

Walker & Dunlop, Inc.  
Form 10-Q  
August 12, 2011  
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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, 2011

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 August 10, 2011 there were 22,230,767 total shares of common stock outstanding.

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Condensed Consolidated Balance Sheets

June 30, 2011 and December 31, 2010

(In thousands, except share and per share data)

	<b>June 30 2011 (unaudited)</b>	<b>December 31, 2010</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 38,234	\$ 33,285
Restricted cash	3,008	4,580
Pledged securities, at fair value	16,156	14,281
Loans held for sale, at fair value	462,930	302,851
Servicing fees and other receivables, net	21,116	13,829
Derivative assets	15,365	6,354
Mortgage servicing rights	118,597	106,189
Intangible assets	1,231	1,266
Other assets	4,153	2,985
<b>Total assets</b>	<b>\$ 680,790</b>	<b>\$ 485,620</b>
<b>Liabilities and Stockholders Equity</b>		
<b>Liabilities</b>		
Accounts payable and other accrued expenses	\$ 58,594	\$ 57,713
Performance deposits from borrowers	10,598	5,970
Derivative liabilities	5,673	1,454
Guaranty obligation, net of accumulated amortization	9,398	8,928
Allowance for risk-sharing obligations	13,383	10,873
Warehouse notes payable	411,967	248,419
Notes payable	25,669	27,621
<b>Total liabilities</b>	<b>\$ 535,282</b>	<b>\$ 360,978</b>
<b>Stockholders Equity</b>		
Stockholders equity:		
Preferred shares. Authorized 50,000,000, none issued.	\$	\$
Common stock, \$0.01 par value. Authorized 200,000,000; issued and outstanding 21,629,463 shares in 2011 and 21,408,171 shares in 2010.	216	214
Additional paid-in capital	80,141	77,047
Retained earnings	65,151	47,381

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<b>Total stockholders equity</b>	\$	145,508	\$	124,642
Commitments and contingencies				
<b>Total liabilities and stockholders equity</b>	\$	680,790	\$	485,620

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,	
	2011	2010	2011	2010
<b>Revenues</b>				
Gains from mortgage banking activities	\$ 31,289	\$ 21,173	\$ 48,116	\$ 46,213
Servicing fees				