CORELOGIC, INC.
Form 10-K
March 14, 2011

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

FORM 10-K

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

For the fiscal year ended December 31, 2010

OR

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

For the transition period from ____________ to ____________

Commission file number 001-13585

CoreLogic, Inc.

(Exact name of registrant as specified in its charter)

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

4 First American Way, Santa Ana, California 92707-5913
(Address of principal executive offices) (Zip Code)

(714) 250-6400
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 T No ¨

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 ¨ No T

Indicate by check mark whether 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 T No ¨

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 T No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) 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. ¨

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 T	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No T

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2010 was $2,052,290,343.

On March 7, 2011, there were 115,652,901shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement with respect to the 2011 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 registrant's fiscal year.

PART I

Item 1. Business

The Company

Before June 1, 2010, we operated as The First American Corporation ("First American" or "FAC"). On June 1, 2010, we completed a transaction, as more fully described below (the "Separation") that spun-off our financial services businesses, including our title insurance business, into a new publicly traded, New York Stock Exchange-listed company called First American Financial Corporation ("FAFC"). In connection with the Separation, we transferred ownership of the "First American" name, trademarks and trading symbol "FAF" to FAFC. We then changed our name to CoreLogic, Inc. and our trading symbol to "CLGX."

We were originally incorporated in California in 1894, and were reincorporated (the "Reincorporation") in Delaware on June 1, 2010, immediately following the Separation. As used herein, the terms CoreLogic, the Company, we, our and us refer to FAC at all times prior to the Reincorporation, and CoreLogic, Inc., a Delaware corporation, as successor to FAC, at all times subsequent to the Reincorporation. The terms also include our consolidated subsidiaries, except where it is clear that the terms mean only FAC or CoreLogic, Inc. and excludes our subsidiaries. Our executive offices are located at 4 First American Way, Santa Ana, California 92707-5913, our telephone number is (714) 250-6400 and our website is www.corelogic.com.

The Separation

On June 1, 2010, FAC completed the Separation by which it separated into two independent, publicly traded companies through a distribution (the "Distribution") of all of the outstanding shares of FAFC, to the holders of FAC's common shares, par value $1.00 per share as of May 26, 2010 (the "Record Date Shareholders"). After the Distribution, FAFC owned the businesses that comprised FAC's financial services businesses and FAC retained its information solutions businesses.

On May 18, 2010, the shareholders of FAC approved a separate transaction pursuant to which FAC changed its place of incorporation from California to Delaware. The Reincorporation became effective June 1, 2010. To effect the Reincorporation, FAC and CoreLogic, which was a wholly-owned subsidiary of FAC incorporated in Delaware, entered into an agreement and plan of merger (the "Merger Agreement"). Pursuant to the Merger Agreement, FAC merged with and into CoreLogic with CoreLogic continuing as the surviving corporation.

To effect the Separation, the Company and FAFC 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. The Separation and Distribution Agreement also governs the relationship between the Company and FAFC subsequent to the completion of the Separation and provides for the allocation between the Company and FAFC of FAC's assets and liabilities. In connection with the Separation, the Company and FAFC also entered into a Tax Sharing Agreement (the "Tax Sharing Agreement") as described in Note 10 -Income Taxes, a Restrictive Covenants Agreement (the "Restrictive Covenants Agreement"), and CoreLogic issued a promissory note to FAFC, (the "Promissory Note") relating to certain pension liabilities.

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 FAFC's operations. As a result of the Separation, we reflect the FAFC businesses in our consolidated financial statements as discontinued operations. The results of the FAFC businesses in prior years have been reclassified to conform to the 2010 classification. See Note 19 – Discontinued Operations for additional disclosures.

As part of the Separation, we are responsible for a portion of FAFC's contingent and other corporate liabilities. There were no amounts outstanding at December 31, 2010.

As part of the Distribution, on May 26, 2010 we issued to FAFC approximately $250.0 million of our issued and outstanding common shares, or 12,933,265 shares. Based on the closing price of our stock on June 1, 2010, the value of the equity issued to FAFC was $242.6 million. As a result, we paid FAFC $7.4 million to arrive at the full value of $250.0 million. As a condition to the Separation, FAFC is expected to dispose of the shares by June 1, 2015.

Other Corporate Events

On December 30, 2010, we completed the sale of the employer and litigation services businesses of our employer, legal and marketing services segment to Symphony Technology Group for all-cash proceeds of $265.0 million.

In April 2010, we exercised our call option related to Experian Information Solutions, Inc.'s ownership interest in the CoreLogic Real Estate Solutions, LLC (formerly First American Real Estate Solutions, LLC) joint venture. We completed the $313.8 million cash buy-out of the noncontrolling interest on December 31, 2010.

In March 2010, we entered into an agreement to acquire the 18% redeemable noncontrolling interest in CoreLogic Information Solutions Holdings, Inc. (formerly First American CoreLogic Holdings, Inc.). On March 29, 2010, we acquired half of the noncontrolling interests (approximately 9% of the total outstanding noncontrolling interests) in exchange for a cash payment of $72.0 million and agreed to acquire the remaining half of the noncontrolling interests in 2011 in exchange for additional consideration of $72.0 million. The remaining $72.0 million of the noncontrolling interests is classified as "mandatorily redeemable noncontrolling interests" in the liabilities section of our consolidated balance sheets. In February 2011, we agreed to pay all of the additional consideration in cash and we closed the transaction.

Overview

We are a leading provider of property, financial and consumer information, analytics and services to mortgage originators and servicers, financial institutions and other businesses, government and government-sponsored enterprises. Our data, query, analytical and business outsourcing services help our customers to identify, manage and mitigate credit and interest rate risk. 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 believe that we offer our customers among the most comprehensive databases of public, contributory and proprietary data covering real property and mortgage information, judgments and liens, parcel and geospatial data, motor vehicle records, criminal background records, national coverage eviction information, non-prime lending records, credit information, and tax information, among other data types. Our databases include over 700 million historical property transactions, over 93 million mortgage applications and property-specific data covering approximately 99% of U.S. residential properties exceeding 145 million records. We believe that the quality of the data we offer is distinguished by our broad range of data sources and our core expertise in aggregating, organizing, normalizing, processing and delivering data to our customers.

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

Our Data

Our data is the foundation of our products, analytics and services. Our data can generally be categorized as real property information, mortgage information and consumer information and includes the following:

Real Property Information	Mortgage Information	Consumer Information
* Land & Property Characteristic Information	* Recorded Mortgages, Juniors, & Private party Loans w/ detailed mortgage type & purpose	* Multi-Family Resident Screening Information
* Property Ownership Information		* Landlord/Tenant Court Records

* Property Tax Payment Status & History	* Mortgage Modifications, Assignments & Satisfactions	* Property Rental, Auto & Loan Applications
* Property Sales Information & History	* Preforeclosures & Foreclosures	* Consumer Credit Information & History
* Flood & Hazard Information	* Mortgage Applications	* Under-banked credit payments & history
* Involuntary Liens & Judgments	* Mortgage Servicers: Delinquency, Prepayment &	* Criminal records
* Geo-coded Parcel Maps	Performance Information	* Bankruptcy Records
* Legal Descriptions	* Non Agency MBS/ABS Securities: Delinquency,	* Involuntary Liens and Judgments
* Recorded Document Images	Pre-payment & Performance Information	* SSN & Income Verifications
* MLS Listing Information & History		* Sex Offender Registry
		* Consumer Lead Information

We obtain our data from a variety of sources, including data contributed by our customers, data purchased from data aggregators and data gathered from public sources. We generally enter into agreements with our customers that govern our use of the data they contribute. These contractual arrangements often permit our customers to use our solutions which incorporate their data. We structure our agreements with our customers to specify the particular uses of the data they contribute and to provide the levels of data privacy and protection required by the contributing party. Our contributed data includes, loan performance information (from loan servicers, trustees, securitizers, issuers and others), mortgage, auto, property rental and under-banked loan applications from various loan originators, landlords and property owners. 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, broker price opinions and property valuations from appraisers, brokers and real estate agents. We receive consumer credit history information from lenders, auto dealers and other customers.

We also 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, environmental, flood and hazard information, criminal data, local trends, summary statistics and household demographics.

We also purchase or license data from data aggregators under contracts that we believe reflect prevailing market pricing for the data elements purchased. We enter into data purchase agreements which govern the terms of our use of the data. Generally, these agreements have multi-year terms which may or may not automatically renew.

Products and Services

Following the Separation and through the end of 2010 we operated our business in three reporting segments: (1) business and information services, (2) data and analytics and (3) employer, legal and marketing services. On December 30, 2010, we completed the sale of the employer and litigation services businesses of the employer, legal and marketing services segment to Symphony Technology Group. See further discussion under the heading "Employer, Legal and Marketing Services" below. Since the sale, our continuing operations are comprised of the remaining two segments. The business and information services and data and analytics segments generated approximately 55% and 43% of our consolidated operating revenue for the year ended December 31, 2010. The following table sets forth the key products and services we offer in each of these two reporting segments.

Reporting Segment	Key Products and Services
Business and Information Services	
Mortgage Origination Services	Tax services Flood data services Appraisal services National joint ventures (providing appraisal, credit and other settlement services to loan originators)
Default and Technology Services	Loss mitigation services Real Estate Owned ("REO") asset management Default technology Claims management Broker price opinions ("BPOs")

	Field services (property preservation)
Data and Analytics	
Risk and Fraud Analytics	Information and analytics products (including property and mortgage securities information) Tenancy, data and analytics products Under-banked credit services
Specialty Finance Solutions	Credit solutions Realtor solutions (Multiple Listing Services (“MLS”)

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We believe that we hold the leading market share position for many of our products and services, including:

- tax services, based on the number of loans under service;
- flood zone determinations, based on the number of flood zone certification reports issued;
- credit reporting services to the United States mortgage lending industry, based on the number of credit reports issued;
- tri-bureau specialty merged credit reports focusing on mortgage borrowers in the United States, based on the number of credit reports issued;
- property data services, based on the number of inquiries;
- automated appraisals, based on the number of reports sold; and
- MLS, based on the number of active desktops.

Our mortgage origination services, default and technology services and risk and fraud analytics lines of business are our three largest businesses, together accounting for over approximately 79% of our 2010 consolidated operating revenues. We derived approximately 56.0% of our 2010 operating revenues from businesses whose volumes are related to mortgage originations and non-default servicing. Traditionally, the greatest volume of mortgage and real estate activity, particularly residential resale, has occurred in the spring and summer months.

Financial information regarding each of the Company's business segments is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data of Part II of this report.

Business and Information Services Segment

Our business and information services segment provides tax monitoring, flood zone certification and monitoring, mortgage default management services, mortgage loan administration and production services, mortgage-related business process outsourcing and property valuation and management services. We are also a provider of geospatial proprietary software and databases combining geographic mapping and data. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and property and casualty insurance companies. For the year ended December 31, 2010, this segment generated approximately 55% of our consolidated operating revenue.

The products and services we provide in this segment typically fall into two lines of business – mortgage origination services and default and technology services.

Mortgage Origination Services

We provide loan origination and closing-related services to mortgage originators, including tax services, flood data services and appraisal services. We are also a member in several joint ventures that provide settlement services in connection with residential mortgage loans.

