

**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): **June 29, 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))

Item 1.01. Entry into a Material Definitive Agreement.

As described in Item 2.03 below, on June 29, 2011, Tree.com, Inc. (the "Company"), through its subsidiary Home Loan Center, Inc. ("HLC") entered into amendments to its existing agreements relating to the warehouse lines of credit with each of JPMorgan Chase Bank, N.A. ("JPMorgan Chase") and 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 June 29, 2011, HLC entered into amendments to its existing agreements relating to the warehouse line of credit with JPMorgan Chase. The material terms of the warehouse line of credit with JPMorgan Chase are described in the Company's most recent quarterly report on Form 10-Q filed on May 16, 2011. The amendments modify certain definitions and other provisions in order to accommodate the Transaction. The amendments also alter the types of mortgages eligible for purchase under the facility to exclude certain mortgage loans with a purchase date aged between forty-five and sixty days. In addition, the amendments revise certain financial covenants contained in the facility with respect to maintenance of pledged cash requirements, pre-tax net income requirements, permissible net losses before taxes and minimum adjusted tangible net worth requirements. The amendments also restrict HLC's ability to make distributions or dividends. A copy of Amendment No. 6 to the Master Repurchase Agreement and the related Fourth Amendment to the Side Letter for the facility are attached as Exhibits 10.1 and 10.2, respectively, and are incorporated by reference herein. The foregoing description of Amendment No. 6 to the Master Repurchase Agreement and the Fourth Amendment to the Side Letter is qualified in its entirety by reference to the full text of such exhibits.

On June 29, 2011, HLC also entered into an amendment to its existing agreements relating to the 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. The amendment extends the existing Transaction Terms Letter from June 29, 2011 to July 13, 2011 and revises certain financial covenants contained in the facility with respect to maintenance of pre-tax net income requirements and minimum tangible net worth requirements. In addition, the amendment restricts HLC's ability to make distributions or pay dividends. A copy of Amendment No. 1 to the Transaction Terms Letter for the facility is attached as Exhibit 10.3 and is incorporated by reference herein. The foregoing description of Amendment No. 1 to the Transaction Terms Letter for the facility is qualified in its entirety by reference to the full text of such exhibit.

Item 9.01. Financial Statements and Exhibits.

Exhibit Number	Exhibit Description
10.1	Amendment No. 6 to Master Repurchase Agreement, dated as of June 29, 2011, by and between Home Loan Center, Inc. and JPMorgan Chase Bank, N.A.
10.2	Fourth Amendment to Side Letter, dated as of June 29, 2011, with respect to the Home Loan Center, Inc. warehouse facility with JPMorgan Chase Bank, N.A.
10.3	Amendment No. 1 to Transaction Terms Letter dated as of June 29, 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.

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 6, 2011

TREE.COM, INC.

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

EXHIBIT INDEX

Exhibit Number	Exhibit Description
10.1	Amendment No. 6 to Master Repurchase Agreement, dated as of June 29, 2011, by and between Home Loan Center, Inc. and JPMorgan Chase Bank, N.A.
10.2	Fourth Amendment to Side Letter, dated as of June 29, 2011, with respect to the Home Loan Center, Inc. warehouse facility with JPMorgan Chase Bank, N.A.
10.3	Amendment No. 1 to Transaction Terms Letter dated as of June 29, 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.

AMENDMENT NO. 6 TO MASTER REPURCHASE AGREEMENT

Dated as of June 29, 2011

Between:

HOME LOAN CENTER, INC., as Seller

and

JPMORGAN CHASE BANK, N.A., as Buyer

1. This Amendment

The Parties agree hereby to amend the Master Repurchase Agreement dated October 30, 2009 between them (the “**Original MRA**”, as amended by Letter Agreement dated November 27, 2009, Amendment No. 1 to Master Repurchase Agreement dated March 11, 2010, Amendment No. 2 to Master Repurchase Agreement dated March 11, 2010, Amendment No. 3 to Master Repurchase Agreement dated July 22, 2010, Amendment No. 4 to Master Repurchase Agreement dated October 29, 2010, Amendment No. 5 to Master Repurchase Agreement dated March 31, 2011 and as further supplemented, amended or restated from time to time, the “**MRA**”) to provide for certain changes to the MRA on the terms and conditions set forth herein, and they hereby amend the MRA as follows.

