

Walker & Dunlop, Inc.  
Form 10-Q  
November 08, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-35000

## Walker & Dunlop, Inc.

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**80-0629925**  
(I.R.S. Employer Identification No.)

**7501 Wisconsin Avenue, Suite 1200E**

**Bethesda, Maryland 20814**

**(301) 215-5500**

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

**Not Applicable**

(Former name, former address, and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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As of November 5, 2012 there were 34,618,820 total shares of common stock outstanding.

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Condensed Consolidated Balance Sheets

September 30, 2012 and December 31, 2011

(In thousands, except share and per share data)

|   | September 30,<br>2012<br>(unaudited) | December 31,<br>2011 |
|---|--------------------------------------|----------------------|
| <b>Assets</b>   |                                      |                      |
| Cash and cash equivalents                             | \$ 82,613                            | \$ 53,817            |
| Restricted cash                                       | 6,991                                | 7,164                |
| Pledged securities, at fair value                     | 32,080                               | 18,959               |
| Loans held for sale, at fair value                    | 1,293,320                            | 268,167              |
| Loans held for investment                             | 16,426                               |                      |
| Servicing fees and other receivables, net             | 28,443                               | 18,501               |
| Derivative assets                                     | 37,986                               | 10,638               |
| Mortgage servicing rights                             | 294,704                              | 137,079              |
| Goodwill  | 53,401                               |                      |
| Intangible assets                                     | 12,490                               | 1,196                |
| Other assets  | 20,250                               | 7,075                |
| <b>Total assets</b>                                   | <b>\$ 1,878,704</b>                  | <b>\$ 522,596</b>    |
| <b>Liabilities and Stockholders Equity</b>            |                                      |                      |
| <b>Liabilities</b>                                    |                                      |                      |
| Accounts payable and other accrued expenses           | \$ 108,941                           | \$ 76,163            |
| Performance deposits from borrowers                   | 12,188                               | 10,425               |
| Derivative liabilities                                | 17,881                               | 5,223                |
| Guaranty obligation, net of accumulated amortization  | 20,114                               | 9,921                |
| Allowance for risk-sharing obligations                | 16,844                               | 14,917               |
| Warehouse notes payable                               | 1,279,947                            | 218,426              |
| Notes payable   | 83,000                               | 23,869               |
| <b>Total liabilities</b>                              | <b>\$ 1,538,915</b>                  | <b>\$ 358,944</b>    |
| <b>Stockholders Equity</b>                            |                                      |                      |
| Stockholders equity:                                  |                                      |                      |
| Preferred shares, Authorized 50,000,000, none issued. | \$                                   | \$                   |

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|  |                     |                   |
|--|---------------------|-------------------|
| Common stock, \$0.01 par value. Authorized 200,000,000; issued and outstanding<br>33,449,119 shares in 2012 and 21,748,598 shares in 2011. | 334                 | 217               |
| Additional paid-in capital   | 234,981             | 81,190            |
| Retained earnings  | 104,474             | 82,245            |
| <b>Total stockholders equity</b>   | <b>\$ 339,789</b>   | <b>\$ 163,652</b> |
| Commitments and contingencies  |                     |                   |
| <b>Total liabilities and stockholders equity</b>   | <b>\$ 1,878,704</b> | <b>\$ 522,596</b> |

See accompanying notes to condensed consolidated financial statements.

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**Walker & Dunlop, Inc. and Subsidiaries**

Condensed Consolidated Statements of Income

(In thousands, except share and per share data)

(Unaudited)