Tax Services. We believe that we are currently the largest provider of property tax services in the United States. We procure and aggregate property tax information from over 20,000 taxing authorities to advise mortgage originators and servicers of the property tax payment status on their loans and to monitor that status for 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. Under a typical tax service contract we, on behalf of the mortgage originators and servicers, monitor the real estate taxes owing on properties securing such originators' and servicers' mortgage loans for the life of such loans. In general, we indemnify mortgage lenders against losses resulting from a failure to monitor delinquent taxes. We also may indemnify mortgage lenders against losses for any failure to make transfers to taxing authorities.

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Flood Data Services. We believe that we are currently the largest provider of flood zone determinations in the United States. Federal legislation passed in 1994 requires that most mortgage lenders obtain a determination of the current flood zone status at the time each loan is originated and obtain updates during the life of the loan. We provide flood zone determinations and geospatial data to mortgage lenders and insurance companies. We typically furnish a mortgage originator or servicer with a report as to whether a property lies within a governmentally delineated flood hazard area and then monitor the property for flood hazard status changes for as long as the loan is active.

Appraisal Services. We provide appraisals and other property valuation products to mortgage lenders, real estate agents, investors and other businesses requiring real property valuations. These services generally consist of traditional appraisals, which require physical inspection and human analysis, or hybrid valuation products, which incorporate elements of automated valuation models (“AVMs”), BPOs and traditional appraisals.

National Joint Ventures. We are party to several joint ventures that provide products used in connection with loan originations, including title insurance, appraisal services and other settlement services. These joint ventures are reflected as investments in affiliates on our consolidated balance sheets and our share of the income is reflected as equity in earnings of affiliates in our consolidated statement of operations.

Default and Technology Services

We provide analytical and outsourcing services primarily relating to defaulting and foreclosed mortgage loans to financial institutions, government and governmental-sponsored enterprises and other companies.

Loss Mitigation Services. We provide software and services that assist mortgage servicers and financial institutions with loss mitigation activities on mortgages in default, primarily related to loan modifications and short sale management. Our loss mitigation services include data augmentation and portfolio analysis, retention campaign management and document preparation and fulfillment. Additionally, we provide flexible staffing models that give our customers the ability to respond more efficiently to fluctuations in delinquency volumes.

REO Asset Management. We provide services to help shorten mortgage servicers’ time-to-market for REO properties, which are designed to optimize returns and mitigate fraud. We cure title issues, determine property tax status, and resolve any homeowners’ association and municipal code violations. We provide property recovery services, including eviction logistics. We value the asset using one or more of our full range of products, including AVMs, BPOs and appraisals. We also offer marketing and closing services. Our automated asset management system is designed to be available 24 hours a day, seven days a week to our customers.

Default Technology. We provide mortgage servicers with a suite of hosted default management servicing applications that enable them to more efficiently manage the default process. Our component-based solution provides modules for loss mitigation, foreclosure, bankruptcy, collateral valuations, property preservation, REO asset management and claims processing. Through a combination of advanced workflow and document management capabilities, vendor transaction management services and heavy integration with our data and analytics products, this platform enables our customers to more effectively manage the default servicing process.

Claims Management. We provide mortgage insurance claims processing and investor billings solutions, including Federal Housing Administration mortgage loan conveyances and claims, Fannie Mae and Freddie Mac billings, Veterans Administration home loan conveyances and claims, conventional mortgage insurance claims and private investor servicing advance billings. Our flexible and scalable claims management solutions help reduce our mortgage servicing customers’ financial exposure, minimize staffing costs, expedite claims processing.

Broker Price Opinions. Through our BPO business, we offer mortgage servicers and investors a cost-saving alternative to traditional appraisals. BPOs validate property information with a visual external inspection by a qualified, licensed local real estate professional – so-called "eyes on the property," – supplemented by recent sales activity and competitive listing information.

Field Services (Property Preservation). We inspect, preserve, maintain and, where required, register vacant properties with local authorities on behalf of our mortgage servicer customers.

The following table sets forth our revenues for the last three years from our mortgage origination services and default and technology services groups in the business and information services segment:

(in thousands)	2010	2009	2008
Mortgage origination services	$ 463,020	$ 494,588	$ 383,259
Default and technology services	429,043	416,442	367,828
Total segment revenues	$ 892,063	$ 911,030	$ 751,087

Data and Analytics Segment

Our data and analytics segment offers access to data assets including loan information, criminal and eviction records, employment verification, property characteristic information, images of publicly recorded documents relating to real property and information on mortgage-backed securities. We license our data directly to our customers and provide our customers with analytical products and services for risk management, collateral assessment and fraud prediction. Our primary customers are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, property and casualty insurance companies, title insurance companies and government-sponsored enterprises. For the year ended December 31, 2010, this segment generated approximately 43% of our operating revenue.

The products and services we provide in this segment typically fall into two lines of business – risk and fraud analytics and specialty finance solutions.

Risk and Fraud Analytics

We provide collateral and mortgage data and analytics and real estate and mortgage-backed securities information to commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, property and casualty insurance companies and title insurance companies and government-sponsored enterprises. Our risk and fraud analytics group:

- licenses and analyzes data relating to mortgage-backed securities, loans and real property;
- offers risk management and collateral assessment analytics;
- provides database access tools; and
- provides automated valuation models which use data and sophisticated mathematical models and analytic tools to arrive at a property valuation.

We also provide consumer screening and risk management for the multifamily housing and under-banked credit services industries.

Information and Analytics. We are a leading provider of fraud detection, collateral and mortgage performance analytics and real estate and mortgage-backed securities information. We use our data to link property location and characteristics, real estate transactions, consumer and loan information to provide useful insights and analysis for our customers. Our customers span many industries, including mortgage lending, government, capital markets, consumer-direct, property and casualty insurance, direct marketing, utilities, and retail. Our products and services include:

Property valuation analytics and services. We offer our customers a host of property valuation services in an effort to assist them in assessing their risk of loss with alternative forms of property valuations, depending upon their needs and regulatory requirements. These include, among others, automated valuation models, collateral risk scores, appraisal review services and valuation reconciliation services.

Data and information. We obtain, normalize and aggregate real estate property and loan data and make such data available to our customers with a standard format over the web or in bulk data form. Additionally, using our data and proprietary technology we offer a number of value-added services that help our customers make risk assessments, determine property values and track market performance.

Fraud detection analytics and services. We provide solutions designed to assist our customers 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 and identity against Internal Revenue Service and Social Security Administration databases as well as provide employment verification services.

Other predictive analytics and mortgage-backed securities analytics and advisory services. We offer tools that enable our customers to take proactive steps with respect to their mortgage-backed securities, loan and real property portfolios. We also provide advisory services that allow holders of mortgage-backed securities, loan and real property portfolios to gain insight on the value, quality and attributes of those assets. For example, we provide prepayment and default propensity tools as well as due diligence and property valuation services in connection with the marketing and sale of loan portfolios in the secondary market.

Tenancy Data and Analytics. We are a leading provider of screening and risk management services for the multifamily housing industry. We conduct applicant screening and generate consumer reports containing information that may include landlord-tenant court records, lease and payment performance history, credit history and criminal records history primarily for residential property managers and owners throughout the U.S. We believe that we have the largest landlord-tenant court record database in the U.S. and we access criminal records databases to create customer-configured, criminal background decision analytics. We provide statistically-validated applicant scoring models, which assess the risk of payment default by a prospective renter based on a statistical scoring model developed exclusively for the multifamily housing industry.

Under-Banked Credit Services. We are a leading provider of credit reports for under-banked consumer and specialty borrowers. Our customers range in size from single proprietorships to major credit card issuers.

Specialty Finance Solutions

We provide credit reports and credit-related services to mortgage and automotive lenders, and also license real estate listing software systems to MLS customers and real estate brokers and agents.

Credit Solutions. We believe that we are a leading provider of credit services in the U.S. mortgage and transportation markets, providing comprehensive solutions that help our customers meet their lending, leasing and other consumer credit automation needs. We also provide merged credit reports with information from each of the three U.S. primary credit bureaus.

Realtor Solutions. We believe that we are the leading provider of real estate listing software systems, with more than 50% of all U.S. real estate agents having access to our product. Our software is customizable to meet our customers' needs, while maintaining a single code base. We integrate customer data with our robust property information, resulting in a comprehensive historical record on almost all residential properties in the U.S.

The following table sets forth our revenues for the last three years from our risk and fraud analytics and specialty finance solutions groups in the data and analytics segment:

(in thousands)	2010	2009	2008
Risk and fraud analytics	$ 394,428	$ 385,194	$ 408,562
Specialty finance solutions	310,450	292,442	315,880
Total segment revenues	$ 704,878	$ 677,636	$ 724,442

Employer, Legal and Marketing Services Segment

Our employer, legal and marketing services segment consisted of three principal business lines: employer services, litigation support and marketing services. The employer services business provided employment screening, occupational health and tax incentive services as well as applicant tracking software, recruitment marketing and a variety of other screening and recruiting tools and services. The litigation support business assisted customers in electronic discovery for litigation and investigations, computer forensics and other due diligence and investigative support. The marketing services business provides performance-based, internet marketing solutions and lead generation, primarily in the specialty and personal financial markets.

On December 30, 2010 we sold the employer services and litigation services businesses of this segment to Symphony Technology Group for all-cash proceeds of $265.0 million. Those businesses are reflected as discontinued operations for all periods presented in our consolidated financial statements. Our marketing services business is now included as a component of our corporate and eliminations group.

Corporate and Eliminations

In addition to our two reporting segments, we also have a corporate and eliminations group, which includes costs and expenses not allocated to other segments as well as certain smaller investments and operations, including our marketing services business, which focuses on core lead generation.

Customers

We focus our marketing efforts on the largest U.S. mortgage originators and servicers. We also provide our services to financial institutions, investment banks, fixed-income investors, title insurance companies, commercial banks, government agencies and government-sponsored enterprises, property and casualty insurers, credit unions and real estate agents and other real estate professionals.

Our most significant customer relationships tend to be long-term in nature and we typically provide a number of different services to each customer. Because of the depth of these relationships, we derive a significant portion of our aggregate revenue from our largest customers, with 37.5% of our 2010 operating revenues being generated by the ten largest U.S. mortgage originators. During the year ended December 31, 2010, we had one customer (JPMorgan Chase & Co.) which accounted for approximately 10.6% of our consolidated operating revenues (14.5% of the operating revenues in our business and information services segment and 5.9% in our data and analytics segment).

Competition

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

Our business and information services segment competes with third-party providers such as Lender Processing Services, Inc. (“LPS”) which provides multiple product lines, as well as with niche players like Safeguard Properties, a provider of field services or Clear-Capital.com, Inc., a provider of valuation services. 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 product and services, the scalability of our services, cost efficiencies and our ability to provide some level of risk mitigation. Larger-scale business process outsourcers also present an emerging competitive factor for some of our service-based businesses.

Our data and analytics segment competes with entities that provide access to data, data-based analytical products and services or credit-reporting services as part of their product offerings, including Equifax Inc., Experian plc, Fair Isaac Corporation, Lexis-Nexis, LPS, the property information assets of the TPG Capital (formerly the property information assets of MacDonald Dettwiler), Trans Union LLC, and Verisk Analytics, Inc. 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 customer systems. We believe that the quality of the data we offer is distinguished by the broad range of our data sources, including non-public sources which are not widely available, the volume of records we maintain and our ability to provide data spanning a historical period of time that we believe, with respect to certain data sets, exceeds comparable data sets of most of our competitors.

