REFINITIV

DELTA REPORT

10-Q

WD - WALKER & DUNLOP, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2217
CHANGES	317
DELETIONS	1277
ADDITIONS	623

Graphic

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, 2023March 31, 2024

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	**80-0629925**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

7272 Wisconsin Avenue, Suite 1300
Bethesda, Maryland 20814
(301) 215-5500
(Address of principal executive offices)(Zip Code)(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address, and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, $0.01 Par Value Per Share	WD	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐

Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 October 27, 2023 April 24, 2024, there were 33,450,185 33,718,116 total shares of common stock outstanding.

Table of Contents

Walker & Dunlop, Inc.
Form 10-Q
INDEX

		Page
PART I	**FINANCIAL INFORMATION**	3
Item 1.	Financial Statements	3
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	32 26
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	67 52
Item 4.	Controls and Procedures	68 53
PART II	**OTHER INFORMATION**	68 54
Item 1.	Legal Proceedings	68 54
Item 1A.	Risk Factors	68 54
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	68 54
Item 3.	Defaults Upon Senior Securities	69 54
Item 4.	Mine Safety Disclosures	69 54
Item 5.	Other Information	69 55
Item 6.	Exhibits	69 56
	Signatures	71 58

Table of Contents

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

Walker & Dunlop, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, except per share data)

(Unaudited)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Assets				
Cash and cash equivalents	$ 236,321	$ 225,949	$ 216,532	$ 328,698
Restricted cash	17,768	17,676	21,071	21,422
Pledged securities, at fair value	177,509	157,282	190,679	184,081
Loans held for sale, at fair value	758,926	396,344	497,933	594,998
Mortgage servicing rights	921,746	975,226	881,834	907,415
Goodwill	949,710	959,712	901,710	901,710
Other intangible assets	185,927	198,643	178,221	181,975
Receivables, net	265,234	202,251	250,406	233,563
Committed investments in tax credit equity	212,296	254,154	122,332	154,028
Other assets	552,414	658,122	565,194	544,457
Total assets	$ 4,277,851	$ 4,045,359	$ 3,825,912	$ 4,052,347
Liabilities				
Warehouse notes payable	$ 790,742	$ 537,531	$ 521,977	$ 596,178
Notes payable	774,677	704,103	772,037	773,358
Allowance for risk-sharing obligations	30,957	44,057	30,124	31,601
Commitments to fund investments in tax credit equity	196,250	239,281	114,206	140,259
Other liabilities	754,234	803,558	651,660	764,822
Total liabilities	$ 2,546,860	$ 2,328,530	$ 2,090,004	$ 2,306,218
Stockholders' Equity				
Preferred stock (authorized 50,000 shares; none issued)	$ —	$ —	$ —	$ —
Common stock ($0.01 par value; authorized 200,000 shares; issued and outstanding 32,779 shares at September 30, 2023 and 32,396 shares at December 31, 2022)	328	323		
Common stock ($0.01 par value; authorized 200,000 shares; issued and outstanding 33,095 shares at March 31, 2024 and 32,874 shares at December 31, 2023)			331	329
Additional paid-in capital ("APIC")	420,062	412,636	427,184	425,488
Accumulated other comprehensive income (loss) ("AOCI")	(1,864)	(1,568)	(492)	(479)
Retained earnings	1,287,653	1,278,035	1,288,313	1,298,412
Total stockholders' equity	$ 1,706,179	$ 1,689,426	$ 1,715,336	$ 1,723,750
Noncontrolling interests	24,812	27,403	20,572	22,379
Total equity	$ 1,730,991	$ 1,716,829	$ 1,735,908	$ 1,746,129
Commitments and contingencies (NOTES 2 and 9)	—	—	—	—
Total liabilities and equity	$ 4,277,851	$ 4,045,359	$ 3,825,912	$ 4,052,347

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Walker & Dunlop, Inc. and Subsidiaries

Condensed Consolidated Statements of Income and Comprehensive Income

(In thousands, except per share data)

