

**ANALYSIS OF AGREEMENT CONTAINING CONSENT ORDER  
TO AID PUBLIC COMMENT  
*In the Matter of CoreLogic, Inc., File No. 131-0199***

**INTRODUCTION**

The Federal Trade Commission (“Commission”) has accepted from CoreLogic, Inc. (“CoreLogic”), subject to final approval, an Agreement Containing Consent Order (“Consent Agreement”) designed to remedy the anticompetitive effects resulting from CoreLogic’s proposed acquisition of certain assets and other interests from TPG VI Ontario 1 AIV L.P. (“TPG”). Under the terms of the Decision and Order (“Order”) contained in the Consent Agreement, CoreLogic must grant Renwood RealtyTrac LLC (“RealtyTrac”) a license for national assessor and recorder bulk data that will restore to the market a third competitor that will act independently of CoreLogic.

The Consent Agreement has been placed on the public record for 30 days to solicit comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the Consent Agreement and the comments received, and will decide whether it should withdraw from the Consent Agreement, modify it, or make the Order final.

Pursuant to a Purchase and Sale Agreement dated June 30, 2013, CoreLogic proposes to acquire certain assets and other interests from TPG, including its DataQuick Information Systems, Inc. (“DataQuick”) national real property public records bulk data business, for \$661 million (the “acquisition”). The Commission’s Complaint alleges that the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, by substantially lessening competition in the market for national assessor and recorder bulk data.

**THE PARTIES**

CoreLogic, a publicly-traded company headquartered in Irvine, California, provides real property information, analytics, and services through a host of products tailored to the needs of customers in the lending, investment, and real estate industries. As part of its Data and Analytics segment, CoreLogic collects, maintains, and offers licenses for national assessor and recorder bulk data.

Among its various assets and interests, TPG wholly owns Decision Insight Information Group, which owns DataQuick. DataQuick provides real property information, analytics, and services to the real estate, mortgage lending, and secondary investor markets in the United States. As part of its business, DataQuick offers licenses for national assessor and recorder bulk data.

## **THE RELEVANT MARKET**

The relevant product market in which to analyze the effects of the acquisition is the market for national assessor and recorder bulk data. National assessor and recorder bulk data consist of aggregated current and historical assessor and recorder data in bulk format for the vast majority of properties across the United States. National assessor and recorder bulk data offer data for all properties in covered jurisdictions in a standardized form.

Assessor and recorder data provide information regarding ownership, status, and value of properties. Assessor data consist of public record information concerning characteristics of individual real property parcels, including, but not limited to, square footage, number of bedrooms and bathrooms, sales information, history, and assessed value. Assessor data are often referred to as tax assessor or tax roll data. Recorder data consist of public record information abstracted from transactions related to real property, including, but not limited to, deeds, mortgages, liens, assignments, and foreclosures, the parties to the transaction, transfer tax, and purchase price. Assessor and recorder data and information are available from local (county or county-equivalent) government offices.

Customers integrate national assessor and recorder bulk data into proprietary programs and systems for internal analyses or to create value-added products using the data, such as risk and fraud management tools, valuation models, and consumer-oriented property websites. National assessor and recorder bulk data customers cannot use regional assessor and recorder bulk data to create reliable internal analyses or value-added products. Regional bulk data providers offer data for certain limited geographic areas in the United States. National bulk data customers could not combine the data offered by regional firms to meet their needs because it would not provide the required geographic scope.

The relevant geographic market in which to assess the competitive effects of the acquisition is the world. The relevant product is provided through electronic file transfer technology and can be supplied from anywhere in the world, notwithstanding the more limited geographic scope of the product itself.