Sales and Marketing

Our sales strategy is primarily customer-focused and is structured around customer size. For our largest customers, we assign a sales executive to the customer, and that sales executive is responsible for exclusively managing that overall customer relationship. For our remaining large and mid-sized customers, a sales executive will have responsibility for multiple customers depending on the size of that sales executive's customer portfolio. Our sales executives have key contacts within each customer's business units and play an important role in maintaining current business relationships as well as prospecting for new business. The sales executives understand the current marketplace environment and have extensive knowledge of our customers' internal operating structure and business needs. This relationship creates a strategic partnership between us and our customers which allows us to develop and implement customized solutions responsive to our customers' needs in a prompt and efficient manner.

Our national sales and service group is a centralized sales group that primarily manages customers through telesales. This group is responsible for working with mortgage and real estate brokers, correspondents, lenders and other small lenders. This group is also responsible for our data resellers and specialized service groups such as appraisers and real estate agents.

Several of our business units have sales teams and subject matter experts that specialize in specific products and services. These sales teams and subject matter experts work collaboratively with our sales executives and our national sales and service group to assist with customer sales by combining our data, products and services to meet the specific needs of each of our customers. They may be assigned to assist with sales in targeted markets, for certain categories of customers or for particular service groups. Our marketing activities include direct marketing, print advertising, media relations, public relations, tradeshow and convention activities, seminars, and other targeted activities. Our strategy is to use the most efficient delivery system available to successfully target and engage new customers and build awareness of our services.

Acquisitions

Historically, our growth into new products and services was facilitated and accelerated through acquisitions. Although the pace of acquisitions slowed considerably from 2007 through the consummation of the Separation, we expect to devote significant efforts to enhancing and diversifying our products and services in the future through acquisitions.

In connection with the Separation, we bought out minority investors in the following subsidiaries:

- the November 2009 purchase of the publicly held shares of First Advantage Corporation for $311.3 million;
- the December 31, 2010 purchase of Experian Information Solutions, Inc's 20% ownership interest in CoreLogic Real Estate Solutions, LLC for $313.8 million; and
- the purchase of 50% of the noncontrolling ownership of the former minority investors of CoreLogic Information Solutions Holdings, Inc., with the remaining portion purchased in the first quarter of 2011. Total consideration paid for the non-controlling ownership interest was $144 million.

We believe that these transactions, together with the completion of the December 30, 2010 sale of our employer and litigation services businesses, positions us to commence a more active acquisition program in 2011.

Intellectual Property

We own a significant number of 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 13 issued patents 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 60 patent applications pending in these and other areas. 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 200 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 customers in identifying our products and services and the quality that stands behind them.

We own more than 100 registered copyrights in the U.S., 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 customers with insight into various areas of the financial and real estate markets in which we operate.

Our research and development activities are focused on the design and development of our analytical tools, software applications, and data sets, by which we mean new sources, data derived by linking across existing sources or metadata. We expect to continue our practice of investing an appropriate level of resources to maintain, enhance and extend the functionality of our analytical tools, proprietary systems and existing software applications, to develop new software applications and systems in response to the needs of the markets and our customers, and to enhance our infrastructure. Our research and development activities are designed to address customer input which we collect through in-person meetings, phone calls, and web surveys. We also assess opportunities to cross-link existing data sets to enhance the effectiveness of our products. Our operating units are responsible for developing, reviewing and enhancing our various products and services and we work with our customers to determine the appropriate timing and approach to introducing technology or infrastructure changes to our applications and services.

In order to maintain control of our intellectual property, we enter into license agreements with our customers, granting each customer a license to use our products and services, including our software and databases. 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. Our technology infrastructure combines flexible, on-demand cloud computing, a secure unified network, dual purpose-built data centers, and enterprise-level service operations. We use our systems to store, process, access and deliver our data and our propriety technology that forms the foundation of our business and the development and delivery of our customer solutions. We operate a virtualized, multi-tenant, cloud-computing information technology environment that allows us to operate multiple systems as one and that is designed to deliver increased capacity on demand. Virtualization is also intended to optimize business processes by pooling server resources, allocating them dynamically, increasing availability of end-user self-service, and focusing network, operational, incident, and compliance management tools, services and systems. Additionally, our unified network architecture allows us to operate multiple systems as a single resource capable of routinely providing flexibility, transparency, scalability, and expandability. This architecture is designed to streamline our operational technology capabilities by integrating speed, flexibility, extensibility, control, and convenience for our customers.

Data Centers. We operate two data centers-one in California and one in Texas. Our data centers are designed to provide our customers uninterrupted connectivity even in the event of a catastrophic regional outage. In addition, we have several smaller data centers dedicated to certain business units located in other states.

Security. We have adopted a wide range of physical and digital measures designed to ensure the security of our information technology infrastructure and data. For physical security, both of our primary data centers are located on Company campuses and are managed by information technology managers, all of whom are ITIL-certified. As it relates to digital measures, our digital security system provides layered protection designed to secure both active and inactive virtual machines in our cloud environment. This virtual security process employs dedicated virtual machines that regularly scan all of our systems. These measures are designed to detect and prevent intrusions, monitor firewall integrity, inspect logs, catch and quarantine malware, and prevent data breaches. As our physical and virtual security solutions run in tandem, we are better able to identify suspicious activities and implement preventive measures if either environment is compromised.

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. In addition, independent auditors annually review several of our operations to provide reports on internal controls for our customers’ auditors and regulators.

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 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 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. These included requirements concerning 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 are applicable to our businesses.

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 sharing of information, 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. As noted below, the newly formed Bureau of Consumer Financial Protection may enact additional requirements in this area.

Regulation of Settlement Services

The Real Estate Settlement Procedures Act ("RESPA"), which is currently enforced by the U.S. Department of Housing and Urban Development, and related regulations, 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 national joint venture relationships are structured and operated in a manner intended to comply with RESPA and related regulations. RESPA may also affect or restrict our other mortgage origination-related businesses.

Regulation of Property Valuation Activities

Real estate appraisals, appraisal management companies, BPOs and AVMs are all subject to federal and/or state regulation. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), and regulations in various states of development and implementation thereunder, will expand regulation of these activities. Among the ways these activities are regulated are the following:

- Appraisers and appraisals are typically subject to state regulation;
- Increasingly, states are also regulating and requiring licensure of appraisal management companies such as our valuation business, and the Dodd-Frank Act subjects appraisal management companies to new minimum requirements to be set by regulation;
- The Dodd-Frank Act imposes more stringent requirements on appraiser independence and on the nature and disclosure of appraisal management company ("AMC") fees and activities, including ensuring the fees the AMC pays to appraisers are customary and reasonable. The Dodd-Frank Act also provides for replacement of the Federal Housing Finance Agency's Home Valuation Code of Conduct with new regulations promulgated by the Federal Reserve;
- AVMs will be subject to more explicit and detailed quality control requirements and copies of AVM reports will be required to be provided by creditors to loan applicants; and
- The use of BPOs will be restricted somewhat.

Regulation of Loss Mitigation, Collection and other Mortgage Default-related Activity

Our default and technology services group assists mortgage loan servicers in handling various stages of the default and loss mitigation process. Increasingly, these activities require licensure or are otherwise regulated. For example, some loss mitigation services which assist in the evaluation and completion of loan modifications may be subject to the Secure and Fair Enforcement for Mortgage Licensing Act and analogous state statutes, and may require state licensure of our entities or personnel, which we are currently in the process of obtaining. Likewise, the Fair Debt Collection Practices Act and similar state laws apply to loss mitigation activities as well. Lien release statutes affect some document processing we conduct on behalf of servicers. Similarly, our field services operations must comply with applicable state and local rules regarding securing and preserving properties, code enforcement and in some circumstances even eviction and unlawful detainer.

Regulation and Potential Examination by Consumer Financial Protection Bureau

The Dodd-Frank Act created a new Bureau of Consumer Financial Protection ("Bureau") to serve as the principal federal consumer protection regulator for financial products and services. The Bureau will not assume its full powers until July 2011. At that time, it will have significant rulemaking authority under existing federal statutes (including the FCRA, the GLBA, and RESPA), as well as the authority to conduct examinations of and bring enforcement actions against certain providers of financial products and services. Currently, the Federal Trade Commission ("FTC") is the Company's primary federal regulator in this area. However, the Bureau may also have authority over the Company both because of the services we perform directly and the services we provide to other companies. Enhanced regulation in the area of financial privacy, which could significantly impact some of our business practices, is possible, as this is an area where both the FTC and the Bureau will have jurisdiction. It is too early to assess the impact to our business of this heightened regulation.

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 marketing services business may be subject to laws regulating internet marketing, lead generation and even various types of loan brokering or credit services;

- Our loan document business must monitor state laws applicable to our customers 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.

Although we do not believe that compliance with current and future laws and regulations related to our businesses, including future consumer protection laws and regulations, will have a material adverse effect on us, enactment of new laws and regulations may increasingly affect the operations of our business, directly or indirectly, which could result in substantial regulatory compliance costs, litigation expense, adverse publicity, and/or loss of revenue.

Employees

As of December 31, 2010, we had approximately 10,084 employees, of which approximately 5,924 were employed in the U.S. and 4,127 in India.

Available Information

We maintain a website, www.corelogic.com, which includes financial information and other information for investors. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K 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, are available, free of charge, through the “Investors” page of the website as soon as reasonably practicable after we electronically file such material with, or furnishes it to, the Securities and Exchange Commission. Our website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K, or any other filing with the Securities and Exchange Commission unless the Company expressly incorporates such materials. Materials that we file or furnish to the Securities and Exchange Commission may also be read and copied at the Securities and Exchange Commission’s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at 1-800-SEC-0330. Also, the Securities and Exchange Commission maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information that we file electronically with Securities and Exchange Commission.

Item 1A. Risk Factors

Risks Relating to Our Business

1. We are dependent 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, the quality and availability of our products and services may be harmed, which could have a material adverse impact on our business, financial condition, and results of operations.

We rely extensively upon data from external sources to maintain our proprietary and non-proprietary databases, including data from third-party suppliers and various government and public record sources. Our data sources could withdraw their data from us, 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 uneconomical, we may need to find alternative sources. If we are unable to identify and contract with suitable alternative data suppliers and effectively integrate these data sources into our service offerings, we could experience service disruptions, increased costs and reduced quality of our services. Additionally, if one or more of our suppliers terminates our existing agreements, there is no assurance that we will obtain new agreements with third-party suppliers on terms favorable to us, if at all. 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. Failure to comply with government regulations or changes in government regulation could result in regulatory penalties or prohibit or limit our or our customers' operations or make it more burdensome to conduct such operations, which could have an adverse effect on revenues, earnings and cash flows.

Many of our and our customers' businesses are subject to various federal, state, local and foreign laws and regulations. Our failure to comply with any applicable laws and regulations could result in restrictions on our ability to provide certain services, imposition of civil fines and criminal penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity and loss of revenue. In addition, independent auditors annually review several of our operations to provide reports on internal controls for our customers' auditors and regulators. For example, since we provide a variety of key services to federally regulated financial institutions, it appears more likely that federal financial institution regulators will also seek to perform compliance examinations on various parts of our operations. Changes in the applicable regulatory environment or interpretations of existing regulations or statutes or enhanced governmental oversight of us or our customers could negatively affect our operations. These changes may compel us to increase our prices in certain situations or decrease our price in other situations, may restrict our ability to implement price increases, 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.

