

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 11, 2011**

**Tree.com, Inc.**

(Exact name of registrant as specified in charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-34063**  
(Commission  
File Number)

**26-2414818**  
(IRS Employer  
Identification No.)

**11115 Rushmore Drive, Charlotte, NC**  
(Address of principal executive offices)

**28277**  
(Zip Code)

Registrant's telephone number, including area code: **(704) 541-5351**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 1.01. *Entry into a Material Definitive Agreement.***

As described in Item 2.03 below, on July 12, 2011, Tree.com, Inc. (the "Company"), through its subsidiary Home Loan Center, Inc. ("HLC") entered into two amendments to its existing warehouse line of credit with Bank of America, N.A. ("Bank of America"). The information set forth below under Item 2.03 is incorporated by reference into this Item 1.01.

As previously disclosed, the Company entered into an Asset Purchase Agreement on May 12, 2011 with Discover Bank, a wholly-owned subsidiary of Discover Financial Services. The Asset Purchase Agreement provides for the sale of substantially all of the operating assets of HLC to Discover Bank (the "Transaction"). The Transaction is expected to close by the end of 2011.

**Item 2.03. *Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.***

On July 12, 2011, HLC entered into two amendments to its existing warehouse line of credit with Bank of America. The material terms of the warehouse line of credit with Bank of America are described in the Company's most recent quarterly report on Form 10-Q filed on May 16, 2011 and the Company's current report on Form 8-K filed on July 6, 2011. The amendments extend the existing Transactions Terms Letter through September 1, 2011 and increase the minimum balance with respect to HLC's over/under account. The amendments also increase the minimum liquidity level to be maintained by HLC. Copies of each of Amendment No. 2 to the Transactions Terms Letter and Amendment No. 2 to Early Purchase Program Addendum to Loan Purchase Agreement for the facility are attached as Exhibits 10.1 and 10.2, respectively, and are incorporated by reference herein. The foregoing description of the amendments to the existing warehouse line of credit with Bank of America is qualified in its entirety by reference to the full text of such exhibits.

**Item 5.02. *Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.***

On July 11, 2011, the Compensation Committee of the Board of Directors of the Company approved a change in the compensation paid by the Company to Douglas R. Lebda, the Company's Chief Executive Officer. The approved change provides that Mr. Lebda will receive a base salary of \$275,000 per year beginning July 11, 2011. Mr. Lebda's compensation will revert to \$550,000 per year beginning January 1, 2012. Mr. Lebda also received an award of 24,642 restricted shares of Company common stock on July 11, 2011. Subject to continuing service, the shares will vest in full on January 11, 2012. The temporary modification in base salary would not affect severance payments or change in control amounts due to Mr. Lebda pursuant to Mr. Lebda's employment agreement dated October 26, 2010.

**Item 9.01. Financial Statements and Exhibits.**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.1	Amendment No. 2 to Transactions Terms Letter dated as of July 12, 2011, which supplements that certain Master Repurchase Agreement dated as of May 1, 2009 by and between Home Loan Center, Inc. and Bank of America, N.A.
10.2	Amendment No. 2 to Early Purchase Program Addendum to Loan Purchase Agreement dated as of July 12, 2011, which supplements that certain Loan Purchase Agreement by and between Bank of America, N.A. and Home Loan Center, Inc. dated April 16, 2002.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 15, 2011

**TREE.COM, INC.**

By: /s/ Christopher R. Hayek  
Christopher R. Hayek  
Senior Vice President and Chief Accounting Officer

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**EXHIBIT INDEX**

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10.2	Amendment No. 2 to Early Purchase Program Addendum to Loan Purchase Agreement dated as of July 12, 2011, which supplements that certain Loan Purchase Agreement by and between Bank of America, N.A. and Home Loan Center, Inc. dated April 16, 2002.

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**Bank of America  Home Loans**

**AMENDMENT NO. 2 TO  
TRANSACTIONS TERMS LETTER**

This AMENDMENT NO. 2 TO TRANSACTIONS TERMS LETTER (the "Amendment") is made and entered into as of July 12, 2011 by and between Bank of America, N.A. ("Buyer") and Home Loan Center, Inc. ("Seller"). This Amendment amends that certain Transactions Terms Letter by and between Buyer and Seller dated as of June 30, 2010 (the "Transactions Terms Letter"), which supplements that certain Master Repurchase Agreement by and between Buyer and Seller dated as of May 1, 2009 (as may be amended from time to time, the "Agreement").

R E C I T A L S

Buyer and Seller have previously entered into the Transactions Terms Letter and Agreement pursuant to which Buyer may, from time to time, purchase certain mortgage loans from Seller and Seller agrees to sell certain mortgage loans to Buyer under a master repurchase facility. Buyer and Seller hereby agree that the Transactions Terms Letter shall be amended as provided herein.

In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. **Expiration Date.** Buyer and Seller agree that the Expiration Date set forth within the Transactions Terms Letter shall be deleted in its entirety and replaced with the following:

"Expiration Date: Expiring on September 1, 2011"

2. **Minimum Over/Under Account Balance.** Buyer and Seller agree that the Minimum Over/Under Account Balance set forth within the Transactions Terms Letter shall be deleted in its entirety and replaced with the following:

"Minimum Over/Under  
Account Balance: \$2,250,000 (minimum of 300 basis points of the combined Aggregate Transaction Limit and the Outstanding Loan Limit set forth within Seller's EPP Addendum).

