

Walker & Dunlop, Inc.  
Form 10-Q  
August 08, 2013  
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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 June 30, 2013

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  Smaller reporting company   
(Do not check if a 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

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



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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
<b>Assets</b>		
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
<b>Total assets</b>	<b>\$ 1,098,232</b>	<b>\$ 1,688,633</b>
<b>Liabilities and Stockholders Equity</b>		
<b>Liabilities</b>		
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
<b>Total liabilities</b>	<b>\$ 718,179</b>	<b>\$ 1,335,457</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 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
<b>Total stockholders equity</b>	\$	380,053	\$	353,176
Commitments and contingencies				
<b>Total liabilities and stockholders equity</b>	\$	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
<b>Revenues</b>				
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