In addition, the Dodd-Frank Act and the extensive regulations being promulgated thereunder materially alter consumer and financial markets regulation. The Dodd-Frank Act expands regulation of real estate appraisals, appraisal management companies, BPOs and AVMs. We also believe it is likely that some of our activities will be subject to examination and more active oversight by the Consumer Financial Protection Bureau created by the Dodd-Frank Act. If we are unable to adapt our products and services to conform to the new laws and regulations, or if these laws and regulations have a negative impact on our customers, 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 personal, public and non-public personal information concerning consumers, we are subject to government regulation and potential adverse publicity concerning the use of consumer data. We provide many types of consumer data and related services that already 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 the public and to prevent the misuse of personal information in the marketplace. Failure to comply with these laws by us could result in substantial regulatory penalties, litigation expense and loss of revenue. The suppliers of data to us 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. As a result, they are seeking further restrictions on the dissemination or commercial use of personal information to the public and private sectors. Any such restrictions 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. If we are unable to prevent such security or privacy breaches, our operations could be disrupted, or we may suffer loss of reputation, financial loss and other regulatory penalties because of lost or misappropriated information, including sensitive consumer data.

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

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

System interruptions may impair the delivery of our products and services, resulting in a loss of customers and a corresponding loss in revenue. We depend heavily upon computer systems located in our data centers, including our centers in Santa Ana, California and Westlake, Texas. Certain events beyond our control, including natural disasters and telecommunications failures, could temporarily or permanently interrupt the delivery of products and services. These interruptions also may interfere with our suppliers' ability to provide necessary data and our employees' ability to attend work and perform their responsibilities. Such interruptions and intrusions may cause a loss of customers and a loss in revenue.

6. Declines in the mortgage and consumer credit market may materially adversely affect our business and results of operations.

A substantial portion of our revenues are affected by mortgage origination and residential real estate transaction volumes, particularly in our mortgage origination services, risk and fraud analytics and specialty finance solutions groups. Projections from the Mortgage Bankers Association, Fannie Mae and Freddie Mac point to a decline in mortgage originations in 2011 compared to 2010. A worsening of these conditions could materially adversely affect our business, financial condition and results of operations. These conditions have also had an impact on and continue to impact, the performance and financial condition of some of our customers in many segments in which we operate. Should these parties continue to encounter material issues, those issues may lead to negative impacts on our revenue, earnings and liquidity.

7. Increases in the size of our mortgage industry customers enhance their negotiating position with respect to pricing and terms, may decrease their need for our services, and may increase our exposure to loss or consolidation of such customers.

Many of our mortgage industry customers are increasing in size as a result of consolidation or the failure of their competitors. For example, we believe that three lenders collectively originate more than 50% of mortgage loans in the United States. During the year ended December 31, 2010, we had one customer (JPMorgan Chase & Co.) that accounted for approximately 10.6% of our consolidated operating revenues (14.5% of the operating revenues in our business and information services segment and 5.9% in our data and analytics segment). As a result, we may derive a higher percentage of our revenues from a smaller base of larger customers, which would enhance the ability of these customers to negotiate more favorable terms for our products and services, including more favorable pricing. These larger customers may also begin performing internally some or all of the services we provide and, consequently, their demand for our products and services may decrease. Any of these developments could adversely affect our revenues and profitability. In addition, changes in our relationship with one or more of our largest customers or the loss of all or a substantial portion of the business we derive from these customers could have a material adverse effect on our business and results of operations.

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

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

9. 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 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.

10. The agreement governing our credit facility subjects us to various restrictions that could limit our operating flexibility.

The agreement governing our credit facility imposes operating and financial restrictions on our activities. These restrictions include compliance with certain financial tests and ratios, including a minimum interest coverage ratio and maximum leverage ratio, and 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 and other corporate opportunities that might otherwise be beneficial to us.

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

The markets for our products and services are intensely competitive. Our competitors vary in size and in the scope and breadth of the services they offer. We compete for existing and new customers against both third parties and the in-house capabilities of our customers. Some of our competitors, such as the credit bureaus, have substantial resources. Some have widely used technology platforms that they seek to use as a competitive advantage to drive sales of other products and services. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies. These competitors and new technologies may render our existing technology obsolete, resulting in operating inefficiencies and increased competitive pressure. There can be no assurance that we will be able to compete successfully against current or future competitors or that competitive pressures we face in the markets in which we operate will not materially adversely affect our business, financial condition and results of operations.

12. We may not be successfully able to consummate or integrate acquisitions, which may harm our ability to develop and grow our business and operations.

Our business strategy includes growth through acquisitions of businesses, products and technologies. We may not be able to identify suitable acquisition candidates, obtain the capital necessary to pursue acquisitions or complete acquisitions on satisfactory terms. A number of our competitors also have adopted the strategy of expanding and diversifying through acquisitions. We likely will experience competition in our efforts to execute on any proposed acquisitions, and we expect the level of competition to increase. As a result, we may be unable to continue to make acquisitions or may be forced to pay more for the companies we are able to acquire, which could slow the growth of our business and operations.

Additionally, the obligations imposed on us to avoid certain transactions in respect of our capital stock and or assets in order to preserve the planned tax-free nature of the Separation may limit our ability to pursue our acquisition strategy without adversely impacting our financial condition, results of operations and cash flows.

Likewise, if we fail properly to integrate acquired businesses, products, technologies and personnel, it could impair relationships with employees, customers and strategic partners, distract management attention, result in control failures and otherwise disrupt our ongoing business and harm our results of operations.

13. Our international operations subject us to additional risks, which could have an adverse effect on our results of operations.

Over the last few years, we have reduced our costs by utilizing lower cost labor in foreign countries such as India and the Philippines. For example, at December 31, 2010, 4,127 of our employees were based in India. These countries are subject to relatively higher degrees of political and social instability and may lack the infrastructure to withstand political unrest or natural disasters. Such disruptions can decrease efficiency and increase our costs in these countries. Weakness of the U.S. dollar in relation to the currencies used in these foreign countries may also reduce the savings achievable through this strategy. Furthermore, the practice of utilizing labor based in foreign countries has come under increased scrutiny in the United States and, as a result, some of our customers may require us to use labor based in the United States. We may not be able to pass on the increased costs of higher-priced United States-based labor to our customers, which ultimately could have an adverse effect on our results of operations.

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 the 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.

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

We rely on skilled management and our success depends on our ability to attract, train and retain a sufficient number of such individuals. If our attrition rate increases, our operating efficiency and productivity may decrease. We compete for talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services and financial services companies, and there is a limited pool of individuals who have the skills and training needed to grow our company. If our business continues to grow, the number of individuals we will need to develop and hire will increase. We will also need to increase our hiring if we are not able to maintain our attrition rate through our current recruiting and retention policies. Increased 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.

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

In accordance with generally accepted accounting principles ("GAAP"), existing goodwill is not amortized but instead is required to be assessed annually for impairment 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 under accounting guidance may have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to the Separation of FAFC

1. Our historical financial information may not be indicative of our future results as a stand-alone company.

The historical financial information we have included in prior filings for periods ending prior to June 1, 2010, and the unaudited pro forma consolidated financial statements as of and for the twelve months ended December 31, 2009 filed on Form 8-K on March 22, 2010, may not reflect what our results of operations, financial condition and cash flows would have been had we been a stand-alone company during the periods presented and may not be indicative of what our results of operations, financial condition and cash flows may be in the future now that we are a stand-alone company. Specifically, the pro forma financial information and the financial information does not reflect any increased costs associated with being a stand-alone company, including changes in our cost structure and personnel needs. Any difficulty in successfully integrating or managing the operations of the businesses on a stand-alone basis could have a material adverse effect on our business, financial condition, results of operations and liquidity, and could lead to a failure to realize any anticipated synergies.

2. The Separation could give rise to liabilities, increased operating expense or other unfavorable effects that may not have otherwise arisen.

The Separation may lead to increased operating and other expenses, both of a non-recurring and a recurring nature, and changes to certain operations, which expenses or changes could arise pursuant to arrangements made with FAFC or the triggering of rights and obligations to third parties. In addition, FAFC may provide more competition in our lines of business than it would have if the companies remained together. For example, FAFC has a small offering of appraisal-related services that may compete with certain of our products and services. With the exception of a noncompetition agreement related to the tax services business, there will be no prohibition on either us or FAFC competing with the other party. Litigation with FAFC or other third parties could also arise out of the transaction, and we could experience unfavorable reactions to the Separation from customers, employees, ratings agencies or other interested parties.

3. We will be responsible for a portion of FAFC’s contingent and other corporate liabilities, primarily those relating to stockholder litigation.

Under the Separation and Distribution Agreement and other agreements, subject to certain exceptions contained in the Tax Sharing Agreement, each of us and FAFC is responsible for 50% of certain of FAC’s contingent and other corporate liabilities. All external costs and expenses associated with the management of these contingent and other corporate liabilities will be shared equally. These contingent and other corporate liabilities primarily relate to consolidated securities litigation and any actions with respect to the separation plan or the distribution brought by any third party. Contingent and other corporate liabilities that are specifically related to only the information solutions business will generally be fully allocated to us and those that are specifically related to only the financial services business will generally be fully allocated to FAFC.

If any party responsible for such liabilities were to default on its payment of any of these assumed obligations, the non-defaulting party may be required to pay the amounts in default. Accordingly, under certain circumstances, we may be obligated to pay amounts in excess of the agreed-upon share of the assumed obligations related to such contingent and other corporate liabilities, including associated costs and expenses.

4. We will share responsibility for certain income tax liabilities for tax periods prior to and including the date of the Distribution.

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

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

In connection with the Separation we received a private letter ruling from the IRS to the effect that, among other things, certain internal transactions undertaken in anticipation of the Separation will qualify for favorable treatment under the Code, 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 transaction that is tax-free 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 rely 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 are 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 are not correct or have been violated or if it disagrees with the conclusions in the opinions that are not covered by the private letter ruling, or for other reasons, including as a result of certain significant changes in the stock ownership of us or FAFC after the Separation. If the Separation is determined to be taxable for U.S. federal income tax purposes, we and our stockholders that are subject to U.S. federal income tax could incur significant U.S. federal income tax liabilities.

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

6. 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, the Restrictive Covenants Agreement, certain transition services agreements and leases for our data center and headquarters facilities in Santa Ana. We possess certain rights under those agreements, including without limitation indemnity rights from certain liabilities allocated to FAFC. The failure of FAFC to perform its obligations under the agreements could have an adverse effect on our financial condition, results of operations and cash flows.

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

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7. As a stand-alone, publicly traded company, we may not enjoy the same benefits that we did when we were part of a larger organization that included the FAFC businesses.

As part of the FAC organizational structure, our businesses were able to enjoy certain benefits from the operating diversity, purchasing power, available capital for investments, flexibility in tax planning and opportunities to pursue integrated strategies with FAC's other businesses. After the Separation of FAFC, we do not have similar diversity or integration opportunities and may not have similar purchasing power, credit rating, flexibility in tax planning or access to capital markets.

8. Conflicts of interest may arise because certain of our directors and officers are also directors and officers of our related parties.

Because of their current or former positions with FAC prior to the Separation, several of our executive officers, including our executive chairman, our president and chief executive officer, and most of our directors, beneficially own common shares of FAFC that they received in the Separation. Our executive chairman, who also serves as FAFC's executive chairman, continues to own options to purchase common shares of FAFC and FAFC restricted stock units. These dual roles and equity interests in FAFC may create, or create the appearance of, conflicts of interest when these individuals are faced with decisions that do not benefit us and FAFC in the same manner.

9. We might not be able to engage in desirable strategic transactions and equity issuances following the Separation because of restrictions relating to U.S. federal income tax requirements for tax-free distributions.

