values determined under all methods and the extent to which the fair value exceeds the book value of the equity. See further discussion in Note 6 – Goodwill, Net.

Other Intangible Assets

Our intangible assets consist of covenants not to compete, client lists and trade names. Each of these intangible assets is amortized on a straight-line basis over its useful life ranging from 2 to 20 years and is subject to impairment tests on a periodic basis.

Long-Lived Assets

Long-lived assets held and used include investment in affiliates, property and equipment, capitalized software and other intangible assets. Management uses estimated future cash flows (undiscounted and excluding interest) to measure the recoverability of long-lived assets held and used, at the asset group level, whenever events or changes in circumstances indicate that the carrying value of an asset may not be fully recoverable. If the undiscounted cash flow analysis indicates a long-lived asset is not recoverable, the impairment loss recorded is the excess of the carrying amount of the asset over its fair value.

In addition, we carry long-lived assets held for sale at the lower of cost or market as of the date that certain criteria have been met.

Revenue Recognition

We derive our revenues principally from U.S. mortgage originators and servicers with good creditworthiness. Our product and service deliverables are generally comprised of data or other related services. Our revenue arrangements with our clients generally include a work order or written agreement specifying the data products or services to be delivered and related terms of sale including payment amounts and terms. The primary revenue recognition-related judgments we exercise are to determine when all of the following criteria have been met: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) our price to the buyer is fixed or determinable; and (iv) collectability is reasonably assured.

For products or services where delivery occurs at a point in time, we recognize revenue upon delivery. These products or services include sales of tenancy data and analytics, credit solutions for mortgage and automotive industries, under-banked credit services, flood data and services and claims management.

For products or services where delivery occurs over time, we recognize revenue ratably on a subscription basis over the contractual service period once initial delivery has occurred. Generally these service periods range from one to three years. Products or services recognized on a license or subscription basis include information and analytic products, property risk and replacement cost, flood database licenses, realtors solutions and lending solutions. For certain of our products or services, clients may also pay us upfront set-up fees, which we defer and recognize into revenue over the longer of the contractual term or expected client relationship period.

Property tax processing revenues are comprised of periodic loan fees and life-of-loan fees. For periodic loans, we generate monthly fees at a contracted fixed rate for as long as we service the loan. Loans serviced with a one-time, life-of-loan fee are billed once the loan is boarded to our tax servicing system in accordance with a client tax servicing agreement. Life-of-loan fees are then deferred and recognized ratably over the expected service period. The rates applied to recognize revenues assume a 10-year expected life and are adjusted to reflect prepayments. We review the tax service contract portfolio quarterly to determine if there have been material changes in the expected lives, deferred on-boarding costs, expected service period and/or changes in the number and/or timing of prepayments. Accordingly, we may adjust the rates to reflect current trends.

Cost of Services

Cost of services represents direct costs incurred in the creation and delivery of our products and services. Cost of services consists primarily of data acquisition costs, royalty fees, hardware and software expense associated with transaction processing systems, telecommunication and computer network expense and occupancy costs associated with facilities where these functions are performed by employees. Cost of services also includes client service costs, which include personnel costs to collect, maintain and update our proprietary databases, to develop and maintain software application platforms and to provide consumer and client call center support.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of personnel-related costs, selling costs, restructuring costs, corporate costs, fees for professional and consulting services, advertising costs, uncollectible accounts and other costs of administration such as marketing, human resources, finance, legal and administrative roles.

Income Taxes

We account for income taxes under the asset and liability method, whereby we recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as expected benefits of utilizing net operating loss and credit carryforwards. We measure deferred tax assets and liabilities using enacted tax rates we expect to apply in the years in which we expect to recover or settle those temporary differences. We recognize in income the effect of a change in tax rates on deferred tax assets and liabilities in the period that includes the enactment date.

We recognize the effect of income tax positions only if sustaining those positions is more likely than not. We reflect changes in recognition or measurement of uncertain tax positions in the period in which a change in judgment occurs. We recognize interest and penalties, if any, related to uncertain tax positions within income tax expense. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheet.

We evaluate the need to establish a valuation allowance based upon expected levels of taxable income, future reversals of existing temporary differences, tax planning strategies and recent financial operations. We establish a valuation allowance to reduce deferred tax assets to the extent we believe it is more-likely-than-not that some or all of the deferred tax assets will not be realized.

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 loss.

The following table shows the components of accumulated other comprehensive loss, net of taxes as of December 31, 2015 and 2014:

	2015	2014
Cumulative foreign currency translation	$(114,427)	$(77,460)
Cumulative supplemental benefit plans	(3,540)	(4,266)
Net unrecognized losses on interest rate swap	(2,699)	(2,335)
Net unrealized gains on marketable securities	550	275
Accumulative other comprehensive loss	$(120,116)	$(83,786)

Share-based Compensation

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost is recognized over the period during which an employee is required to provide services in exchange for the award. We used the Black-Scholes model to estimate the fair value. We utilize the Monte-Carlo simulation to estimate the fair value for any performance-based restricted stock units ("PBRSUs") granted. We utilize the straight-line single option method of attributing the value of stock-based compensation expense unless another expense attribution model is required. As stock-based compensation expense recognized in results of operations is based on awards ultimately expected to vest, stock-based compensation expense has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. We apply the long-form method for determining the pool of windfall tax benefits.

