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

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

FORM 10-Q

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

For the quarterly period ended September 30, 2017

OR

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

For the transition period from to

Commission file number 001-13585

CoreLogic, Inc.
(Exact name of registrant as specified in its charter)

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

40 Pacifica, Irvine, California	92618-7471
(Address of principal executive offices)	(Zip Code)

(949) 214-1000
(Registrant’s telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark whether the registrant: is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

Yes o No x

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

On October 23, 2017 there were 82,373,826 shares of common stock outstanding.

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

(in thousands, except par value)	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 149,411	$ 72,031
Accounts receivable (less allowance for doubtful accounts of $10,149 and $8,857 as of September 30, 2017 and December 31, 2016, respectively)	278,485	269,229
Prepaid expenses and other current assets	45,802	43,060
Income tax receivable	7,039	6,905
Assets of discontinued operations	744	662
Total current assets	481,481	391,887
Property and equipment, net	453,876	449,199
Goodwill, net	2,244,183	2,107,255
Other intangible assets, net	491,072	478,913
Capitalized data and database costs, net	329,566	327,921
Investment in affiliates, net	37,425	40,809
Deferred income tax assets, long-term	1,341	1,516
Restricted cash	13,532	17,943
Other assets	87,412	92,091
Total assets	$ 4,139,888	$ 3,907,534
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 161,004	$ 168,284
Accrued salaries and benefits	82,700	107,234
Deferred revenue, current	297,128	284,622
Current portion of long-term debt	92,454	105,158
Liabilities of discontinued operations	2,014	3,123
Total current liabilities	635,300	668,421
Long-term debt, net of current	1,704,849	1,496,889
Deferred revenue, net of current	500,994	487,134
Deferred income tax liabilities, long term	130,114	120,063
Other liabilities	162,494	132,043
Total liabilities	3,133,751	2,904,550
Stockholders' equity:		
Preferred stock, $0.00001 par value; 500 shares authorized, no shares issued or outstanding	—	—
Common stock, $0.00001 par value; 180,000 shares authorized; 82,374 and 84,368 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	1	1
Additional paid-in capital	290,251	400,452
Retained earnings	812,402	724,949
Accumulated other comprehensive loss	(96,517)	(122,418)
Total stockholders' equity	1,006,137	1,002,984
Total liabilities and equity	$ 4,139,888	$ 3,907,534

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands, except per share amounts)	2017	2016	2017	2016
Operating revenues	$483,131	$523,896	$1,396,960	$1,477,644
Cost of services (excluding depreciation and amortization shown below)	244,186	275,469	745,314	785,578
Selling, general and administrative expenses	131,323	118,208	346,723	344,288
Depreciation and amortization	45,326	44,498	131,668	127,433
Total operating expenses	420,835	438,175	1,223,705	1,257,299
Operating income	62,296	85,721	173,255	220,345
Interest expense:				
Interest income	393	736	1,323	1,921
Interest expense	16,686	15,084	45,352	49,039
Total interest expense, net	(16,293)	(14,348)	(44,029)	(47,118)
Loss on extinguishment of debt and other, net	(3,095)	(20,056)	(6,513)	(17,873)
Income from continuing operations before equity in (losses)/earnings of affiliates and income taxes	42,908	51,317	122,713	155,354
Provision for income taxes	11,851	15,922	36,759	51,984
Income from continuing operations before equity in (losses)/earnings of affiliates	31,057	35,395	85,954	103,370
Equity in (losses)/earnings of affiliates, net of tax	(229)	607	(1,232)	595
Net income from continuing operations	30,828	36,002	84,722	103,965
(Loss)/gain from discontinued operations, net of tax	(74)	(936)	2,421	(998)
Gain from sale of discontinued operations, net of tax	—	—	310	—
Net income	$30,754	$35,066	$87,453	$102,967
Basic income per share:				
Net income from continuing operations	$0.37	$0.41	$1.01	$1.18
(Loss)/gain from discontinued operations, net of tax	—	(0.01)	0.03	(0.01)
Gain from sale of discontinued operations, net of tax	—	—	—	—
Net income	$0.37	$0.40	$1.04	$1.17
Diluted income per share:				
Net income from continuing operations	$0.36	$0.40	$0.99	$1.16
(Loss)/gain from discontinued operations, net of tax	—	(0.01)	0.03	(0.01)
Gain from sale of discontinued operations, net of tax	—	—	—	—
Net income	$0.36	$0.39	$1.02	$1.15
Weighted-average common shares outstanding:				
Basic	83,362	87,584	84,114	88,141
Diluted	85,090	89,188	85,840	89,701