All capitalized terms used in the MRA and used, but not defined differently, in this amendment (this “**Amendment**”) have the same meanings here as there.

The Paragraphs of this Amendment are numbered to correspond with the numbers of the Paragraphs in the MRA amended hereby and are accordingly often nonsequential.

2. Definitions; Interpretation

A. The following additional definition is hereby added to Paragraph 2(a) of the MRA, in alphabetical order:

“**Discover Financial Transaction**” means the sale by Seller of substantially all of the operating and related assets of Seller (other than Mortgage Assets, which are the property of Buyer subject to Seller’s absolute obligation to repurchase them pursuant to the terms of this Agreement) to Discover Bank on substantially the same terms as set forth in that certain Asset Purchase Agreement by and among Tree.com, Inc., Home Loan Center, Inc., LendingTree, LLC, HLC Escrow, Inc. and Discover Bank dated May 12, 2011 (as last presented to Buyer prior to the date of Amendment No. 6 to this Agreement).

B. The definition of “Aged Loan” is hereby deleted from Paragraph 2(a) of the MRA. Aged Loans (as defined in such deleted definition) shall no longer be deemed Eligible Mortgage Loans.

1

C. The definition of “**Eligible Mortgage Loan**” in Paragraph 2(a) of the MRA is hereby amended to (1) replace clause (v) thereof with clause (v) below and (2) replace clause (xxv) thereof with clause (xxv) below:

(v) that has a scheduled Repurchase Date not later than the following number of days after the Purchase Date for the initial Transaction to which that Mortgage Loan was subject:

<u>Type of Mortgage Loan</u>	<u>Number of days</u>
Conventional Conforming Loan	45
Government Loan that is not an RHS Loan	45
RHS Loan	45
CL Jumbo Loan	15

(xxv) Intentionally Omitted;

D. The definition of “**Repurchase Date**” in Paragraph 2(a) of the MRA is hereby amended in its entirety to read as follows:

“**Repurchase Date**” means, with respect to each Transaction, the date on which Seller is required to repurchase from Buyer the Purchased Mortgage Loans that are subject to that Transaction. The Repurchase Date shall occur (i) for Transactions terminable on a date certain, on the date specified in the Confirmation, (ii) for Transactions to be terminable on demand, the earlier to occur of (a) the date specified in Buyer’s demand or (b) the date specified in the Confirmation on which Seller is required to repurchase the Purchased Mortgage Loans if no demand is sooner made and (iii) for repurchases of Defective Mortgage Loans under Paragraph 3(h), the Early Repurchase Date; provided that in any case, the Repurchase Date with respect to each Transaction shall occur no later than the earlier of (1) the Termination Date and (2) (i) for each CL Jumbo Loan purchase Transaction, the date that is fifteen (15) days after the Purchase Date of such Transaction or (ii) for each Transaction of any other type of Purchased Mortgage Loan, the date that is forty-five (45) days after the Purchase Date of such Transaction.

E. The definition of “**Termination Date**” in Paragraph 2(a) of the MRA is hereby amended in its entirety to read as follows:

“**Termination Date**” means the earliest of (i) the Business Day, if any, that Seller designates as the Termination Date by written notice to Buyer given at least thirty (30) days prior to such date, (ii) the date of declaration of the Termination Date pursuant to Paragraph 12(b), (iii) the

Financial Transaction and (v) October 28, 2011, as that date may be extended by written agreement of Buyer and Seller.

3. Initiation; Confirmations; Termination

A. The first sentence of Paragraph 3(a) of the MRA is hereby amended in its entirety to read as follows:

“Any agreement to enter into a Transaction shall be made in writing at the initiation of Seller through the CMWF Web prior to the earlier of (i) the date of the closing of the Discover Financial Transaction or (ii) the Termination Date.”

B. The fourth sentence of Paragraph 3(b) of the MRA is hereby amended in its entirety to read as follows:

“Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, Buyer shall have no obligation to enter into any Transaction on or after the earlier of (i) the date of the closing of the Discover Financial Transaction or (ii) the Termination Date.”