(Unaudited)

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Revenues						
Loan origination and debt brokerage fees, net	$ 56,149	$ 90,858	$ 168,201	275,773	$ 43,740	$ 47,084
Fair value of expected net cash flows from servicing, net	35,375	55,291	107,446	159,970	20,898	30,013
Servicing fees	79,200	75,975	232,027	222,916	80,043	75,766
Property sales broker fees	16,862	30,308	38,831	100,092	8,821	11,624
Investment management fees	13,362	16,301	44,844	47,345	13,520	15,173
Net warehouse interest income (expense)	(2,031)	3,980	(3,556)	14,021	(1,116)	1
Placement fees and other interest income	43,000	18,129	109,310	26,683	39,402	30,924
Other revenues	26,826	24,769	83,001	129,103	22,751	28,161
Total revenues	$ 268,743	$ 315,611	$ 780,104	$ 975,903	$ 228,059	$ 238,746
Expenses						
Personnel	$ 136,507	$ 157,059	$ 388,425	469,608	$ 111,463	$ 118,613
Amortization and depreciation	57,479	59,846	170,737	177,101	55,891	56,966
Provision (benefit) for credit losses	421	1,218	(11,088)	(13,120)	524	(10,775)
Interest expense on corporate debt	17,594	9,306	49,878	22,123	17,659	15,274
Other operating expenses	28,529	33,991	83,322	102,400	28,843	24,063
Total expenses	$ 240,530	$ 261,420	$ 681,274	$ 758,112	$ 214,380	$ 204,141
Income from operations	$ 28,213	$ 54,191	$ 98,830	$ 217,791	$ 13,679	$ 34,605
Income tax expense	7,069	7,532	24,695	46,495	2,864	7,135
Net income before noncontrolling interests	$ 21,144	$ 46,659	$ 74,135	$ 171,296	$ 10,815	$ 27,470
Less: net income (loss) from noncontrolling interests	(314)	(174)	(1,623)	(1,032)	(1,051)	805
Walker & Dunlop net income	$ 21,458	$ 46,833	$ 75,758	$ 172,328	$ 11,866	$ 26,665
Net change in unrealized gains (losses) on pledged available-for-sale securities, net of taxes	(399)	(1,238)	(296)	(4,018)	(13)	(53)
Walker & Dunlop comprehensive income	$ 21,059	$ 45,595	$ 75,462	$ 168,310	$ 11,853	$ 26,612
Basic earnings per share (NOTE 10)	$ 0.64	$ 1.41	$ 2.26	$ 5.18	$ 0.35	$ 0.80
Diluted earnings per share (NOTE 10)	$ 0.64	$ 1.40	$ 2.25	$ 5.13	$ 0.35	$ 0.79
Basic weighted-average shares outstanding	32,737	32,290	32,654	32,300	32,978	32,529
Diluted weighted-average shares outstanding	32,895	32,620	32,853	32,645	33,048	32,816

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Walker & Dunlop, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

(In thousands, except per share data)

(Unaudited)