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands)	2017	2016	2017	2016
Net income	$30,754	$35,066	$87,453	$102,967
Other comprehensive income/(loss)				
Market value adjustments to marketable securities, net of tax	—	(463)	—	(550)
Market value adjustments on interest rate swaps, net of tax	41	365	1,621	(2,673)
Foreign currency translation adjustments	6,078	5,922	22,761	11,232
Supplemental benefit plans adjustments, net of tax	(106)	(107)	1,519	(320)
Total other comprehensive income	6,013	5,717	25,901	7,689
Comprehensive income	$36,767	$40,783	$113,354	$110,656

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

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

	For the Nine Months Ended September 30,	
(in thousands)	2017	2016
Cash flows from operating activities:		
Net income	$87,453	$102,967
Less: Income/(loss) from discontinued operations, net of tax	2,421	(998)
Less: Gain from sale of discontinued operations, net of tax	310	—
Net income from continuing operations	84,722	103,965
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	131,668	127,433
Amortization of debt issuance costs	4,263	4,333
Provision for bad debt and claim losses	12,268	11,064
Share-based compensation	29,558	29,859
Excess tax benefit related to stock options	—	(2,352)
Equity in losses/(earnings) of affiliates, net of taxes	1,232	(595)
Gain on sale of property and equipment	(227)	(21)
Deferred income tax	(7,038)	10,283
Loss on extinguishment of debt and other, net	6,513	17,873
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(5,655)	(36,737)
Prepaid expenses and other current assets	2,414	(8,671)
Accounts payable and accrued expenses	(40,681)	(3,393)
Deferred revenue	26,037	35,814
Income taxes	644	32,981
Dividends received from investments in affiliates	1,198	8,773
Other assets and other liabilities	21,765	(13,335)
Net cash provided by operating activities - continuing operations	268,681	317,274
Net cash provided by/(used in) operating activities - discontinued operations	3,660	(468)
Total cash provided by operating activities	$272,341	$316,806
Cash flows from investing activities:		
Purchase of subsidiary shares from noncontrolling interests	$—	$(18,023)
Purchases of property and equipment	(28,534)	(35,156)
Purchases of capitalized data and other intangible assets	(25,744)	(27,212)
Cash paid for acquisitions, net of cash acquired	(189,442)	(396,816)
Purchases of investments	—	(3,366)
Proceeds from sale of property and equipment	316	21
Proceeds from sale of investments	—	2,451
Change in restricted cash	5,481	1,990
Net cash used in investing activities - continuing operations	(237,923)	(476,111)
Net cash used in investing activities - discontinued operations	—	—
Total cash used in investing activities	$(237,923)	$(476,111)
Cash flows from financing activities:		
Proceeds from long-term debt	$1,995,000	$915,000
Debt issuance costs	(14,294)	(6,314)

Repayment of long-term debt	(1,796,661)	(647,286)
Debt extinguishment premium	—	(14,246)
Proceeds from issuance of shares in connection with share-based compensation	6,330	13,119
Payment of tax withholdings related to net share settlements	(13,629)	(9,544)
Shares repurchased and retired	(132,460)	(112,961)
Excess tax benefit related to stock options	—	2,352
Net cash provided by financing activities - continuing operations	44,286	140,120
Net cash provided by financing activities - discontinued operations	—	—
Total cash provided by financing activities	$44,286	$140,120
Effect of exchange rate on cash and cash equivalents	(1,324)	(890)
Net change in cash and cash equivalents	77,380	(20,075)
Cash and cash equivalents at beginning of period	72,031	99,090
Less: Change in cash and cash equivalents - discontinued operations	3,660	(468)
Plus: Cash swept from/(to) discontinued operations	3,660	(468)
Cash and cash equivalents at end of period	$149,411	$79,015
Supplemental disclosures of cash flow information:		
Cash paid for interest	$37,283	$45,075
Cash paid for income taxes	$45,702	$12,633
Cash refunds from income taxes	$524	$489
Non-cash investing activities:		
Capital expenditures included in accounts payable and accrued liabilities	$6,281	$4,105

