

THIRD SUPPLEMENT TO PROSPECTUS
October 28, 1998
(TO PROSPECTUS DATED SEPTEMBER 18, 1997)

The Prospectus dated September 18, 1997, as supplemented through the date hereof (the "Prospectus"), relating to the offer and sale, from time to time, by the Selling Securityholders listed therein of up to \$550,000,000 aggregate principal amount of 3% Convertible Subordinated Notes Due February 15, 2002 (the "Notes") of Cendant Corporation (the "Company") and up to 17,959,205 shares of common stock, \$.01 par value of the Company, issuable upon conversion of the Notes, is hereby supplemented as follows:

We urge you to carefully read the "Risk Factor" section appearing on page S-7, where we describe specific risks associated with the Notes.

The following entities are hereby named as Selling Securityholders as contemplated on page 29 of the Prospectus:

SELLING SECURITYHOLDER	PRINCIPAL AMOUNT OF NOTES COVERED BY THIS PROSPECTUS	NUMBER OF SHARES COVERED BY THIS PROSPECTUS
American Travellers Life Insurance Co. Convertible c/o Consecro Capital Management 11825 N. Pennsylvania Street Carmel, IN 46032	\$ 500,000	16,326
American Variable Insurance Growth- c/o Capital Research & Management Company 135 South State College Boulevard Brea, CA 92821	\$ 12,000,000	391,836
Amerisure Companies/Michigan Mutual Insurance Company c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 1,375,000	44,897
Amoco Corporation Master Trust for Employee Pension Plans c/o SSI Investment Management Inc. 357 N. Canon Drive Beverly Hills, CA 90210	\$ 1,860,000	60,734

SELLING SECURITYHOLDER	PRINCIPAL AMOUNT OF NOTES COVERED BY THIS PROSPECTUS	NUMBER OF SHARES COVERED BY THIS PROSPECTUS
Anchor Pathway Fund Growth - Income Series c/o Capital Research & Management Company 135 South State College Boulevard Brea, CA 92821	\$ 3,000,000	97,959
Associated Electric & Gas Insurance Services Limited c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 875,000	28,571
Beneficial Standard Life Insurance Co. - Convertible Fund c/o Consecro Capital Management 11825 N. Pennsylvania Street	\$ 550,000	17,959

Carmel, IN 46032

BT Alex. Brown 130 Liberty Street, 24th Floor New York, NY 10006	\$ 425,000	13,877
BT Holdings (New York) Inc. 130 Liberty Street, 24th Floor New York, NY 10006	\$ 9,000,000	293,877
Charitable Sec. Fd. c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 1,527,000	49,861
City of Birmingham Retirement & Relief System c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 1,400,000	45,714
Conseco Health Insurance Co. - Convertible c/o Conseco Capital Management 11825 N. Pennsylvania Street Carmel, IN 46032	\$ 500,000	16,326
Credit Swiss First Boston Corporation 5 World Trade Center New York, NY 10048	\$ 2,762,0001	90,187a

SELLING SECURITYHOLDER	PRINCIPAL AMOUNT OF NOTES COVERED BY THIS PROSPECTUS	NUMBER OF SHARES COVERED BY THIS PROSPECTUS
Donaldson, Lufkin & Jenrette Sec. Corp. 401 City Ave, Suite 210 Bala Cynwyd, PA 19520	\$ 210,000	6,857
Dorinco Reinsurance Company c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 1,000,000	32,653
EB Convertible Sec. Fd. c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 2,460,000	80,326
Endowments c/o Capital Research & Management Company 135 South State College Boulevard Brea, CA 92821	\$ 800,000	26,122
Field Fdn of Illinois c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 50,000	1,632
Fundamental Investors, Inc. c/o Capital Research & Management Company 135 South State College Boulevard Brea, CA 92821	\$ 7,900,000	257,959
GenCorp Fdn. c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 150,000	4,897
General Electric Mortgage Insurance Company c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 2,300,000	75,102
General Electric Mortgage Insurance Corporation c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 3,500,000	114,285
Genesee County Employees' Retirement System c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 400,000	13,061
Goldman, Sachs & Co. 10 Hanover Sq., 12th Floor New York, NY 10005	\$ 25,565,000a	834,775a
Great American Reserve Insurance Co. Convertible Fund c/o Consec Capital Management 11825 N. Pennsylvania Street Carmel, IN 46032	\$ 500,000	16,326
ING Baring Furman Selz 230 Park Avenue New York, NY 10169	\$ 500,000	16,326
Jefferies & Co. c/o SSI Investment Management Inc. 357 N. Canon Drive Beverly Hills, CA 90210	\$ 30,000	979

Kapiolani Health c/o SSI Investment Management Inc. 357 N. Canon Drive Beverly Hills, CA 90210	\$ 125,000	4,081
Key Tr. Convertible Sec. Fd. c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 448,000	14,628