Currently, our primary means of providing stock-based compensation is granting restricted stock units ("RSUs") and PBRSUs. The fair value of any grant is based on the market value of our shares on the date of grant and is generally recognized as compensation expense over the vesting period.

In addition, we have an employee stock purchase plan that allows eligible employees to purchase common stock of the Company at 85.0% of the closing price on the first or last day of each quarter, whichever is lower (which was updated for 2014 from the closing price on the last day of each quarter). We recognize an expense in the amount equal to the estimated fair value of the discount.

See Note 13 –Share-based Compensation Plans for additional information related to stock options and restricted stock units.

Foreign Currency

The functional currencies of our foreign subsidiaries are their respective local currencies. The financial statements of the foreign subsidiaries are translated into U.S. dollars for consolidation as follows: (i) assets and liabilities at the exchange rate as of the balance sheet date, (ii) stockholders' equity at the historical rates of exchange and (iii) income and expense amounts at average rates prevailing throughout the period. Translation adjustments resulting from the translation of the subsidiaries' accounts are included in "Accumulated other comprehensive loss," a separate component of stockholders' equity. Gains and losses resulting from foreign currency transactions are included within "Selling, general and administrative expenses" and are not material to the results of operations.

Earnings/(Loss) Per Share

Basic earnings/(loss) per share is computed by dividing net income/(loss) available to our stockholders by the weighted-average number of common shares outstanding. The computation of diluted earnings per share is similar to the computation of basic earnings per share, except that the weighted-average number of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if dilutive stock options had been exercised and RSUs and PBRSUs were vested. The dilutive effect of stock options and unvested RSUs and PBRSUs is computed using the treasury stock method, which assumes any proceeds that could be obtained upon the exercise of stock options and vesting of RSUs and PBRSUs to be used to purchase shares of common stock at the average market price for the period. The assumed proceeds include the purchase price the grantee pays, the hypothetical windfall tax benefit that we receive upon assumed exercise or vesting and the hypothetical average unrecognized compensation expense for the period. We calculate the assumed proceeds from excess tax benefits based on the "as-if" deferred tax assets calculated under stock-based compensation standards.

Tax Escrow Disbursement Arrangements

We administer tax escrow disbursements as a service to our clients in connection with our tax services business. These deposits are maintained in segregated accounts for the benefit of our clients. These deposits totaled $340.3 million and $265.6 million at December 31, 2015 and 2014, respectively. Because these deposits are held on behalf of our clients, they are not our funds and, therefore, are not included in the accompanying consolidated balance sheets.

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

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 $21.2 million and $20.2 million as of December 31, 2015 and 2014, respectively.

Recent Accounting Pronouncements

In November 2015, the Financial Accounting Standards Board (“FASB”) issued guidance which requires all deferred tax assets and liabilities, as well as any related valuation allowance, to be classified as non-current on the balance sheet. The guidance is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Earlier adoption is permitted but we do not anticipate electing early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In September 2015, the FASB issued updated guidance, which eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Acquirers must recognize measurement-period adjustments during the period of resolution, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The updated guidance is effective for fiscal years beginning after December 15, 2015. Earlier adoption is permitted for any interim and annual financial statements that have not yet been issued. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2015, the FASB issued updated guidance concerning presentation and subsequent measurement of debt issuance costs relating to line of credit arrangements, which can be presented on the balance sheet as an asset to be subsequently amortized ratably over the term of the line of credit arrangement. The updated guidance is effective immediately. This updated guidance did not have a material impact on our financial statements.

In April 2015, FASB issued guidance, which requires that debt issuance costs be presented in the balance sheet as a deduction from the carrying amount of the related liability, rather than as a deferred charge. The updated guidance is effective retrospectively for financial statements covering fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Earlier adoption is permitted but we did elect early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In February 2015, the FASB issued guidance, which modifies the analysis regarding the evaluation of certain types of entities to be consolidated. Specifically, it (i) modifies the assessment of whether limited partnerships are variable interest entities (VIEs), (ii) eliminates the presumption that a limited partnership should be consolidated by its general partner, (iii) removes certain conditions for the evaluation of whether a fee paid to a decision-maker constitutes a variable interest, and (iv) modifies the evaluation concerning the impact of related parties in the determination of the primary beneficiary of a VIE. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted but we did not elect early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In January 2015, the FASB issued guidance, which completely eliminates all references to and guidance concerning the concept of an extraordinary item. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted but we did not elect early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2014, the FASB issued updated guidance related to determining whether substantial doubt exists about an entity's ability to continue as a going concern. The amendment provides guidance for determining whether conditions or events give rise to substantial doubt that an entity has the ability to continue as a going concern within one year following issuance of the financial statements and requires specific disclosures regarding the conditions or events leading to substantial doubt. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after