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

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

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance as of December 31, 2016	84,368	$ 1	$400,452	$724,949	$ (122,418)	$1,002,984
Net income	—	—	—	87,453	—	87,453
Shares issued in connection with share-based compensation	1,006	—	6,330	—	—	6,330
Payment of tax withholdings related to net share settlements	—	—	(13,629)	—	—	(13,629)
Share-based compensation	—	—	29,558	—	—	29,558
Shares repurchased and retired	(3,000)	—	(132,460)	—	—	(132,460)
Other comprehensive income	—	—	—	—	25,901	25,901
Balance as of September 30, 2017	82,374	$ 1	$290,251	$812,402	$ (96,517)	$1,006,137

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

Note 1 – Basis of Condensed Consolidated Financial Statements

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

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts. Certain information and disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The 2016 year-end condensed consolidated balance sheet was derived from the Company's audited financial statements for the year ended December 31, 2016. Interim financial information does not require the inclusion of all the information and footnotes required by GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2016.

The accompanying unaudited condensed consolidated interim financial statements reflect all adjustments, consisting of only normal recurring items which, in the opinion of management, are necessary for a fair statement of the results of operations for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for the full year or for any future periods.

Client Concentration

We generate the majority of our revenues from clients with operations in the U.S. residential real estate, mortgage origination and mortgage servicing markets. Approximately 37% and 41% of our operating revenues for the three months ended September 30, 2017 and 2016, respectively, and 39% and 42% for the nine months ended September 30, 2017 and 2016, respectively, were generated from our top ten clients, who consist of the largest U.S. mortgage originators and servicers. One of our clients accounted for approximately 11% of our operating revenues for the three months ended September 30, 2017, and two of our customers accounted for approximately 15% and 11% of our operating revenues for the three months ended September 30, 2016. Two of our clients accounted for approximately 12% and 10% of our operating revenues for the nine months ended September 30, 2017 and 15% and 12% of our operating revenues for the nine months ended September 30, 2016.

Out-of-Period Correction

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

During 2017, we identified errors which had previously overstated our provision for income taxes by $4.3 million reflected within net income from continuing operations for the year ended December 31, 2015. As a result, we recorded out-of-period adjustments of $1.3 million and $3.0 million in the three months ended June 30, 2017 and September 30, 2017, respectively, lowering our provision for incomes taxes in both periods. We assessed the materiality of the aggregated errors and concluded that the errors were not material to the results of operations or financial condition for the current or prior annual and interim periods, and the corrections are not expected to be material to the full year results for fiscal year 2017.

Comprehensive Income

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

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other comprehensive income/(loss). The following table shows the components of accumulated other comprehensive loss, net of taxes as of September 30, 2017 and December 31, 2016:

	2017	2016
Cumulative foreign currency translation	$(95,310)	$(118,071)
Cumulative supplemental benefit plans	(4,748)	(6,267)
Net unrecognized gains on interest rate swaps	3,541	1,920
Accumulated other comprehensive loss	$(96,517)	$(122,418)

Investment in Affiliates

Investments in affiliates are accounted for under the equity method of accounting when we are deemed to have significant influence over the affiliate but do not control or have a majority voting interest in the affiliate. Investments are carried at the cost of acquisition, including subsequent impairments, capital contributions and loans from us, plus our equity in undistributed earnings or losses since inception of the investment.

We recorded equity in losses of affiliates, net of tax of $0.2 million and equity in earnings of affiliates, net of tax of $0.6 million for the three months ended September 30, 2017 and 2016, respectively, and equity in losses of affiliates, net of tax of $1.2 million and equity in earnings of affiliates, net of tax of $0.6 million for the nine months ended September 30, 2017 and 2016, respectively. For the three months ended September 30, 2017 and 2016, we recorded $2.8 million and $2.5 million, respectively, of operating revenues and $3.2 million and $2.9 million, respectively, of operating expenses related to our investment in affiliates. For the nine months ended September 30, 2017 and 2016, we recorded $6.9 million and $7.7 million, respectively, of operating revenues and $8.9 million and $8.4 million, respectively, of operating expenses related to our investment in affiliates.

