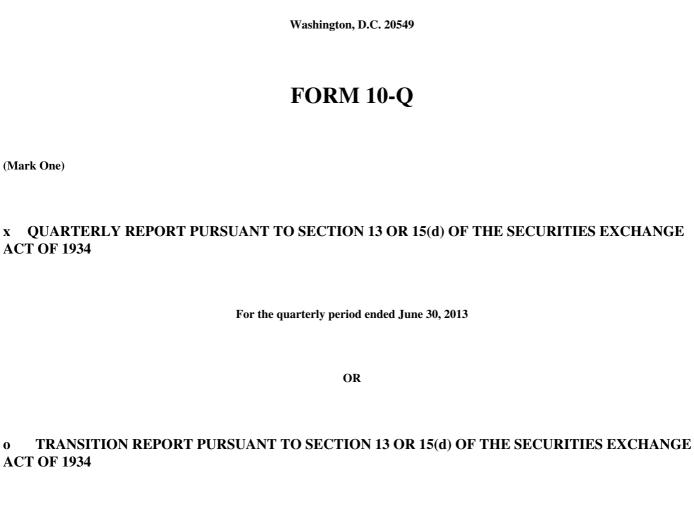
Walker & Dunlop, Inc. Form 10-Q August 08, 2013 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION



For the transition period from to

Commission File Number: 001-35000

Walker & Dunlop, Inc.

(Exact name of registrant as specified in its charter)

Maryland

80-0629925

(I.R.S. Employer Identification No.)

(State or other jurisdiction of incorporation or organization)

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 x No o

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 x No o

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 o

Accelerated filer x

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

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

As of August 5, 2013 there were 34,940,772 total shares of common stock outstanding.

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

Walker & Dunlop, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

June 30, 2013 and December 31, 2012

(In thousands, except share and per share data)

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Cash and cash equivalents	\$ 66,289	\$ 65,027
Restricted cash	9,403	7,130
Pledged securities, at fair value	39,974	33,481
Loans held for sale, at fair value	443,279	1,101,561
Loans held for investment	47,151	9,468
Servicing fees and other receivables, net	25,704	40,933
Derivative assets	39,651	21,258
Mortgage servicing rights	341,770	315,524
Goodwill	60,212	59,735
Intangible assets	2,900	4,644
Other assets	21,899	29,872
Total assets	\$ 1,098,232	\$ 1,688,633
Liabilities and Stockholders Equity		
Liabilities		
Accounts payable and other accruals	\$ 104,926	\$ 122,798
Performance deposits from borrowers	10,210	9,503
Derivative liabilities	5,315	867
Guaranty obligation, net of accumulated amortization	22,735	21,155
Allowance for risk-sharing obligations	12,322	15,670
Warehouse notes payable	485,896	1,084,539
Notes payable	76,775	80,925
Total liabilities	\$ 718,179	\$ 1,335,457
Stockholders Equity		
Stockholders equity:		
Preferred shares, Authorized 50,000,000, none issued	\$	\$

Common stock, \$0.01 par value. Authorized 200,000,000; issued and outstanding 33,794,868		
shares in 2013 and 33,567,730 shares in 2012	338	336
Additional paid-in capital	241,429	236,823
Retained earnings	138,286	116,017
Total stockholders equity	\$ 380,053	\$ 353,176
Commitments and contingencies		
Total liabilities and stockholders equity	\$ 1,098,232	\$ 1,688,633

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)

	For the three months ended June 30,			For the six months ended June 30,			
	2013		2012	2013		2012	
Revenues							
Gains from mortgage banking activities	\$ 63,076	\$	33,934	\$ 106,007	\$	53,736	
Servicing fees	22,370		9,827	43,511		19,206	
Net warehouse interest income	1,760		1,074	3,383		2,011	
Escrow earnings and other interest income	916		525	1,858		1,064	
Other	2,612		1,360	5,160		5,105	
Total revenues	\$ 90,734	\$	46,720	\$ 159,919	\$	81,122	