

Altisource Portfolio Solutions S.A.
Form 8-K
August 06, 2014

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 1, 2014**

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

(Exact name of Registrant as specified in its charter)

Luxembourg
(State or other jurisdiction of
incorporation)

001-34354
(Commission File Number)

98-0554932
(I.R.S. Employer
Identification No.)

40, avenue Monterey

L-2163 Luxembourg

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Grand Duchy of Luxembourg

(Address of principal executive offices including zip code)

+352 2469 7900

(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

- 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.

On August 1, 2014, Altisource Portfolio Solutions S.A. (the Company), as guarantor, and its wholly-owned subsidiary, Altisource Solutions S.à r.l. (Altisource), as borrower, entered into an Amendment No. 3 to Credit Agreement (the Third Amendment) with Bank of America, N.A., as administrative agent (the Administrative Agent), and the other lenders party thereto. The Third Amendment amends the existing Credit Agreement dated as of November 27, 2012 (as previously amended and as amended by the Third Amendment, the Credit Agreement), among the Company, as guarantor, Altisource, as borrower, the Administrative Agent and the other lenders party thereto.

The Third Amendment increases the principal amount of the term loan commitments under the Credit Agreement by \$200.0 million (the Incremental Commitments). On the effective date of the Third Amendment, Bank of America, N.A., as the incremental term lender, made the Incremental Commitments available to Altisource in the form of an incremental term loan (the Incremental Term Loan), which was issued with a \$2.0 million original issue discount, resulting in gross proceeds to Altisource of \$198.0 million (the Proceeds).

The Proceeds will be used for stock repurchases and for general corporate purposes. Additionally, the Proceeds will be used to pay certain fees, commissions and expenses in connection with the Third Amendment and the transactions contemplated thereby.

Additionally, the Third Amendment modified the Credit Agreement to, among other things, (i) provide for an additional \$200.0 million incremental term loan facility accordion and (ii) increase the maximum amount of permitted Restricted Junior Payments (as defined in the Credit Agreement) by \$200.0 million.

All of the term loans outstanding under the Credit Agreement, including the Incremental Term Loan, bear interest at rates based upon, at Altisource's option, the Adjusted Eurodollar Rate or the Base Rate (each as defined in the Credit Agreement). Eurodollar Rate loans will bear interest at a rate per annum equal to the sum of (i) the greater of (x) the Adjusted Eurodollar Rate for the applicable interest period and (y) 1.00% plus (ii) a 3.50% margin. Base Rate loans will bear interest at a rate per annum equal to the sum of (i) the greater of (x) the Base Rate and (y) 2.00% plus (ii) a 2.50% margin.

The Incremental Term Loan must be repaid in equal consecutive quarterly principal installments, commencing on September 30, 2014. The aggregate amount of each quarterly scheduled principal installment of the term loans, including the Incremental Term Loan, is equal to approximately \$1.5 million. All amounts outstanding under the Credit Agreement will become due on the earlier of (i) December 9, 2020, being the seventh anniversary of the closing date of the Amendment No. 2 to Credit Agreement and (ii) the date on which the loans are declared to be due and owing by the Administrative Agent at the request (or with the consent) of the Required Lenders (as defined in the Credit Agreement) upon the occurrence of any event of default under the Credit Agreement.

This description of the Third Amendment and the Credit Agreement is not complete and is qualified in its entirety by reference to the Third Amendment, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference, and to the Credit Agreement in existence prior to the Third Amendment, a copy of which was attached as Exhibit 10.1 to the Company's Form 8-K filed on December 3, 2012, as amended by Amendment No. 1 to Credit Agreement, a copy of which was attached as Exhibit 10.1 to the Company's Form 8-K filed on May 13, 2013, and Amendment No. 2 to Credit Agreement, a copy of which was attached as Exhibit 10.1 to the Company's Form 8-K filed on December 11, 2013.

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

The information required by this item is included in Item 1.01 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

| Exhibit No. | Description |
|--------------------|--|
| Exhibit 10.1 | Amendment No. 3 to Credit Agreement, dated as of August 1, 2014, among Altisource Solutions S.à r.l., as borrower, Altisource Portfolio Solutions S.A., Bank of America, N.A., as Administrative Agent and incremental term lender, and the other lenders party thereto. |

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: August 6, 2014

Altisource Portfolio Solutions S.A.

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|--------|--------------------------|
| By: | /s/ Michelle D. Esterman |
| Name: | Michelle D. Esterman |
| Title: | Chief Financial Officer |