In June 2017, we acquired a 45.0% interest in Mercury Network, LLC ("Mercury") for $70.0 million, which included a call option to purchase the remaining 55.0% interest within the next nine-month period. We fair-valued the call option using the Black-Scholes model at $4.6 million. In August 2017, we purchased the remaining 55.0% ownership of Mercury for an additional $83.0 million and wrote-off our related call option, which resulted in a net loss of $1.9 million within loss on extinguishment of debt and other, net, in the accompanying consolidated statement of operations for the three months ended September 30, 2017. See Note 8 - Fair Value of Financial Instruments for further discussion. Prior to our acquisition of the controlling interest, we accounted for the investment in Mercury using the equity method. As of August 2017 we completed the acquisition, see Note 11 - Acquisitions for further discussion.

Tax Escrow Disbursement Arrangements

We administer tax escrow disbursements as a service to our clients in connection with our property tax processing solutions. These deposits are maintained in segregated accounts for the benefit of our clients. Tax escrow deposits totaled $1.3 billion as of September 30, 2017 and $619.4 million as of December 31, 2016. Because these deposits are held on behalf of our clients, they are not our funds and, therefore, are not included in the accompanying condensed consolidated balance sheets.

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

Under our contracts with our clients, if we make a payment in error or fail to pay a taxing authority when a payment is due, we could be held liable to our clients for all or part of the financial loss they suffer as a result of our act or omission. We maintained claim reserves relating to incorrect disposition of assets of $21.2 million and $22.2 million as of September 30, 2017 and December 31, 2016, respectively, which is reflected in our accompanying condensed consolidated balance sheets as a component of other liabilities.

Pension Plan Buyout

We have historically offered a variety of employee benefit plans, including a defined benefit pension plan incorporated with the acquisition of RELS (the "RELS Pension Plan"). The RELS Pension Plan offered participants lump sum and annuity payment options based on a number of factors. In October 2016, RELS voted to terminate the RELS Pension Plan effective October 31, 2016.

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

Recent Accounting Pronouncements

In August 2017, Financial Accounting Standards Board ("FASB") issued guidance to amend and improve the accounting for hedging activities. The amendment eliminates the requirement to separately measure and report hedge ineffectiveness. An initial quantitative assessment to establish that the hedge is highly effective is still required but the amendment allows until the end of the first quarter it is designated to perform to prepare the assessment. After initial qualification, a qualitative assessment can be performed if the hedge is highly effective and the documentation at inception can reasonably support an expectation of high effectiveness throughout the hedge's term. The amendment requires companies to present all hedged accounting elements that affect earnings in the same income statement line as the hedged item. For highly effective cash flow hedges, fair value changes will be recorded in other comprehensive income and reclassed to earnings when the hedged item impacts earnings. The guidance is effective prospectively in fiscal years beginning after December 15, 2018. Early adoption is permitted but we do not anticipate to elect early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In May 2014, the FASB issued updated guidance on revenue recognition in order to i) remove inconsistencies in revenue requirements, ii) provide a better framework for addressing revenue issues, iii) improve comparability across entities, industries, jurisdictions, and capital markets, iv) provide more useful information through improved disclosures, and v) simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer. Under the amendment, an entity should recognize revenue to depict the transfer of promised goods or services to clients in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting treatment for the incremental costs of obtaining a contract, which would not have been incurred had the contract not been obtained. Further, an entity is required to disclose sufficient information to enable the user of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with clients. The updated guidance provides two methods of adoption: i) retrospective application to each prior reporting period presented, or ii) recognition of the cumulative effect from the retrospective application at the date of initial application. We elected the modified retrospective approach. As updated by FASB in August 2015, the guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier adoption was permitted for annual reporting periods beginning after December 15, 2016 but we did not elect early adoption. Accordingly, we will adopt the new standard as of January 1, 2018.

In adopting the updated guidance, we are implementing changes to our accounting policies, business and contract-management processes. We anticipate that our notes to the consolidated financial statements related to revenue recognition will be expanded and the most substantial change to our consolidated financial statements will be a net increase to total deferred revenue of approximately 5%, primarily within our Risk Management and Work Flow ("RMW") reporting segment, in the initial year of adoption.

