

Prospectus Supplement No. 2 to
Prospectus Dated August 12, 2011

Tree.com, Inc.

3,678,664 Shares of Common Stock, Par Value \$0.01 Per Share

This prospectus supplement no. 2 supplements and amends information in the prospectus dated August 12, 2011 (the "Prospectus"). You should read this prospectus supplement in conjunction with the Prospectus. This supplement is qualified by reference to the Prospectus, except to the extent that the information herein supersedes the information contained in the Prospectus.

This prospectus supplement includes our Current Report on Form 8-K dated and filed August 30, 2011 (other than the portions of such documents, if any, furnished to the Securities and Exchange Commission but not deemed to have been "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended).

As indicated under "Risk Factors" on page 4 of the Prospectus, in reviewing this prospectus supplement and the Prospectus, you should carefully consider the risks beginning on page 4 of the Prospectus and in any prospectus supplements to the Prospectus dated prior to the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

This supplement is part of the Prospectus and must accompany the Prospectus to satisfy prospectus delivery requirements under the Securities Act of 1933, as amended.

This date of this prospectus supplement is August 30, 2011.

**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): **August 26, 2011**

Tree.com, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

00134063
(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**

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 5.07. Submission of Matters to a Vote of Security Holders

A special meeting of stockholders of Tree.com, Inc. (the "Company") was held on August 26, 2011 (the "Special Meeting"). At the Special Meeting the following matters were considered: (i) a proposal to approve the sale of substantially all of the operating assets of Home Loan Center, Inc. ("HLC"), a subsidiary of the Company, to Discover Bank as contemplated by the asset purchase agreement dated May 12, 2011 by and among the Company, and its wholly-owned subsidiaries, LendingTree, LLC, HLC and HLC Escrow, Inc., on the one hand, and Discover Bank on the other hand (the "HLC Asset Sale Proposal"); (ii) a proposal to consider and provide an advisory, non-binding vote on the payment of certain compensation to the Company's named executive officers that is based on or otherwise related to the HLC Asset Sale Proposal (the "HLC Transaction-Related Compensation Arrangements Proposal"); and (iii) a proposal to approve the adjournment or postponement of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to approve the HLC Asset Sale Proposal (the "Proposal to Adjourn or Postpone the Special Meeting").

Each proposal is described in more detail in the Proxy Statement.

Proposal 1. HLC Asset Sale Proposal

For	Against	Abstentions	Broker Non-Votes
8,510,763	25,157	769	0

Proposal 2. HLC Transaction-Related Compensation Arrangements Proposal

For	Against	Abstentions	Broker Non-Votes
7,867,347	573,372	95,970	0

Proposal 3. Proposal to Adjourn or Postpone the Special Meeting

For	Against	Abstentions	Broker Non-Votes
8,459,832	75,882	975	0

The adjournment or postponement of the Special Meeting was not necessary because there were sufficient votes at the time of the Special Meeting to approve the HLC Asset Sale Proposal.

The asset sale with Discover Bank remains subject to various closing conditions, including regulatory approvals for Discover Bank. The acquisition is expected to close by the end of 2011.

SIGNATURES

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

Date: August 30, 2011

TREE.COM, INC.

By: /s/ Katharine F. Pierce
Katharine F. Pierce
Assistant General Counsel and Corporate Secretary