Seller to be entitled to interest on a monthly basis thereon at an annual rate of LIBOR plus the Type A Margin over 30 day LIBOR spread on the positive monthly average Over/Under Balance for the portion that is equal to or less than 20% of the average monthly outstanding Transactions for such month and; Seller to be entitled to interest on a monthly basis at an annual rate of LIBOR minus twenty five (25) basis points (0.25%) on the remaining portion of the positive monthly average Over/Under Balance that is greater than 20% but less than or equal to 75% of the average monthly outstanding Transactions for such month. For the purpose of this calculation, average outstanding Transactions shall include EPP Loans under Seller's EPP Addendum with Buyer. "LIBOR" shall mean the greater of (i) the daily rate per annum for one-month U.S. dollar denominated deposits as offered to prime banks in the London interbank market or (ii) 2%, as applicable."

3. **Financial Covenants.** Buyer and Seller agree that the Financial Covenants set forth within the Transactions Terms Letter shall be amended for Financial Covenant (b) as follows, and all other existing Financial Covenants shall remain unchanged:

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- (b) Minimum Liquidity: Seller to maintain unrestricted cash or unrestricted Cash Equivalents in a minimum amount equal to 40% of Seller's Tangible Net Worth, inclusive of the Over/Under Account Balance and available draws from Warehouse and Repurchase facilities. By way of example but not limitation, cash in escrow and/or impound accounts shall not be included in this calculation.

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4. **No Other Amendments; Conflicts with Previous Amendments.** Other than as expressly modified and amended herein, the Transactions Terms Letter shall remain in full force and effect and nothing herein shall affect the rights and remedies of Buyer as provided under the Transactions Terms Letter and Agreement. To the extent any amendments to the Transactions Terms Letter contained herein conflict with any previous amendments to the Transactions Terms Letter, the amendments contained herein shall control.

5. **Capitalized Terms.** Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the Agreement.

6. **Facsimiles.** Facsimile signatures shall be deemed valid and binding to the same extent as the original.

IN WITNESS WHEREOF, Buyer and Seller have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first written above. Buyer shall have no obligation to honor the terms and conditions of this Amendment if Seller fails to fully execute and return this document to Buyer within thirty (30) days after the date hereof.

BANK OF AMERICA, N.A.

HOME LOAN CENTER, INC.

By: /s/ Rayanthi De Mel

By: /s/ Rian Furey

Name: Rayanthi De Mel  
Title: Assistant Vice President  
Bank of America, N.A.

Name: Rian Furey  
Title: SVP & COO

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**AMENDMENT NO. 2 TO  
EARLY PURCHASE PROGRAM ADDENDUM TO LOAN PURCHASE AGREEMENT**

This Amendment No. 2 is made and entered into as of July 12, 2011 by and between Bank of America, N.A. ("Bank of America") and Home Loan Center, Inc. ("Seller"). This Amendment amends that certain Early Purchase Program Addendum to Loan Purchase Agreement by and between Bank of America and Seller dated May 1, 2009 (the "EPP Addendum"), which such EPP Addendum supplements that certain Loan Purchase Agreement by and between Bank of America and Seller dated April 16, 2002 (including all the Commitments, Amendments, Addenda, Assignments of Trade and Assignments thereto, collectively, the "Loan Purchase Agreement").

RECITALS

Bank of America and Seller have previously entered into the EPP Addendum pursuant to which Seller may sell certain loans to Bank of America prior to delivery of certain mortgage loan documents. Bank of America and Seller hereby agree that the EPP Addendum shall be amended as provided herein.

In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank of America and Seller hereby agree as follows:

1. **Exhibit J - Minimum Balance for Over/Under Account.** Bank of America and Seller agree that the Minimum Balance for Over/Under Account set forth within Exhibit J shall be amended as follows. Any such balance maintained by Seller under the terms of the Repurchase Agreement shall be credited against the amount required to be maintained by Seller hereunder.  
  
"Minimum Balance for Over/Under Account: \$2,250,000"
2. **No Other Amendments.** Other than as expressly modified and amended herein, the EPP Addendum and Loan Purchase Agreement shall remain in full force and effect and nothing herein shall affect the rights and remedies of Bank of America as provided under the EPP Addendum and Loan Purchase Agreement.
3. **Capitalized Terms.** Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the EPP Addendum or Loan Purchase Agreement, as applicable.
4. **Facsimiles.** Facsimile signatures shall be deemed valid and binding to the same extent as the original.

IN WITNESS WHEREOF, Bank of America and Seller have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first written above.

**BANK OF AMERICA, N.A.**

**HOME LOAN CENTER, INC.**

By: /s/ Rayanthi De Mel  
Name: Rayanthi De Mel  
Title: Assistant Vice President  
Bank of America, N.A.

By: /s/ Rian Furey  
Name: Rian Furey  
Title: SVP & COO