December 15, 2016. Earlier adoption is permitted but we do not anticipate electing early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In June 2014, the FASB issued updated guidance related to stock compensation. The amendment requires that a performance target that affects vesting and that could be achieved after the requisite period, be treated as a performance condition. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted but we did not elect early adoption. We do not expect the adoption of this guidance to 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, etc., 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. 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 is permitted for annual reporting periods beginning after December 15, 2016 but we do not anticipate early adoption. We are currently evaluating the impact of the adoption of this guidance on our consolidated financial statements.

In April 2014, the FASB issued updated guidance on reporting discontinued operations and disclosures of disposals of components of an entity. Under the amendment only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity’s operations and financial results will be reported as discontinued operations in the financial statements. Additionally, the elimination of the component's operations, cash flows and significant continuing involvement conditions have been removed. Further, an equity method investment could be reported as discontinued operations. The updated guidance is effective prospectively for all disposals or classifications as held for sale that occur within annual periods beginning after December 15, 2014. Adoption of this guidance did not have a material impact on our consolidated financial statements.

Note 3 - Property and Equipment, Net

Property and equipment, net as of December 31, 2015 and 2014 consists of the following:

(in thousands)	2015	2014
Land	$4,000	$4,000
Buildings	111	230
Furniture and equipment	62,140	91,397
Capitalized software	759,925	701,482
Leasehold improvements	29,038	30,001
	855,214	827,110

Less: accumulated depreciation	(479,560)	(458,496)
Property and equipment, net	$375,654	$368,614

Depreciation expense for property and equipment was approximately $73.7 million, $68.3 million and $60.8 million for the years ended December 31, 2015, 2014 and 2013, respectively. We have reclassified $1.7 million of property and equipment, net, to assets of discontinued operations as of December 31, 2013. Further, we recognized a gain of $13.9 million on sale of property and equipment for the year ended December 31, 2014. See Note 12 - Fair Value of Financial Instruments for further discussion on property and equipment, net measured at fair value on a nonrecurring basis.

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CoreLogic, Inc.
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Note 4 - Capitalized Data and Database Development Costs, Net

Capitalized data and database development costs, net as of December 31, 2015 and 2014 consists of the following:

(in thousands)	2015	2014
Property data	$498,697	$477,221
Flood data	55,416	55,416
Eviction data	17,336	18,068
	571,449	550,705
Less accumulated amortization	(243,608)	(217,440)
Capitalized data and database costs, net	$327,841	$333,265

Amortization expense for capitalized data and database development costs was approximately $33.2 million, $32.6 million and $30.1 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Note 5 - Investment in Affiliates, Net

Investments in affiliates, net is 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 capital contributions and loans from us, plus our equity in undistributed earnings or losses since inception of the investment. Income tax expense of $9.1 million, $8.9 million and $16.5 million was recorded on those earnings for the years ended December 31, 2015, 2014 and 2013, respectively. Dividends from equity method investments were $30.1 million, $38.7 million and $36.7 million for the years ended December 31, 2015, 2014 and 2013, respectively. We recorded $18.2 million, $19.0 million and $15.4 million, respectively, of operating revenues and $13.0 million, $12.9 million and $13.5 million, respectively, of operating expenses related to our investment in affiliates for the years ended December 31, 2015, 2014 and 2013.

In December 2015, we completed the acquisition of the remaining 49.9% interest in RELS LLC ("RELS"), a leading nation-wide provider of real estate asset valuation and appraisal solutions, and recorded an investment gain of approximately $34.3 million due to the step-up in fair value on the previously held 50.1% interest, which is included in gain on investment and other, net in the accompanying consolidated statements of operations. See Note 16 - Acquisitions for additional information. Prior to the acquisition, RELS contributed 84.9%, 80.0% and 70.7% of our total equity in earnings of affiliates, net of tax, for the years ended December 31, 2015, 2014 and 2013, respectively. Due to the acquisition of RELS, we do not expect equity in earnings of affiliates to be significant in future reporting periods. Based on the terms and conditions of the joint venture agreement, we had significant influence but did not have control of, or a majority voting interest in, the joint venture. Accordingly, prior to the acquisition of the remaining 49.9% interest in RELS in December 2015, this investment was accounted for under the equity method. The following summarized financial information for this investment (assuming 100.0% ownership interest) is as follows:

(in thousands)	2015	2014
Balance sheets		
Total assets	$42,164	$44,536
Total liabilities	$13,391	$15,977