Our ability to engage in significant equity transactions could be limited or restricted in order to preserve for U.S. federal income tax purposes the tax-free nature of the Distribution by FAC. Even if the Distribution otherwise qualified for tax-free treatment under Sections 368(a)(1)(D) and 355 of the Code, it may result in corporate level taxable gain to us under Section 355(e) of the Code if 50% or more, by vote or value, of our common stock or FAFC's common stock are acquired or issued as part of a plan or series of related transactions that includes the Distribution. For this purpose, any acquisitions or issuances of shares of FAC's common stock within two years before the Distribution, and any acquisitions or issuances of our common stock or FAFC's common stock within two years after the Distribution generally are presumed to be part of such a plan, although FAFC or we may be able to rebut that presumption.

Prior to the Distribution, FAC issued to FAFC and FAFC's principal title insurance subsidiary a total of approximately 13 million shares, which represented approximately 11% of FAC's shares outstanding at the time of the issuance. In addition, in November 2009 FAC issued approximately 9.5 million shares of common stock in connection with its acquisition of the minority interest shares of its then publicly traded subsidiary, First Advantage Corporation. This represented approximately 9% of FAC's shares currently outstanding. Both of these issuances could count towards the 50% limitation, which could hinder our ability to issue additional shares during the two year period following the Distribution. If an acquisition or issuance of our common stock or FAFC's common stock triggers the application of Section 355(e) of the Code, we would recognize taxable gain for which FAF could be wholly or partially liable as described above.

Under the Tax Sharing Agreement, there are restrictions on our ability and FAFC's ability to take actions that could cause the Distribution to fail to qualify as a tax-free transaction, including redemption of equity securities, a sale or other disposition of a substantial portion of assets, and an acquisition of a business or assets with equity securities. These restrictions will apply for 25 months following the Distribution, unless the party seeking to engage in such activity obtains the consent of the other party or obtains a private letter ruling from the IRS or an unqualified opinion of a nationally recognized firm that such action will not cause the Distribution to fail to qualify as a tax-free transaction, and such letter ruling or opinion, as the case may be, is acceptable to each party.

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

10. If there are substantial sales of our common stock, our stock price could decline.

The market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market, or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem attractive.

Pursuant to the private letter ruling received from the IRS in connection with the Separation, FAFC and its wholly-owned subsidiary First American Title Insurance Company ("FATICO") will be required, respectively, to dispose of the retained shares of our common stock by June 1, 2015. As a result, FAFC and FATICO, respectively, may be required to sell some or all of its retained shares of our common stock at a time when it might not otherwise choose to do so. Furthermore, any such disposition by FAFC or FATICO, respectively, of its shares of our common stock in the public market, or the perception that such dispositions could occur, could adversely affect prevailing market prices of our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We maintain our executive offices at 4 First American Way in Santa Ana, California. We lease approximately 107,000 rentable square feet in this facility from FAFC under a lease that expires on December 31, 2012.

Our business and information services segment maintains most of its national operations in a facility in Westlake, Texas. Our lease on the Westlake, Texas facility, which comprises approximately 662,000 square feet, expires in 2017.

We own two office buildings in Poway, California which total approximately 153,000 square feet and are located on a 17 acre parcel of land.

One of our subsidiaries has leased approximately 127,000 square feet of a multi-tenant facility in the Bagmane Technology Park in Bangalore, India. The lease expires at the end of 2011.

The office facilities we occupy are, in all material respects, in good condition and adequate for their intended use.

Item 3. Legal Proceedings

We have been named in various lawsuits. In cases where we have determined that a loss is both probable and reasonably estimable, we have recorded a liability representing our best estimate of our financial exposure based on known facts. While the ultimate disposition of each such pending lawsuit is not yet determinable, we do not believe that the ultimate resolution of these cases, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

In addition, we may from time to time be subject to audit or investigation by governmental agencies. Currently, governmental agencies are auditing or investigating certain of our operations. With respect to matters where we have determined that a loss is both probable and reasonably estimable, we have recorded a liability representing our best estimate of the financial exposure based on known facts. While the ultimate disposition of each such audit or investigation is not yet determinable, we do not believe that the ultimate resolution of these matters either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

As part of the Separation, we are responsible for a portion of FAFC's contingent and other corporate liabilities. There were no amounts recorded at December 31, 2010.

In the Separation and Distribution Agreement, we agreed with FAFC to share equally in the cost of resolution of a small number of corporate-level lawsuits including the consolidated securities litigation. Responsibility to manage each case has been assigned to either FAFC or us, with the managing party required to update the other party regularly and consult with the other party prior to certain important decisions such as settlement. The managing party will also have primary responsibility for determining the ultimate total liability, if any, related to the applicable case. We will record our share of any such liability when the responsible party determines a reserve is necessary in accordance with GAAP. At December 31, 2010, management determined that no reserves were necessary.

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

- the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement; and
- any breach by such party of the Separation and Distribution Agreement.

Item 4. Removed and Reserved

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

Concurrently with the Separation, we changed our trading symbol to CLGX and changed the names of several of our operating subsidiaries to replace the reference to "First American" with the name CoreLogic, Inc. Our common stock, prior to the Separation, had traded on the New York Stock Exchange (ticker symbol FAF). The approximate number of record holders of common stock on January 30, 2011, was 3,152.

High and low stock prices and dividends declared for the last two years were as follows:

	2010			2009		
	High	Low	Dividends	High	Low	Dividends
Quarter ended March 31,	$ 35.69	$ 29.57	$ 0.22	$ 28.56	$ 19.59	$ 0.22
Quarter ended June 30,	$ 21.15	$ 17.66	$ -	$ 29.96	$ 21.65	$ 0.22
Quarter ended September 30,	$ 20.19	$ 17.27	$ -	$ 33.57	$ 25.08	$ 0.22
Quarter ended December 31,	$ 18.86	$ 17.48	$ -	$ 33.88	$ 30.39	$ 0.22

On June 1, 2010, we completed the Separation, which included the spin-off of our former financial services business. In the table above, market prices include the value of the financial services businesses through June 1, 2010. We do not expect to pay regular quarterly cash dividends, and any future dividends will be dependent on future earnings, financial condition, compliance with debt covenants and capital requirements.

Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 5 of this report will appear in the sections entitled "Securities Authorized for Issuance under Equity Compensation Plans" in our definitive proxy statement filed with the Securities and Exchange Commission ("SEC") in connection with our 2011 annual meeting of stockholders, and is hereby incorporated in this report and made a part hereof by reference. If the definitive proxy statement is not filed within 120 days after the close of the fiscal year, we will file an amendment to this Annual Report on Form 10-K to include the information required by Item 5.

Unregistered Sales of Equity Securities

During the quarter ended December 31, 2010, we did not issue any unregistered shares of our common stock.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table describes purchases of shares of our common stock which settled during each period set forth in the table. Prices in column (b) include commissions. Purchases described in column (c) were made pursuant to the share repurchase program initially announced by the Company on May 18, 2004, which was amended to add additional amounts to the repurchase authorization as subsequently announced on May 19, 2005, June 26, 2006, and

January 15, 2008. The amounts in column (d) reflect the effect of these amendments. Under this plan, which has no expiration date, we may repurchase up to $800 million of shares of our issued and outstanding common stock. In 2010, we repurchased 1,637,093 shares under this plan and cumulatively we have repurchased $469.8 million (including commissions) of our shares and have the authority to repurchase an additional $330.2 million (including commissions) under the plan.

	(a)	(b)		(c)	(d)	
Period	Total Number of Shares Purchased	Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs	
October 1 to October 31, 2010	-	-		-	$	360,369,939
November 1 to November 30, 2010	1,637,093	$	18.43	1,637,093		330,198,315
December 1 to December 31, 2010	-	-		-		330,198,315
Total	1,637,093	$	18.43	1,637,093	$	330,198,315

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 Standard & Poor’s Midcap 400 index, the Standard & Poor’s Midcap 400 Data Processing Outsourced Services Index and a peer group index. The comparison assumes an investment of $100 on December 31, 2005 and reinvestment of dividends. This historical performance is not indicative of future performance. For purposes of calculating the cumulative total return on our stock, it is assumed that each share of FAFC received in the Distribution on June 1, 2010 was immediately sold for its market value and the proceeds reinvested in additional shares of our common stock. The value of our common stock in periods subsequent to the Distribution therefore includes the value of the distributed shares but not the separate performance of those securities since June 1, 2010.

As a result of the Separation, the nature of our business and composition of our assets has changed. Therefore, we believe that it is appropriate to change the broad-based market index against which we measure our total cumulative return. Given the size and nature of our Company, we believe that the Standard & Poor's Midcap 400 Index is a more relevant market index. For comparative purposes, we have included the total cumulative return on the Standard & Poor's 500 Composite Index, the broad-based market index previously utilized, in our current year analysis of cumulative total return.

Additionally, in connection with the Separation, the Compensation Committee of the Board of Directors changed the peer group companies (the "current peer group") used as benchmarks in setting compensation for our executive officers to reflect companies of comparable industry, size and with similar business models. The current peer group consists of Alliance Data Systems Corp., Broadridge Financial Solutions, Cognizant Technology Solutions, Convergys Corp., DST Systems Inc., Dun & Bradstreet Corp., Equifax Inc., Fidelity National Information Services, Fiserv Inc., Global Payments Inc., Lender Processing Services, Paychex Inc., Total System Services Inc., and Verisk Analytics Inc., each of which operates in a business similar to a business operated by the Company. For comparative purposes, we have included the cumulative total return on the previously utilized peer group (the "legacy peer group") in our current year analysis of cumulative total returns.

Item 6. Selected Financial Data

The selected consolidated financial data for the Company for the five-year period ended December 31, 2010, 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—Acquisitions," and "Item 7—Management's Discussion and Analysis—Results of Operations. "The consolidated statements of operations data for the years ended December 31, 2007 and 2006 and the consolidated balance sheet data as of December 31, 2008, 2007, and 2006 have been derived from financial statements not included herein.

Before June 1, 2010, we operated as The First American Corporation ("First American" or "FAC"). On June 1, 2010, we completed a transaction that spun-off our financial services businesses, including our title insurance business (the "Separation"), into a new publicly traded, New York Stock Exchange-listed company called First American Financial Corporation ("FAFC"). In connection with the Separation, we transferred ownership of the "First American" name, trademarks and trading symbol "FAF" to FAFC. We then changed our name to CoreLogic, Inc. and our trading symbol to "CLGX," and changed the names of several of our operating subsidiaries to replace the reference to "First American" with the name CoreLogic.

The results of FAFC's businesses' operations are reflected in our consolidated statements of operations as discontinued operations. Additionally, the results of our employer and litigation services businesses, which we sold in December 2010, are reflected as discontinued operations. The results of those businesses' operations in prior years have been reclassified to conform to the 2010 classification. See Note 19 – Discontinued Operations for additional disclosures. Historical background information related to FAFC was included in the previously filed Registration Statement on Form 10, and is not included in this Annual Report on Form 10-K.