5. Accounts; Income Payments

A. The first grammatical sentence of Paragraph 5(b) of the MRA is hereby amended in its entirety to read as follows:

“Seller shall deposit into the Cash Pledge Account sums sufficient to cause the amount on deposit therein to be at all times an amount equal to (i) \$1,500,000 on and after the effective date of Amendment No. 6 to this Master Repurchase Agreement, (ii) \$3,000,000 on and after September 1, 2011 and (iii) \$4,000,000 on and after the date of the closing of the Discover Financial Transaction (each such sum, herein the “**Required Amount**”).”

7. Conditions Precedent

A. Paragraph 7(b)(v) of the MRA is hereby amended in its entirety to read as follows:

“(v) this Agreement and each of the other Transaction Documents shall remain in full force and effect, and neither the closing of the Discover Financial Transaction nor the Termination Date shall have occurred;”

11. Seller’s Covenants.

A. Paragraph 11(h) of the MRA is hereby amended in its entirety to read as follows:

(h) Limits on Distributions. Seller shall not, and shall not permit any of its Subsidiaries to, pay, make or declare or incur any liability to pay, make or declare at any time any dividend (excluding stock dividends) or other distribution,

direct or indirect, on or on account of any shares of its stock (or equivalent equity interest) or any redemption or other acquisition, direct or indirect, of any shares of its stock (or equivalent equity interest) or of any warrants, rights or other options to purchase any shares of its stock (or equivalent equity interest), nor purchase, acquire, redeem or retire any stock (or equivalent equity interest) in itself whether now or hereafter outstanding (each such action, a “**Restricted Payment**”). Notwithstanding the foregoing, after the closing of the Discover Financial Transaction, Seller may make Restricted Payments provided (i) no Default or Event of Default shall be continuing and no Default or Event of Default would occur as a result of such payment, and (ii) after giving effect to such Restricted Payment, Seller’s unencumbered Liquidity (which “unencumbered Liquidity”, for this purpose, includes any cash specifically set aside by Seller to pay or cover any loan loss obligations) shall be an aggregate amount equal to the sum of (a) 3% of actual total assets of Seller plus (b) the amount of Seller’s outstanding loan loss obligations as shown on Seller’s most recent balance sheet.

B. Paragraph 11(m) of the MRA is hereby amended in its entirety to read as follows:

(m) Limitation on Sale of Assets. Except for a sale of all of the assets of Seller (other than Mortgage Assets, which are the property of Buyer subject to Seller’s absolute obligation to repurchase them pursuant to the terms of this Agreement) to Discover Bank pursuant to the Discover Financial Transaction, Seller shall not convey, sell, lease, assign, transfer or otherwise dispose of (collectively, “**Transfer**”), all or substantially all of its property, business or assets (including, without limitation, receivables and leasehold interests) whether now owned or hereafter acquired or allow any of its Subsidiaries to Transfer all or substantially all of its assets to any Person; provided, that Seller may, after at least ten (10) days’ prior written notice to Buyer, allow such action with respect to any Subsidiary which is not a material part of Seller’s overall business operations.

C. Paragraph 11(x)(ii) of the MRA is hereby amended in its entirety to read as follows:

(ii) Minimum Adjusted Tangible Net Worth. Seller shall not permit the Adjusted Tangible Net Worth of Seller (and, if applicable, its Subsidiaries, on a consolidated basis), computed as of the end of each calendar month, to be less than \$20,000,000.

D. Paragraph 11(x)(v) of the MRA is hereby amended in its entirety to read as follows:

(v) Intentionally Omitted.

E. Paragraph 11(x)(viii) of the MRA is hereby amended in its entirety to read as follows:

(viii) Net Losses. Seller shall not permit its net loss before taxes to be greater than \$9,500,000 for the calendar quarter ending March 31, 2011, to be

4

greater than \$10,700,000 for the calendar quarter ending June 30, 2011, or to be greater than \$2,500,000 for any calendar quarter thereafter.