The expected increase to deferred revenue is principally driven by a change in the accounting for contracts with future discounts that give rise to material rights. Under the current standard, these future discounts are recognized at a point-in-time whereas, under the updated guidance, a portion of the consideration is allocated to material rights and recognized when the future goods or services are transferred. The cumulative impact of all changes to stockholders' equity is expected to be a net reduction of approximately 5% upon implementation. Further, the updated guidance is not expected to materially impact our revenues and results of operations in the upcoming fiscal years and interim periods. However, we are still in the process of updating our systems and financial controls and continue to review the presentation of our consolidated financial statements and related disclosures required by the updated guidance.

Note 2 - Property, Equipment and Software Net

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

(in thousands)	2017	2016
Land	$7,476	$7,476
Buildings	6,487	6,293
Furniture and equipment	64,843	61,582
Capitalized software	917,825	866,398
Leasehold improvements	41,031	29,420
Construction in progress	1,461	20,613
	1,039,123	991,782
Less accumulated depreciation	(585,247)	(542,583)
Property and equipment, net	$453,876	$449,199

Depreciation expense for property and equipment was approximately $21.4 million and $21.1 million for the three months ended September 30, 2017 and 2016, respectively, and $62.1 million and $61.7 million for the nine months ended September 30, 2017 and 2016, respectively.

Note 3 – Goodwill, Net

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

(in thousands)	PI	RMW	Consolidated
Balance as of January 1, 2017			
Goodwill	$1,189,388	$925,392	$2,114,780
Accumulated impairment losses	(600)	(6,925)	(7,525)
Goodwill, net	1,188,788	918,467	2,107,255
Acquisitions	122,178	—	122,178
Translation adjustments	14,750	—	14,750
Balance as of September 30, 2017			
Goodwill, net	$1,325,716	$918,467	$2,244,183

For the nine months ended September 30, 2017, we recorded an adjustment of $5.4 million to goodwill within our Property Intelligence ("PI") reporting unit related to the finalization of our FNC, Inc. ("FNC") acquisition purchase price allocation. Further, in August 2017, we completed the acquisitions of Mercury, Myriad Development, Inc. ("Myriad") and Clareity Ventures, Inc. ("Clareity"). We recorded goodwill of $127.9 million, related to the aforementioned acquisitions, within our PI reporting unit. See Note 11 - Acquisitions for additional information. Finally, we recorded goodwill of $0.2 million within our PI reporting unit related to an acquisition that was not significant.

Note 4 – Other Intangible Assets, Net

Other intangible assets, net consist of the following:

	September 30, 2017			December 31, 2016		
(in thousands)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Client lists	$690,900	$ (292,222)	$398,678	$637,053	$ (257,787)	$379,266
Non-compete agreements	28,119	(14,434)	13,685	28,106	(11,136)	16,970
Trade names and licenses	125,136	(46,427)	78,709	121,086	(38,409)	82,677
	$844,155	$ (353,083)	$491,072	$786,245	$ (307,332)	$478,913

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Amortization expense for other intangible assets, net was $14.9 million and $13.9 million for the three months ended September 30, 2017 and 2016, respectively, and $42.9 million and $38.8 million for the nine months ended September 30, 2017 and 2016, respectively.

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

(in thousands)	
Remainder of 2017	$18,157
2018	60,457
2019	56,250
2020	55,953
2021	52,346
Thereafter	247,909
	$491,072

Note 5 – Long-Term Debt

Our long-term debt consists of the following:

(in thousands)	September 30, 2017 Gross	September 30, 2017 Debt Issuance Costs	September 30, 2017 Net	December 31, 2016 Gross	December 31, 2016 Debt Issuance Costs	December 31, 2016 Net
Bank debt:						
Term loan facility borrowings due August 2022, weighted-average interest rate of 3.24% as of September 30, 2017	$1,800,000	$(18,039)	$1,781,961	$ —	$ —	$ —
Revolving line of credit borrowings due August 2022	—	(7,036)	$(7,036)	—	—	$ —
Term loan facility borrowings due April 2020, weighted-average interest rate of 2.31% as of December 31, 2016, extinguished August 2017	—	—	—	1,298,125	(12,419)	1,285,706
Revolving line of credit borrowings due April 2020, weighted-average interest rate of 2.31% as of December 31, 2016, extinguished August 2017	—	—	—	302,000	(4,761)	297,239
Notes:						
7.55% senior debentures due April 2028	14,645	(49)	14,596	14,645	(52)	14,593
Other debt:						
Various debt instruments with maturities through 2020	7,782	—				