(in thousands, except per share amounts)	For the year ended December 31,				
Income Statement Data:	2010	2009	2008	2007	2006
Operating revenue	$1,623,272	$1,700,692	$1,542,988	$1,622,808	$1,508,217
Equity in earnings of affiliates, net of tax	$41,641	$48,719	$23,640	$29,664	$18,701
Income (loss) from continuing operations attributable to CoreLogic, Inc. stockholders, net of tax	$53,708	$63,165	$(9,205)	$67,076	$41,915
(Loss) income from discontinued operations attributable to CoreLogic, Inc. stockholders, net of tax	(102,053)	136,486	(17,115)	(70,194)	245,761
Loss on sale of discontinued operations, net of tax	(18,985)	-	-	-	-
Net (loss) income attributable to CoreLogic, Inc.	$(67,330)	$199,651	$(26,320)	$(3,118)	$287,676
Balance Sheet Data:					
Total assets, including discontinued operations	$3,219,832	$8,831,719	$8,799,495	$8,677,132	$8,225,434
Long-term debt, excluding discontinued operations	$720,889	$570,457	$613,685	$637,925	$512,149
Total CoreLogic, Inc's. stockholders' equity	$1,544,340	$3,154,295	$2,697,650	$2,975,398	$3,202,281
Dividends on common shares	$22,657	$84,349	$81,542	$82,833	$69,213
Per Share Information:					
Basic					
Income (loss) from continuing operations attributable to CoreLogic, Inc. stockholders,	$0.49	$0.67	$(0.10)	$0.71	$0.44

net of tax					
(Loss) income from discontinued operations attributable to CoreLogic, Inc. stockholders, net of tax	(0.92)	1.44	(0.18)	(0.74)	2.55
Loss on sale of discontinued operations	(0.17)	-	-	-	-
Net (loss) income attributable to CoreLogic, Inc.	$(0.60)	$2.11	$(0.28)	$(0.03)	$2.99
Diluted					
Income (loss) from continuing operations attributable to CoreLogic, Inc. stockholders, net of tax	$0.48	$0.66	$(0.10)	$0.70	$0.43
(Loss) income from discontinued operations attributable to CoreLogic, Inc. stockholders, net of tax	(0.91)	1.43	(0.18)	(0.73)	2.49
Loss on sale of discontinued operations	(0.17)	-	-	-	-
Net (loss) income attributable to CoreLogic, Inc.	$(0.60)	$2.09	$(0.28)	$(0.03)	$2.92
Weighted average shares outstanding					
Basic	111,529	94,551	92,516	94,649	96,206
Diluted	112,363	95,478	92,516	96,154	98,653
Total shares outstanding at December 31,	115,499	103,283	92,963	91,830	96,484

Item 7. Management’s Discussion and Analysis of Financial Condition and 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 acquisition strategy in 2011, the Company’s share repurchases, the level of aggregate U.S. mortgage originations and inventory of delinquent mortgage loans and loans in foreclosure, assumptions related to long-term rate of return of our supplemental benefit plans 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 data from external sources, including government and public record sources;

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

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

difficult conditions in the mortgage and consumer credit industry, the state of the securitization market, increased unemployment, and the economy generally;

our ability to bring new products to market and to protect proprietary technology rights;

our ability to identify purchasers and complete the sale of certain businesses on satisfactory terms or to identify suitable acquisition targets, obtain necessary capital and complete such transactions on satisfactory terms;

risks related to our international operations;

consolidation among our significant customers and competitors;

impairments in our goodwill or other intangible assets; and

the inability to realize the benefits of the Separation as a result of the factors described immediately above, as well as, among other factors, increased borrowing costs, competition between the resulting companies, increased operating or other expenses or the triggering of rights and obligations by the transaction or any litigation arising out of or related to the Separation.

We assume no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of the filing of this Annual Report on Form 10-K. These risks and uncertainties, along with the risk factors above under "Item 1A. Risk Factors" should be considered in evaluating any forward-looking statements contained herein.

Introduction

This Management's Discussion and Analysis contains certain financial measures, in particular presentation of certain balances excluding the impact of acquisitions and other non-recurring items that are not presented in accordance with generally accepted accounting principles ("GAAP"). We present these non-GAAP financial measures because they provide our management and readers of this Report with additional insight into our operational performance compared to earlier periods and relative to our competitors' performance. We do not intend for these non-GAAP financial measures to substitute for any GAAP financial information. Readers should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures.

We use earnings before interest, taxes, depreciation and amortization ("EBITDA") to evaluate our operating performance and to compute certain management bonuses and compliance with covenants in our revolving credit facility. We believe that EBITDA is an important indicator of operating performance because EBITDA excludes the effects of financing and investing activities by eliminating the effects of interest, depreciation and goodwil impairment costs. Investors should not use EBITDA as the sole basis for formulating investment decisions, as it excludes a number of important items and has inherent limitations. We compensate for these limitations by also using GAAP financial measures to manage our business.

Business Overview

Corporate Update

Separation. On June 1, 2010, FAC completed the Separation by which it separated into two independent, publicly traded companies through the Distribution of all of the outstanding shares of FAFC to the holders of FAC's common shares, par value $1.00 per share as of May 26, 2010. After the Distribution, FAFC owned the businesses that comprised FAC's financial services businesses and FAC retained its information solutions businesses.

On May 18, 2010, the shareholders of FAC approved a separate transaction pursuant to which FAC changed its place of incorporation from California to Delaware. The Reincorporation became effective June 1, 2010. To effect the Reincorporation, FAC and CoreLogic, which was a wholly-owned subsidiary of FAC incorporated in Delaware, entered into a Merger Agreement. Pursuant to the Merger Agreement, FAC merged with and into CoreLogic with CoreLogic continuing as the surviving corporation.

To effect the Separation, the Company and FAFC entered into a Separation and Distribution Agreement that governs the rights and obligations of the Company and FAFC regarding the Distribution. The Separation and Distribution Agreement also governs the relationship between the Company and FAFC subsequent to the completion of the Separation and provides for the allocation between the Company and FAFC of FAC's assets and liabilities. In connection with the Separation, the Company and FAFC also entered into a Tax Sharing Agreement (as described in Note 10 – Income Taxes), a Restrictive Covenants Agreement, and CoreLogic issued a promissory note to FAFC relating to certain pension liabilities.

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 FAFC's operations. As a result of the Separation, we reflect the FAFC businesses in our consolidated financial statements as discontinued operations. The results of the FAFC businesses in prior years have been reclassified to conform to the 2010 classification. See Note 19 – Discontinued Operations for additional disclosures.

As part of the Separation, we are responsible for a portion of FAFC's contingent and other corporate liabilities. There were no amounts outstanding at December 31, 2010.

As part of the Distribution, on May 26, 2010 we issued to FAFC approximately $250.0 million of our issued and outstanding common shares, or 12,933,265 shares. Based on the closing price of our stock on June 1, 2010, the value of the equity issued to FAFC was $242.6 million. As a result, we paid FAFC $7.4 million to arrive at the full value of $250.0 million. As a condition to the Separation, FAFC is expected to dispose of the shares by June 1, 2015.

Acquisition of Experian’s Interest in CoreLogic Real Estate Solutions, LLC Joint Venture. In April 2010, we exercised our call option related to Experian Information Solutions Inc.’s ownership interest in the CoreLogic Real Estate Solutions, LLC (formerly First American Real Estate Solutions, LLC) joint venture. We completed the $313.8 million cash buy-out of the noncontrolling interest on December 31, 2010.

Acquisition of CoreLogic Information Solutions Holdings, Inc. Minority Interest. In March 2010, we entered into an agreement to acquire the 18% redeemable noncontrolling interest in CoreLogic Information Solutions Holdings, Inc. (formerly First American CoreLogic Holdings, Inc.). On March 29, 2010, we acquired half of the noncontrolling interests (approximately 9% of the total outstanding noncontrolling interests) in exchange for a cash payment of $72.0 million and agreed to acquire the remaining half of the noncontrolling interests in 2011 in exchange for additional consideration of $72.0 million. The remaining $72.0 million of the noncontrolling interests is classified as "mandatorily redeemable noncontrolling interests" in the liabilities section of our consolidated balance sheets. In February 2011, we agreed to pay all of the additional consideration in cash and we closed the transaction.

Sale of Employer and Litigation Services. On December 22, 2010, the Company and STG-Fairway Holdings, LLC (the "Purchaser"), which is owned by affiliates of Symphony Technology Group, entered into a Purchase Agreement, pursuant to which we sold our employer and litigation services businesses to the Purchaser for all cash proceeds of $265.0 million. We have also agreed to provide certain transition services to the Purchaser for up to one year following the December 30, 2010 closing. As a result of the sale, we recognized a loss on the sale of $19.0 million (net of a tax benefit on the transaction of $34.5 million). The businesses are reflected in our consolidated financial statements as discontinued operations and the results of those businesses in the prior years have been reclassified to conform to the 2010 classification. See Note 19 – Discontinued Operations for additional disclosures.

Reportable Segments

In connection with the Separation and the subsequent sale of the employer and litigation services businesses, we reorganized our reportable segments into two reportable segments:

Business and Information Services: Our business and information services segment provides tax monitoring, flood zone certification and monitoring, mortgage default management services, mortgage loan administration and production services, mortgage-related business process outsourcing and property valuation and management services. We are also a provider of geospatial proprietary software and databases combining geographic mapping and data. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and property and casualty insurance companies.

Our business and information services segment has two components: mortgage origination services, which is focused on the mortgage origination and servicing industry, and default and technology services, which is primarily oriented toward services required by owners/servicers of troubled mortgage assets and toward providing custom outsourcing solutions for a wide range of customers.

Most of the businesses included in the mortgage origination services group have a relatively high proportion of fixed costs due to the ongoing servicing nature of the operations. The group's appraisal businesses, in contrast, have a higher level of variable costs. The businesses within the default and technology services group typically have a high level of variable costs. Revenues for the mortgage originations services group are primarily dependent on the level of mortgage origination and servicing activity while default and technology services group revenues are generally tied to the level of troubled loan activity in the United States.

Data and Analytics: Our data and analytics segment offers access to data assets including loan information, criminal and eviction records, employment verification, property characteristic information, images of publicly recorded documents relating to real property, and information on mortgage-backed securities. We license our data directly to our customers and provide our customers with analytical products and services for risk management, collateral assessment, and fraud prediction. Our primary customers are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, property and casualty insurance companies, title insurance companies and government-sponsored enterprises.

Our data and analytics segment has two components: risk and fraud analytics, which is primarily oriented toward utilizing our property, mortgage and other data assets in custom and packaged risk management solutions, and specialty finance solutions, which provides our credit, broker and multiple listing services products.

Most of the businesses included in the risk and fraud analytics group are database intensive and have a relatively high proportion of fixed costs. As a result, profit margins generally decline as revenues decrease. The specialty finance solutions group has a more variable cost structure and, therefore, has margins that typically perform more consistently. Revenues for the data and analytics segment are dependent on real estate activity in part, but are less cyclical because the data and analytics segment has a more diversified customer base and a greater percentage of subscription-based revenue.

Critical Accounting Policies and Estimates

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 and their effects cannot be determined with certainty and actual results could differ materially from our assumptions 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, of this Annual Report on Form 10-K.

Basis of Presentation and Consolidation. Our discussion and analysis of financial condition and results of operations is based upon our audited consolidated financial statements, which have been prepared in accordance with GAAP. Our operating results for the years ended December 31, 2010, 2009 and 2008 include results for any acquired entities from the applicable acquisition date forward and all prior periods have been adjusted to properly reflect discontinued operations.

We record the eliminations of inter-company revenue and cost-of-service revenue at the corporate level.

Revenue recognition. Revenues earned by most of our products are recognized at the time of delivery or performance of service, as we have no material ongoing obligation after delivery. Subscription-based revenues are recognized ratably over the contractual term of the subscription. Our tax service division in our business information services segment defers the tax service fee on life–of-loan contracts and recognizes that fee as revenue ratably over the expected service period. The amortization rates applied to recognize the revenues assume a 10-year contract life and are adjusted to reflect prepayments. We review the tax service contract portfolio quarterly to determine if there have been changes in contract lives and/or changes in the number and/or timing of prepayments. Accordingly, we may adjust the rates to reflect current trends.