F. Paragraph 11(aa) of the MRA is hereby amended in its entirety to read as follows:

(aa) Management Change. Seller will notify Buyer in writing within thirty (30) days after any of Douglas Lebda (chairman and chief executive officer of the Parent), David Norris (president of the Seller), or Rian Furey (senior vice president, secondary marketing of Seller) shall cease for any reason whatsoever, including death or disability, to be, and to continuously perform the duties of the office identified in parentheses following such person's name (such an occurrence being referred to herein as a "**Change in Management**"). If Buyer reasonably disapproves of any Change in Management, Buyer shall give written notice of its disapproval within thirty (30) days after its receipt of Seller's notice together with Buyer's recommendations for resolving such Change in Management to Buyer's satisfaction. If Seller does not resolve such Change in Management to Buyer's satisfaction within thirty (30) days after Buyer's notice of disapproval, Buyer may accelerate the Termination Date by giving written notice of the accelerated Termination Date to Seller. If any successor satisfactory to Buyer shall have been elected or appointed in connection with a Change in Management, then the name of such successor or successors shall be deemed to have been inserted in place of Douglas Lebda, David Norris, or Rian Furey, as applicable, in this paragraph. Buyer consents to David Norris and Rian Furey ceasing to hold the offices of president of the Seller and senior vice president, secondary marketing of Seller, respectively, after the closing of the Discover Financial Transaction, so long as each of David Norris and Rian Furey are engaged by Seller on an ongoing basis to manage the continued operations of Seller and the performance of Seller's obligations under this Agreement.

Exhibit C

Exhibit C is amended to (i) replace "\$25,000,000" with "\$20,000,000" in Item II (the "Required Minimum Adjusted Tangible Net Worth"), (ii) replace Item VIII (Net Income) with Item VIII below and (iii) replace Item IX (Net Losses) with Item IX below:

VIII. Intentionally Omitted.

IX. NET LOSSES (tested each calendar quarter)

Net losses for calendar quarter	\$
Maximum permitted	\$9,500,000 for the calendar quarter ending March 31, 2011, \$10,700,000 for the calendar quarter ending June 30, 2011, \$2,500,000 for each calendar quarter after June 30, 2011.

5

In compliance? Yes No

[Signature Page Follows]

6

As amended hereby, the MRA remains in full force and effect, and the Parties hereby ratify and confirm it.

JPMORGAN CHASE BANK, N.A.

By: /s/ Daniela Aranguren
Daniela Aranguren,
Underwriter

HOME LOAN CENTER, INC.

By: /s/ Rian Furey
Name: Rian Furey
Title: Senior Vice President

[Signature Page to Amendment No. 6 to Master Repurchase Agreement]



June 29, 2011

Home Loan Center, Inc.
163 Technology Drive
Irvine, California 92618

Attention: Mr. Rian Furey

Re: Master Repurchase Agreement, dated as of October 30, 2009, between JPMorgan Chase Bank, N.A., as Buyer, and Home Loan Center, Inc., as Seller and the related Side Letter of even date therewith

Ladies and Gentlemen:

This letter (this "Fourth Amendment to Side Letter") amends, for the fourth time, the Side Letter dated October 30, 2009 (the "Original Side Letter") that was executed concurrently with the captioned Master Repurchase Agreement (as amended by Letter Agreement dated November 27, 2009, Amendment No. 1 to Master Repurchase Agreement dated March 11, 2010, Amendment No. 2 to Master Repurchase Agreement dated March 11, 2010, Amendment No. 3 to Master Repurchase Agreement dated July 22, 2010, Amendment No. 4 to Master Repurchase Agreement dated October 29, 2010, Amendment No. 5 to Master Repurchase Agreement dated March 31, 2011, and Amendment No. 6 to Master Repurchase Agreement dated of even date herewith, collectively, the "Agreement"). Reference is here made to the Original Side Letter (as previously amended by that certain Amendment No. 1 to Side Letter dated March 11, 2010, that certain Second Amendment to Side Letter dated October 29, 2010, that certain Third Amendment to Side Letter dated March 31, 2011, and as amended hereby, the "Side Letter") and the Agreement for all purposes. Capitalized terms defined in the Side Letter or the Agreement and used but not defined differently in this Fourth Amendment to Side Letter have the same meanings here as in the Side Letter and the Agreement.