SELLING SECURITYHOLDER	PRINCIPAL AMOUNT OF NOTES COVERED BY THIS PROSPECTUS	NUMBER OF SHARES COVERED BY THIS PROSPECTUS
Lutheran Brotherhood MS 1010 625 Fourth Avenue South Minneapolis, MN 55415	\$ 2,000,000	65,306
Merrill Lynch, Pierce Fenner and Smith, Inc. 101 Hudson Street, 10th Floor Jersey City, NJ 07302	\$ 5,435,000a	177,469a
Midwestern National Life of Ohio c/o Conseco Capital Management 11825 N. Pennsylvania Street Carmel, IN 46032	\$ 200,000	6,530
Morgan Stanley Dean Witter 1585 Broadway, 5th Floor New York, NY 10036	\$ 13,101,000a	427,787a
Nomura International PLC London Nomura House 1st Martins-Le-Grand London EC1A 4NP	\$ 5,000,000	163,265
Pacific Life Insurance Company 700 Newport Center Dr. Newport Beach, CA 92660	\$ 11,500,000	375,510
Parker Society/Convertible Fund c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 25,000	816
Pepperdine University Pool A#1 c/o SSI Investment Management Inc. 357 N. Canon Drive Beverly Hills, CA 90210	\$ 275,000	8,979
Physicians' Reciprocal Insurers Account #7 c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 725,000	23,673
Potlach-First Trust Co of St. Paul c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 825,000	26,938
Southern Farm Bureau Life Insurance Company c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 250,000	8,163

SELLING SECURITYHOLDER	PRINCIPAL AMOUNT OF NOTES COVERED BY THIS PROSPECTUS	NUMBER OF SHARES COVERED BY THIS PROSPECTUS
SPT c/o Calamos Asset Management, Inc. 1111 E. Warrenville Road Naperville, IL 60563	\$ 900,000	29,387
Tracor, Inc. Employees Retirement Plan c/o SSI Investment Management Inc. 357 N. Canon Drive Beverly Hills, CA 90210	\$ 210,000	6,857
University of So. Florida Fdn. c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 150,000	4,897
Victory Convertible Sec Fd. c/o Key Asset Management, Inc. 127 Public Square, 10th Floor Cleveland, OH 44114	\$ 250,000	8,163

a Principal Amount of Notes and Number of Shares represented in this Supplement by this Selling Securityholder is in addition to those Notes and Shares set forth with respect to this Selling Securityholder in the Prospectus, as supplemented through the date hereof.

RISK FACTOR

You should carefully read the following risk factor before purchasing any Notes.

Discovery of Accounting Irregularities and Related Litigation and SEC Investigation

On April 15, 1998, we announced that in the course of transferring responsibility for the Company's accounting functions from the former CUC International Inc. ("CUC") personnel to former HFS Incorporated ("HFS") accounting personnel and preparing for the reporting of first quarter 1998 financial results, we discovered accounting irregularities in certain CUC business units. As a result, upon discovering such accounting irregularities in certain former CUC business units, the Audit Committee of our Board of Directors and its counsel, assisted by auditors, immediately began an intensive investigation that resulted, in part, in us restating our previously reported financial results for 1997, 1996 and 1995. Our restated net income (loss) totaled \$(217.2) million, \$330.0 million and \$229.8 million in 1997, 1996 and 1995, respectively (\$0.27), \$0.41 and \$0.31 per diluted share, respectively). We originally reported corresponding net income of \$55.4 million, \$423.6 million and \$302.8 million in 1997, 1996 and 1995, respectively (\$0.06, \$0.52 and \$0.42 per diluted share, respectively).

As a result of these accounting irregularities, numerous purported class action lawsuits, two purported derivative lawsuits and an individual lawsuit have been filed against us and, among others, HFS, and certain current and former officers and directors of us and HFS, asserting various claims under the federal securities laws and certain state statutory and common laws, including claims that our previously issued financial statements allegedly were false and misleading and that we allegedly know or should have known that they caused the price of our securities to be artificially inflated. In addition, the staff of the SEC and the United States Attorney for the District of New Jersey are conducting investigations relating to the accounting issues. The SEC Staff has advised the Company that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. Please see the Company's Form 10-K/A for the fiscal year ending December 31, 1997 for additional information regarding this litigation.

We do not believe that it is feasible to predict or determine the final outcome of these proceedings or to estimate the amounts or potential range of loss with respect to the resolution of these proceedings. In addition, the timing of the final resolution of the proceedings is uncertain. The possible outcome or resolution of the proceedings could include a judgment against us or a settlement and could require substantial payments by us. Our management believes that an adverse outcome with respect to such proceedings could have a material impact on our financial condition, results of operations and cash flows.