External cost of revenues. External cost of revenues represents the direct incremental costs paid to outside parties to obtain information and/or services necessary to generate specific revenues, representing the variable costs associated with our revenues. We do not include any component of depreciation and amortization in our external cost of revenues.

Purchase accounting. The purchase method of accounting requires companies to assign values to assets and liabilities acquired based upon their fair values. In most instances there is not a readily defined or listed market price 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, including goodwill and other identifiable intangible assets and related amortization expense.

Goodwill and other intangible assets. We are required to perform an annual impairment test for goodwill and other indefinite-lived intangible assets for each reporting unit. This annual test, which we have elected to perform every fourth quarter (using September 30 data), utilizes 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 (the "market approach") 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 (including the market approach to the extent comparables are available) 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. After the Separation and the sale of the employer and litigation services businesses, our reporting units are mortgage origination services, default and technology services, risk and fraud analytics, specialty finance solutions, and marketing services. Our policy is to perform an annual impairment test for each reporting unit in the fourth quarter, or sooner, if circumstances indicate a possible impairment.

Management's impairment testing process includes two 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 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 the 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 the 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 analyses 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. Due to current volatility in the markets in which we operate, our operations may be negatively impacted in the future to the extent that exposure to impairment charges may be required. We completed the required annual impairment testing for goodwill and other intangible assets for the years ended December 31, 2010, 2009 and 2008, in the fourth quarter of each year (using September 30 data). In each year we concluded that, based on our assessment of the reporting units' operations, the markets in which the reporting units operate and the long-term prospects for those reporting units that the more-likely-than not threshold for decline in value had not been met and that therefore no triggering events requiring an earlier analysis had occurred, except as it relates to the employer and litigation services reporting units in 2010. We performed an interim analysis on goodwill related to these reporting units in the third quarter of 2010, based on the indicative values we received in the process of marketing those businesses. See further discussion in Note 7 - Goodwill.

As of the date of our 2010 annual impairment review, the marketing services reporting unit included $123.3 million of goodwill. The fair value of this reporting unit under the income value approach was below the carrying value of the reporting unit's book value by approximately 10% and the fair value under the market value approach exceeded the reporting unit's book value by 11%. In assessing the realizability of goodwill, management considered the results of both analyses and weighed them accordingly given market conditions and expectations. 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 and operating margins, discount rates and future market conditions, among others. Key assumptions used to determine the fair value of the marketing services reporting unit in our 2010 annual testing were: (a) expected cash flow for the period from 2011 to 2019; (b) a discount rate of 18.5%, which was based on management's best estimate of the after-tax weighted average cost of capital; and (c) a 25% control premium. It is reasonably possible that changes in the judgments, assumptions and estimates we made in assessing the fair value of our goodwill could cause these or other reporting units to become impaired. There were no other reporting units that management deemed to have a reasonable risk of material impairment charge at this time.

Our 2008 evaluation resulted in an impairment loss of $19.7 million in the marketing services reporting unit in the fourth quarter based primarily upon diminished earnings and cash flow expectations for the lead generation business and lower residual valuation multiples existing in the present market conditions. The 2008 evaluation did not indicate impairment in any other reporting units.

We use estimated future cash flows (undiscounted and excluding interest) to measure the recoverability of long-lived assets held and used whenever events or changes in circumstances indicate that the carrying value of an asset may not be fully recoverable. At such time that an impairment in value of an intangible or long-lived asset is identified, the impairment is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

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. 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 evaluate the need to establish a deferred tax asset valuation allowance based upon the amount of existing temporary differences, the period in which we expect to recover them and expected levels of taxable income. We establish a valuation allowance to reduce deferred tax assets when it is more-likely-than-not that we will not realize some or all of the deferred tax assets.

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 in tax expense.

Useful lives of assets. We are required to estimate the useful lives of several asset classes, including capitalized data, internally developed software and other intangible assets. The estimation of useful lives requires a significant amount of judgment related to matters such as future changes in technology, legal issues related to allowable uses of data and other matters.

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 used the binomial lattice option-pricing model to estimate the fair value for any options granted after December 31, 2005 through December 31, 2009. For the options granted in 2010, we used the Black-Scholes model to estimate the fair value. 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 the results of operations is based on awards ultimately expected to vest, it 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 stock-based compensation is granting restricted stock units (“RSUs”). The fair value of any RSU 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. RSUs granted to certain key employees have graded vesting and have a service and performance requirement and are therefore expensed using the accelerated multiple-option method to record stock-based compensation expense. All other RSU awards have graded vesting and service is the only requirement to vest in the award and are therefore generally expensed using the straight-line single option method to record stock-based compensation expense.

In addition to stock options and RSUs, we have an employee stock purchase plan that allows eligible employees to purchase common stock of the Company at 85% of the closing price on the last day of each month. We recognize an expense in the amount equal to the discount.

Recent Accounting Pronouncements

In January 2010, the FASB issued updated guidance related to fair value measurements and disclosures, which requires a reporting entity to disclose separately the amounts of material transfers in and out of Level 1 and Level 2 fair value measurements and to describe the reasons for the transfers. The updated guidance also requires that an entity should provide fair value measurement disclosures for each class of assets and liabilities and disclosures about the valuation techniques and inputs used to measure fair value for both recurring and non-recurring fair value measurements for Level 2 and Level 3 fair value measurements. This updated guidance became effective for interim or annual financial reporting periods beginning after December 15, 2009. Except for the disclosure requirements, the adoption of this statement did not have an impact on our consolidated financial statements.

In February 2010, the FASB issued updated guidance which amended the subsequent events disclosure requirements to eliminate the requirement for SEC filers to disclose the date through which it has evaluated subsequent events, clarify the period through which conduit bond obligors must evaluate subsequent events and refine the scope of the disclosure requirements for reissued financial statements. The updated guidance was effective upon issuance. Except for the disclosure requirements, the adoption of the guidance had no impact on our consolidated financial statements.

Pending Accounting Pronouncements

In January 2010, the FASB issued updated guidance related to fair value measurements and disclosures, which requires a reporting entity to disclose separately, a reconciliation for fair value measurements using material unobservable inputs (Level 3) information about purchases, sales, issuances and settlements (that is, on a gross basis rather than one net number). The updated guidance is effective for interim or annual financial reporting periods beginning after December 15, 2010 and for interim periods within the fiscal year. Management does not expect the adoption of this standard will have a material impact on our consolidated financial statements.

Results of Operations

Overview

The majority of our revenues are associated with U.S. residential real estate and mortgage transactions and servicing. For the year ended December 31, 2010, 56.0% of our revenues related to real estate mortgage origination and non-default related servicing. Approximately 37.0% of our operating revenues in 2010 were generated by the ten largest United States mortgage originators. Based on statistics published by the Mortgage Bankers' Association ("MBA") and data from significant mortgage originators, we estimate that total mortgage originations decreased approximately 22.5% in 2010 compared to 2009, and increased 26.1% in 2009 compared to 2008. Moreover, MBA estimates that mortgage applications declined 10.5% in 2010 compared to 2009 and increased 14.5% in 2009 compared to 2008. Given that many of our origination-related products and services are provided early in the origination cycle, application volumes are a leading demand indicator. Due to the continued economic weakness, uncertainty on interest rates, and factors such as the cessation of the first-time homebuyers' tax credit, we expect the level of aggregate United States mortgage originations to remain under pressure for the foreseeable future.

We believe that the volume of real estate transactions is primarily affected by real estate prices, the availability of funds for mortgage loans, mortgage interest rates and the overall state of the U.S. economy. Additionally, measures taken by the federal government to stimulate the purchase of residential property helped increase transaction levels in early 2010. The first-time homebuyer's tax credit expired in April 2010, and there has been a decrease in residential sales activity since that expiration.

Based on our internal estimates, the level of loans seriously delinquent (loans delinquent 90 days or more) or in foreclosure was approximately 16.2% higher on December 31, 2010 compared to December 31, 2009 and was 65.9% higher on December 31, 2009, compared to December 31, 2008. Notwithstanding the prospect for short-term declines due to moratoria and the resolution by mortgage servicers of foreclosure documentation issues, based on our internal analysis and market estimates, we believe that the inventory of seriously delinquent mortgage loans and loans in foreclosure will continue to grow, which we believe will have a positive effect on our default-related revenues.

Business and information services segment operating revenues decreased 2.1% in 2010 compared to 2009 due to lower loan origination activity partially offset by the increase in default-related activity in the same period. Data and analytics segment operating revenues increased 4.0% in 2010 compared to 2009, as a result of higher levels of credit and risk management-related activity. Business and information segment operating revenues improved 21.3% in 2009 compared to 2008, due primarily to higher mortgage loan origination activity in 2009. Data and analytics segment operating revenues declined by 6.5% in 2009 compared to 2008 mainly due to lower property information and risk subscription revenues stemming from weakness in the residential real estate and securitization markets.

Our total operating expense decreased 4.2% in 2010 compared to 2009 and increased 6.0% in 2009 compared to 2008. GAAP requires that we include all of the corporate costs of FAC up to the Separation date in our income statement. For 2010, those net expenses totaled approximately $69.0 million (including Separation-related expenses of approximately $29.3 million) as compared to $95.9 million in 2009 (including Separation-related expenses totaling approximately $8.6 million), and $122.3 million in 2008. Included in operating expenses for 2008 was a goodwill impairment charge of $19.7 million related to our marketing services reporting unit recorded due to declines in the fair value of that business group.

The effective income tax rate (total income tax expense related to income from continuing operations as a percentage of income from continuing operations before income taxes) was 41.2% for 2010, 33.6% for 2009 and 44.9% for 2008. The change in the effective rate in 2010 is primarily related to non-deductible transaction costs incurred in connection with the Separation. Income taxes included in equity in earnings of affiliates were $27.7 million for 2010, $32.4

million for 2009, and $15.8 million for 2008, with the changes driven by changes in the profitability of the investments in affiliates. For purposes of segment reporting, these amounts are not reflected at the segment level but are recorded as a component of corporate and eliminations in equity in earnings of affiliates.

As discussed above, in 2010 we sold our employer and litigation services businesses and the results of operations for those businesses are included as discontinued operations for all years presented. The pre-tax loss from operations for these businesses was $168.8 million in 2010 which includes a $174 million goodwill impairment charge, compared to pre-tax income of $11.9 million in 2009, and $44.8 million in 2008. Global economic conditions, including domestic and international hiring levels, affect these businesses. According to the U.S. Department of Labor, the U.S. unemployment rate stood at approximately 9.4% at December 31, 2010, compared to 9.9% at December 31, 2009, and 5.8% at December 31, 2008.

Net income from continuing operations was $91.4 million for 2010, $120.8 million for 2009 and $34.0 million for 2008. Net income from continuing operations attributable to the Company was $53.7 million (or $0.48 per diluted share) for 2010, $63.2 million (or $0.66 per diluted share) for 2009 and net loss from continuing operations attributable to the Company was ($9.2) million (or ($0.10)) per diluted share) for 2008. Net income attributable to noncontrolling interests was $37.7 million for 2010, $57.6 million for 2009, and $43.2 million for 2008. Our net income from continuing operations for 2010 was primarily a function of (i) the impact of legacy FAC corporate costs totaling $69.0 million, (ii) a $14.5 million impairment charge on an investment in affiliate and (iii) the tax impact of the $15.9 million non-deductible Separation-related items.