## **THE STRUCTURE OF THE MARKET**

The acquisition would significantly increase concentration in an already highly concentrated market for national assessor and recorder bulk data. CoreLogic and DataQuick are

## **ENTRY CONDITIONS**

Without the Consent Agreement, entry or expansion into the market for national assessor and recorder bulk data would not occur in a timely, likely, or sufficient manner to deter or negate the anticompetitive effects of the acquisition. In order to compete effectively in the market for national assessor and recorder bulk data, a firm typically must have several years of national historical data and an ability to provide go-forward national data. It would be cost-prohibitive for a potential entrant to collect the necessary historical and go-forward data.

Firms currently offering assessor and recorder bulk data on a regional basis would not expand their historical and on-going offerings in a timely manner to provide national assessor and recorder bulk data. Regional firms could not combine their offerings to provide national assessor and recorder bulk data customers with the necessary geographic scope of data they require, nor is it likely that a firm combining the offerings of all of the regional firms could expand to offer national coverage in a timely enough manner to constrain any exercise of market power.

Finally, a potential entrant without its own historical data would not be able to enter the market for national assessor and recorder bulk data by obtaining a license from CoreLogic or Black Knight. Neither CoreLogic nor Black Knight has any incentive to offer such a license to a potential entrant that will compete against them. DataQuick has been able to obtain a license because it is unlike any other potential licensee; it owns historical data and could credibly threaten to enter the market for national assessor and recorder bulk data without a license.

## **EFFECTS OF THE ACQUISITION**

The acquisition may substantially lessen competition in the market for national assessor and recorder bulk data. The acquisition will eliminate actual, direct, and substantial competition between CoreLogic and DataQuick. Further, the acquisition may increase the likelihood and degree of coordination between CoreLogic and the only other remaining competitor, Black Knight, and the likelihood that CoreLogic will exercise market power unilaterally post-acquisition.

## **THE DECISION AND ORDER**

The Order resolves the competitive concerns raised by the acquisition by restoring to the market a third competitor. The Order requires CoreLogic to grant RealtyTrac a license that allows it to replicate DataQuick's data offerings and competitive position. The Order does this by requiring CoreLogic to provide RealtyTrac with the data, information, support, and access to customers it needs to enter successfully and compete in the market for national assessor and recorder bulk data. RealtyTrac has the relevant industry experience, reputation, and resources to enter the relevant market successfully under the terms of the Order. RealtyTrac operates an online marketplace of foreclosure real property listings and provides national foreclosure data and services to real estate consumers, investors, and professionals. As part of its business, RealtyTrac collects, maintains, and offers licenses for foreclosure data for properties throughout the United States.

The license required by the Order allows RealtyTrac to step into the shoes of DataQuick as CoreLogic's licensee. The Order requires that CoreLogic grant a license to RealtyTrac for national assessor and recorder bulk data of the "same scope and quality" as DataQuick provides its customers today. The Order requires that the license include both current and historical data and several ancillary derived data sets that DataQuick provides. The Order requires that CoreLogic offer the license to RealtyTrac for no less than 5 years, and provides that a Monitor appointed by the Commission may, if needed, extend the license for two additional one-year terms. The Commission must either approve, or waive its right to approve, any proposed modification to the license.

The license terms and post-termination right

expire on or after March 31, 2017. The Order permits these customers to switch to RealtyTrac on or after March 31, 2016.

To ensure CoreLogic's compliance with the Order, the Order provides for the appointment of a Monitor as well as a Divestiture Trustee and imposes certain compliance requirements on CoreLogic. The Order appoints Mitchell S. Pettit as Monitor to oversee CoreLogic's ongoing compliance with their obligations and responsibilities under the Order. The Order also allows the Commission to appoint a Divestiture Trustee to assign, grant, license, divest, transfer, deliver, or otherwise convey the relevant data and information. Further, CoreLogic must submit periodic compliance reports and give the Commission prior notice of certain events that might affect its compliance obligations arising from the Order. Lastly, the Order terminates after 10 years.

The purpose of this analysis is to facilitate public comment on the Consent Agreement, and it is not intended to constitute an official interpretation of the Order or to modify its terms in any way.