ANALYSIS OF AGREEMENT CONTAINING
CONSENT ORDERS TO AID PUBLIC COMMENT
In the Matter of CoreLogic Inc.
Docket No. C-4458

I.   Introduction

The Federal Trade Commission ("Commission") has accepted for public comment, subject to final approval, an Agreement Containing Consent Order ("Consent Agreement") from Respondent CoreLogic Inc. ("CoreLogic"). The Consent Agreement is intended to remedy the impact of CoreLogic's failure to comply fully with the Decision and Order previously issued in this matter.

Under the terms of the proposed Consent Agreement, CoreLogic consents to the Commission issuing an Order to Show Cause and Order Modifying Order. In the Order to Show Cause, the Commission describes the changes it proposes to make to the Decision and Order and the reasons these changes are necessary. CoreLogic disputes the allegations in the Order to Show Cause but consents to the Commission issuing the Order Modifying Order amending the Decision and Order.

The Commission has placed the proposed Consent Agreement on the public record for 30

CoreLogic's acquisition. In addition, CoreLogic is required to license and provide updated bulk data to RealtyTrac for at least five years. CoreLogic is also required to provide information and assistance to RealtyTrac so that RealtyTrac can replicate DataQuick's ability to gather, license and maintain national bulk data after RealtyTrac's license with CoreLogic expires.

The Decision and Order requires CoreLogic to enter an agreement with RealtyTrac to license the required data within 10 days of purchasing DataQuick. Sixty days after entering the license with RealtyTrac, CoreLogic was to provide DataQuick's bulk data and begin delivering updated bulk data. CoreLogic and RealtyTrac entered their license agreement on March 26, 2014.

The Order also contains a number of provisions to support RealtyTrac's efforts to maintain competition in the bulk data market. CoreLogic must allow certain legacy DataQuick customers to terminate their DataQuick contracts in order to do business with RealtyTrac, and, during a period lasting until nine months after the Divestiture Date, include a six month termination clause in all new agreements with former DataQuick bulk data customers. In addition, the Decision and Order requires CoreLogic to facilitate RealtyTrac's ability to hire experienced DataQuick employees. Finally, the Order appoints Mr. Mitchell S. Pettit as monitor to oversee CoreLogic's compliance with the Order.

IV.   The Order to Show Cause

When CoreLogic signed the Consent Agreement, it represented that it could fulfill the terms of the Decision and Order. Instead, soon after CoreLogic began delivering bulk data to RealtyTrac, RealtyTrac discovered that it was missing data that DataQuick has provided to bulk data customers. RealtyTrac continued to uncover additional missing data for at least the next 2 years. When RealtyTrac contacted CoreLogic about the missing data, CoreLogic provided the data, but at a time well after the deadline for providing data in the Order. Contrary to the requirements of the Order, CoreLogic did not proactively identify the full scope of bulk data that DataQuick had used and ensure CoreLogic was delivering this data to RealtyTrac. In addition, CoreLogic did not provide RealtyTrac, Commission staff, or the monitor with complete and accurate information regarding the manner in which DataQuick provided bulk data to customers.

CoreLogic also did not provide RealtyTrac certain data that DataQuick licensed from third parties. The Decision and Order requires CoreLogic to provide all of the bulk data that DataQuick used, including data licensed from third parties. CoreLogic agreed to this provision when it signed the Decision and Order. However, after the Commission entered the Decision and Order, CoreLogic informed Commission staff that it could not provide RealtyTrac with some of the required data because of limitations on DataQuick's rights to sublicense the data. CoreLogic offered to provide information and introductions to enable RealtyTrac to attempt to license the data from its owners. Although useful, this offer did not comply with the Decision and Order and required RealtyTrac to expend additional resources not contemplated when the Commission issued the Decision and Order.

It also appears that CoreLogic did not provide all of the support to RealtyTrac that was required by the Order. For example, CoreLogic stopped standard third party testing of an

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ancillary product, in violation of the Decision and Order, and did not tell RealtyTrac or Commission staff that it had stopped this testing. RealtyTrac subsequently discovered a quality issue with the product that CoreLogic did not discover through its internal quality control processes. The issue was ultimately resolved and third party testing resumed.

To help resolve the issue of missing data, the Monitor hired a Technical Assistant, Dr. Thomas Teague. Dr. Teague helped the Monitor develop and recommend a technical plan to (i) identify the data that CoreLogic was required to provide under the Order, (ii) provide all missing data and information to RealtyTrac, and (iii) verify that the required data and information had been provided. With the help of the Monitor, CoreLogic is in the final stages of completing this plan with RealtyTrac. After that, CoreLogic will transfer of all required information regarding DataQuick's bulk data business to RealtyTrac.

CoreLogic's actions violated the Decision and Order and interfered with its remedial goal of maintaining competition in the market affected by CoreLogic's acquisition of DataQuick. CoreLogic slowed the delivery of DataQuick's bulk data and information to RealtyTrac. Further, RealtyTrac relied on CoreLogic's inaccurate assertions that it was providing RealtyTrac with all of DataQuick's bulk data. These actions, which violated its obligations under the Order, harmed RealtyTrac's reputation and required RealtyTrac to expend technical and financial resources to uncover missing data.

V.   The Order Modifying Order

The most significant modification to the Decision and Order is a three-year extension of the period during which CoreLogic must provide updated bulk data to RealtyTrac. The initial five-year term in the Decision and Order will expire March 2019. This extension will remediate the effect of CoreLogic's delays in providing all of the required data to RealtyTrac and extend CoreLogic's obligations through March 2022.

The Order Modifying Order also adds two detailed addenda to the Decision and Order: a Technical Transfer Plan and a Service Level Addendum. The Technical Transfer Plan identifies the steps CoreLogic will take to transfer required data and information. The Service Level Addendum requires CoreLogic to meet certain data quality metrics and identifies the steps that CoreLogic must take to resolve any quality issues that arise. The Order Modifying Order also requires CoreLogic to provide prior notice before modifying the DataQuick Fulfillment Platform, which will allow the Commission to verify that CoreLogic has not altered the platform in a manner that violates the Order.

Finally, the Order Modifying Order resets two deadlines and decreases the frequency of required compliance reports. CoreLogic must provide customers early termination rights until nine months after completion of the first portion of the Technical Transfer Plan and provide technical assistance to RealtyTrac until one year after completion of the Technical Transfer Plan. The frequency of interim compliance reports is extended from every 60 days to every 90 days. This reduces the burden on CoreLogic without diminishing the ability of the staff and the Monitor to effectively monitor CoreLogic's compliance with the Decision and Order and Order Modifying Order.

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The Commission does not intend this analysis to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.