The ongoing tightening of mortgage credit, delays in the default cycle and the general economic uncertainty continue to affect negatively the demand for many of our products and services. These conditions also continue to affect many of our customers. If these challenges persist for us and our customers in 2011, they could negatively affect our revenue, earnings and liquidity. For additional information related to our results of operations for each of our two reportable segments please see the discussions under “Business and Information Services,” and “Data and Analytics” below.

As mentioned above, our historical consolidated financial statements have been recast to account for FAFC and our employer and litigation services businesses as discontinued operations for all periods presented. Accordingly, we have reflected the results of operations of both as discontinued operations in the consolidated statements of operations and the consolidated statements of cash flows. The assets, liabilities and noncontrolling interests related to these businesses were reclassified and reflected as discontinued operations in the 2009 consolidated balance sheet.

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.

Business and Information Services

				2010 vs. 2009		2009 vs. 2008	
(in thousands, except percentages)	2010	2009	2008	$ Change	% Change	$ Change	% Change
Operating revenue	$892,063	$911,030	$751,087	$(18,967)	-2.1 %	$159,943	21.3 %
External cost of revenues	305,519	307,979	220,959	(2,460)	-0.8 %	87,020	39.4 %
Salaries and benefits	207,868	211,668	212,348	(3,800)	-1.8 %	(680)	-0.3 %
Other operating expenses	216,177	218,327	199,550	(2,150)	-1.0 %	18,777	9.4 %
Depreciation and amortization	22,656	25,096	23,094	(2,440)	-9.7 %	2,002	8.7 %
Total operating expenses	752,220	763,070	655,951	(10,850)	-1.4 %	107,119	16.3 %
Income from operations	139,843	147,960	95,136	(8,117)	-5.5 %	52,824	55.5 %
Total interest (expense), net	1,527	8,166	18,222	(6,639)	-81.3 %	(10,056)	-55.2 %
Gain (loss) on investment	2,170	(6,085)	31	8,255	135.7 %	(6,116)	-19729.0 %

Income (loss) from continuing operations before income taxes	$143,540	$150,041	$113,389	$(6,501)	-4.3 %	$36,652	32.3	%
Provision for income taxes	-	-	-	-	-	-	-	
Income (loss) from continuing operations before equity in earnings of affiliates	$143,540	$150,041	$113,389	$(6,501)	-4.3 %	$36,652	32.3	%
Equity in earnings of affiliates	61,650	69,602	40,858	(7,952)	-11.4 %	28,744	70.4	%
Income from continuing operations	$205,190	$219,643	$154,247	$(14,453)	-6.6 %	$65,396	42.4	%
Income from continuing operations	$205,190	$219,643	$154,247	$(14,453)	-6.6 %	$65,396	42.4	%
Depreciation and amortization	22,656	25,096	23,094	(2,440)	-9.7 %	2,002	8.7	%
Total interest, net	(1,527)	(8,166)	(18,222)	6,639	-81.3 %	10,056	-55.2	%
EBITDA	$226,319	$236,573	$159,119	$(10,254)	-4.3 %	$77,454	48.7	%

Operating Revenues

Business and information services segment operating revenues declined 2.1% in 2010 compared to 2009, and increased 21.3% in 2009 compared to 2008. Acquisition activity contributed $22.3 million in 2010 and $88.4 million in 2009, to the segment’s total operating revenues.

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Mortgage origination services group operating revenues totaled $463.0 million for 2010, $494.6 million for 2009, and $383.3 million for 2008 – representing a decrease of $31.6 million (6.4%) in 2010 compared to 2009 and an increase of $111.3 million (29.0%) in 2009 compared to 2008. Acquisition activity contributed $21.2 million in 2010 and $88.4 million in 2009 to the group's total operating revenues. The 2010 revenue decrease, resulted primarily from lower overall mortgage originations, which reduced flood certification, appraisal and tax servicing volumes. Flood certification volumes declined further due to loss of a large customer to a competitor, partially offset by growth in sales of flood data to the insurance and oil & gas industries. Appraisal volumes were also negatively affected by market consolidations and increased internal capacity at one of our major customers, partially offset by the addition of several new customers within that business. Lastly, group operating revenues were impacted by a 2.9% increase in loans under tax service contract that are under a periodic billing model. For 2009 compared to 2008, revenue increases primarily reflected market share gains in many lines of business, including appraisal and tax services, combined with increased volumes due to higher loan origination volumes primarily from refinancing.

Default and technology services group operating revenues totaled $430.0 million for 2010, $416.4 million for 2009 and $367.8 million for 2008 – increases of $13.7 million (3.3%) in 2010 compared to 2009 and of $48.6 million (13.2%) in 2009 compared to 2008. Acquisition activity contributed $1.1 million to the group's 2010 total operating revenues. Increases in foreclosures and seriously delinquent loan volumes drove 2010 and 2009 revenue growth by increasing demand for default-related products, including valuation, field and default services. In 2010, these improvements were partially offset by (i) declines in default-related valuation volumes from two of our major customers, (ii) our decision to exit some lower-margin relationships and (iii) revenue decreases in our second lien outsourcing business due to its lower servicing volumes.

External Cost of Revenues

Business and information services external cost of revenues were $305.5 million for 2010, $307.9 million for 2009 and $220.9 for 2008 – a decrease of $2.5 million (0.8%) in 2010 compared to 2009, and an increase of $87.0 million (39.4%) in 2009, compared to 2008. Acquisition activity contributed $13.2 million in 2010 and $61.4 million in 2009 to external cost of revenues.

Mortgage origination services group external cost of revenues totaled $95.5 million for 2010, $101.1 million for 2009 and $37.5 million for 2008 – a decrease of $5.6 million (5.6%) in 2010 compared to 2009, and an increase of $63.6 million (169.6%) in 2009 compared to 2008. Acquisition activity generated external cost of revenues of $13.2 million in 2010 and $61.4 million in 2009. Excluding the impact of acquisition-related volumes, the decline in external cost of revenues in 2010 compared to 2009 mainly reflects appraisal service volume declines and improved pricing for outside services. For 2009 compared to 2008, excluding the impact of acquisition activity, the increase in demand for appraisal services due to the increase in mortgage originations was the primary driver of this increase.

Default and technology services group external cost of revenues were $210.1 million for 2010, $206.9 million for 2009 and $183.5 million for 2008 – increases of $3.2 million (1.5%) for 2010 compared to 2009 and $23.4 million (12.8%) for 2009 compared to 2008. Both annual increases stemmed primarily from field service business revenue growth, offset partially by improved pricing for these services in 2010. These increases were further offset by a decline in outside fees related to default-related valuations due to the decline in volumes in that business in 2010. In 2009, increased volumes for default-related valuations due to the increase in market activity also contributed to the overall increase in external cost of revenues.

Salaries and Benefits

Business and information services segment salaries and benefits expenses were $207.9 million for 2010, $211.7 million for 2009 and $212.3 million for 2008 – decreases of $3.8 million (1.8%) for 2010 compared to 2009 and $0.7

million (0.3%) for 2009 compared to 2008. Acquisition activity generated salaries and benefits expense of $3.2 million in 2010 and $7.6 million in 2009.

Mortgage origination services group salaries and benefits were $152.3 million in 2010, $154.8 million in 2009 and $151.2 in 2008 – a decrease of 1.6% for 2010 compared to 2009 and an increase of 2.4% for 2009 compared to 2008. Acquisition activity generated $3.0 million in 2010 and $7.6 million in 2009 of salaries and benefits. Additionally, severance included in salaries and benefits totaled $1.3 million for 2010, $1.4 million for 2009 and $2.7 million for 2008. The overall net decreases, excluding the impact of severance and acquisition activity, are due to volume changes in certain businesses and overall efficiency improvements.

Default and technology services group salaries and benefits totaled $55.6 million for 2010, $56.8 million for 2009 and $61.2 million for 2008 – decreases of $1.1 million (2.0%) for 2010 compared to 2009 and $4.3 million (7.1%) for 2009 compared to 2008. Severance included in salaries and other personnel expense totaled $0.2 million in 2010, $0.4 million in 2009 and $0.6 million in 2008. The 2010 and 2009 decreases reflected (i) lower headcount at our second lien outsourcing business due to lower volumes and (ii) lower domestic headcount from continued off-shoring and other cost-containment initiatives.

Other Operating Expenses

Business and information services other operating expenses were $216.2 million for 2010, $218.3 million for 2009 and $199.6 million for 2008 – a decrease of $2.2 million (1.0%) for 2010 compared to 2009 and an increase of $18.8 million (9.4%) for 2009 compared to 2008. Acquisition activity generated $4.3 million in 2010 and $8.9 million in 2009 of other operating expenses.

Mortgage origination services group other operating expenses were $137.9 million for 2010, $136.8 million for 2009 and $124.3 million for 2008 – increases of $1.2 million (0.9%) for 2010 compared to 2009 and $12.4 million (10.0%) for 2009 compared to 2008. Acquisition activity accounted for $3.7 million and $8.9 million of other operation expenses for 2010 and 2009. After consideration of other operating expenses contributed by acquisition activity, the decline in other operating expenses was primarily due to lower tax service loss experience levels and lower operating costs due to efficiency improvements, partially offset by higher costs for increased use of off-shore services. For 2009 compared to 2008, the increase mainly related to higher bad debt expense and higher tax service loss experience, which offset the impact of lower costs due to efficiency improvements throughout the group.

Default and technology services group other operating expenses totaled $78.8 million for 2010, $81.6 million for 2009 and $75.2 million for 2008 – a decrease of 3.4% for 2010 compared to 2009 and an increase of 8.4% for 2009 compared to 2008. The 2010 decrease stemmed primarily from margin and efficiency improvement initiatives. The 2009 increase resulted from higher operating costs incurred to meet the increased volume of default-related transactions.

Depreciation and Amortization

Depreciation and amortization expense is not a meaningful balance for the business and information services segment.

Gain (Loss) on Investment

The 2010 gain on investments primarily represents a $3.4 million gain associated with the acquisition of a controlling interest in an investment that was previously accounted for as an investment in an affiliate and was offset by a $1.9 million loss associated with the dissolution of an investment in an affiliate. The 2009 loss primarily related to $5.4 million of impairment losses on investments in affiliates.

Equity in Earnings of Affiliates

Business and information services segment equity in earnings of affiliates totaled $61.6 million for 2010, $69.6 million for 2009 and $40.9 million for 2008, the majority of which was earned by the mortgage origination services group. Changes in loan origination activity, as several of our larger investments in affiliates are national joint ventures which are involved in loan settlement services, were the primary drivers of the decrease in 2010 compared to 2009 and the increase in 2009 compared to 2008. Equity in earnings of affiliates is not a meaningful balance for the default and technology services group.

Data and Analytics

(in thousands, except percentages)	2010	2009	2008	2010 vs. 2009 $ Change	2010 vs. 2009 % Change	2009 vs. 2008 $ Change	2009 vs. 2008 % Change
Operating revenue	$704,878	$677,636	$724,442	$27,242	4.0 %	$(46,806)	-6.5 %
External cost of revenues	164,446	143,832	150,721	20,614	14.3 %	(6,889)	-4.6 %
Salaries and benefits	211,572	209,834	238,444	1,738	0.8 %	(28,610)	-12.0 %
Other operating expenses	149,037	126,660	140,449	22,377	17.7 %	(13,789)	-9.8 %
Depreciation and amortization	54,644	53,943	60,122	701	1.3 %	(6,179)	-10.3