The Seller has requested, and the Buyer has agreed to make certain changes to the Side Letter. For good and valuable consideration received by each Party from the other Party, the receipt and sufficiency of which are hereby acknowledged, effective as of the date of this Fourth Amendment to Side Letter, Buyer and Seller hereby amend the Side Letter as follows (paragraphs below are numbered to correspond to the number of the paragraph in the Original Side Letter and consequently are sometimes numbered nonsequentially):

2. Purchase Price. Paragraph 2 of the Side Letter is amended in its entirety to read as follows:

For purposes of the Agreement and all other Transaction Documents, "Purchase Price" means, on any date:

- (a) for any CL Loan except Investor Loans, ninety-seven percent (97%) of the lowest on that day of its (i) Outstanding Principal Balance, (ii) Market Value, and (iii) Takeout Value;
- (b) for any CL Jumbo Loan, ninety-three percent (93%) of the lowest on that day of its (i) Outstanding Principal Balance, (ii) Market Value, and (iii) Takeout Value;
- (d) for any Investor Loan, ninety-five percent (95%) of the lowest on that day of its (i) Outstanding Principal Balance, (ii) Market Value, and (iii) its Takeout Value; and
- (e) for any other Eligible Mortgage Loan, ninety-five percent (95%) of the lowest on that day of its (i) Outstanding Principal Balance, (ii) Market Value, and (iii) Takeout Value.

4. Margin Percentage. Paragraph 4 of the Side Letter is amended in its entirety to read as follows:

For purposes of the Agreement and all other Transaction Documents, "Margin Percentage" means, on any date:

- (a) for any CL Loan except Investor Loans, ninety-seven percent (97%);
- (b) for any Investor Loan, ninety-five percent (95%);
- (c) for any CL Jumbo Loan, ninety-three percent (93%); and
- (d) for any other Eligible Mortgage Loan (including Non-CL Loans), ninety-five percent (95%).

The Parties hereby ratify and confirm the Agreement and, as further amended hereby, the Side Letter, to be in full force and effect.

Please confirm our mutual agreement as set forth herein and acknowledge receipt of this Fourth Amendment to Side Letter by executing the enclosed copy of this letter and returning it to JPMorgan Chase Bank, N.A., 712 Main Street, 9th Floor, Houston, Texas 77002, Attention: Mr. John Greene (email john.r.greene@jpmchase.com or fax (713) 216-2818). If you have any questions concerning this matter, please contact me by email, or by phone at (713) 216-0255.

Very truly yours,

JPMORGAN CHASE BANK, N.A.,
as Buyer

By: /s/ Daniela Aranguren
Daniela Aranguren
Underwriter

CONFIRMED AND ACKNOWLEDGED:

HOME LOAN CENTER, INC.,
as Seller

By: /s/ Rian Furey
Name: Rian Furey
Title: Senior Vice President

Bank of America Home Loans

AMENDMENT NO. 1 TO TRANSACTIONS TERMS LETTER

This AMENDMENT NO. 1 TO TRANSACTIONS TERMS LETTER (the "Amendment") is made and entered into as of June 29, 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 July 13, 2011"

2. **Financial Covenants.** Buyer and Seller agree that the Financial Covenants set forth within the Transactions Terms Letter shall be amended for Financial Covenants (a), (d) and (f) as follows, and all other existing Financial Covenants shall remain unchanged:
 - "(a) Minimum Tangible Net Worth (calculated per HUD guidelines): \$20,000,000."

 - "(d) Net Income: Seller shall show positive pre-tax net income, on a quarterly basis, with the exception of the quarter ending June 30, 2011, in which Seller's pre-tax losses shall not exceed \$12,200,000."

 - "(f) Payment of Dividends: Seller may not, without the prior written consent of Buyer, (a) declare or pay dividends upon its shares of stock now or hereafter outstanding, including dividends payable in the capital stock of Seller, or make any distribution of assets to its shareholders, whether in cash, property or securities, or (b) acquire, purchase, redeem or retire shares of its capital stock now or hereafter outstanding for value."

3. **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.

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

5. **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

Name: Rian Furey

Title: Assistant Vice President

Title: Senior Vice President