	For the three and nine months ended September 30, 2023						
	Stockholders' Equity						
	Common Stock				Retained	Noncontrolling	Total
	Shares	Amount	APIC	AOCI	Earnings	Interests	Equity
Balance at December 31, 2022	32,396	$ 323	$412,636	$(1,568)	$1,278,035	$ 27,403	$1,716,829
Walker & Dunlop net income	—	—	—	—	26,665	—	26,665
Net income (loss) from noncontrolling interests	—	—	—	—	—	805	805
Other comprehensive income (loss), net of tax	—	—	—	(53)	—	—	(53)
Stock-based compensation - equity classified	—	—	6,664	—	—	—	6,664
Issuance of common stock in connection with equity compensation plans	468	5	3,397	—	—	—	3,402
Repurchase and retirement of common stock	(185)	(1)	(17,394)	—	—	—	(17,395)
Distributions to noncontrolling interest holders	—	—	—	—	—	(600)	(600)
Cash dividends paid ($0.63 per common share)	—	—	—	—	(21,221)	—	(21,221)
Other activity	—	—	—	—	(2,360)	2,360	—
Balance at March 31, 2023	32,679	$ 327	$405,303	$(1,621)	$1,281,119	$ 29,968	$1,715,096
Walker & Dunlop net income	—	—	—	—	27,635	—	27,635
Net income (loss) from noncontrolling interests	—	—	—	—	—	(2,114)	(2,114)
Other comprehensive income (loss), net of tax	—	—	—	156	—	—	156
Stock-based compensation - equity classified	—	—	7,541	—	—	—	7,541
Issuance of common stock in connection with equity compensation plans	33	—	—	—	—	—	—
Repurchase and retirement of common stock	(9)	—	(662)	—	—	—	(662)
Distributions to noncontrolling interest holders	—	—	—	—	—	(1,735)	(1,735)
Cash dividends paid ($0.63 per common share)	—	—	—	—	(21,180)	—	(21,180)
Other activity	—	—	—	—	(240)	—	(240)
Balance at June 30, 2023	32,703	$ 327	$412,182	$(1,465)	$1,287,334	$ 26,119	$1,724,497
Walker & Dunlop net income	—	—	—	—	21,458	—	21,458
Net income (loss) from noncontrolling interests	—	—	—	—	—	(314)	(314)
Other comprehensive income (loss), net of tax	—	—	—	(399)	—	—	(399)
Stock-based compensation - equity classified	—	—	7,015	—	—	—	7,015
Issuance of common stock in connection with equity compensation plans	86	1	1,736	—	—	—	1,737
Repurchase and retirement of common stock	(10)	—	(871)	—	—	—	(871)
Distributions to noncontrolling interest holders	—	—	—	—	—	(993)	(993)
Cash dividends paid ($0.63 per common share)	—	—	—	—	(21,139)	—	(21,139)
Balance at September 30, 2023	32,779	$ 328	$420,062	$(1,864)	$1,287,653	$ 24,812	$1,730,991

	For the three months ended March 31, 2024					
	Stockholders' Equity					
	Common Stock				Retained	Noncontrol
	Shares	Amount	APIC	AOCI	Earnings	Interests
Balance at December 31, 2023	32,874	$ 329	$425,488	$(479)	$1,298,412	$ 22,3
Walker & Dunlop net income	—	—	—	—	11,866	
Net income (loss) from noncontrolling interests	—	—	—	—	—	(1,0
Other comprehensive income (loss), net of tax	—	—	—	(13)	—	
Stock-based compensation - equity classified	—	—	5,842	—	—	
Issuance of common stock in connection with equity compensation plans	322	3	5,642	—	—	
Repurchase and retirement of common stock	(101)	(1)	(9,788)	—	—	
Distributions to noncontrolling interest holders	—	—	—	—	—	(5
Cash dividends paid ($0.65 per common share)	—	—	—	—	(21,965)	
Other activity	—	—	—	—	—	(2
Balance at March 31, 2024	33,095	$ 331	$427,184	$(492)	$1,288,313	$ 20,5

Table of Contents

Walker & Dunlop, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity (CONTINUED)

(In thousands, except per share data)

(Unaudited)

	For the three and nine months ended September 30, 2022							For the three months ended March 31, 2023						
	Stockholders' Equity							Stockholders' Equity						
	Common Stock				Retained	Noncontrolling	Total	Common Stock				Retained	Noncontrolling	Total
	Shares	Amount	APIC	AOCI	Earnings	Interests	Equity	Shares	Amount	APIC	AOCI	Earnings	Interests	Equity
Balance at December 31, 2021	32,049	$ 320	$ 393,022	$ 2,558	$ 1,154,252	$ 28,055	$ 1,578,207							
Walker & Dunlop net income	—	—	—	—	71,209	—	71,209							
Net income (loss) from noncontrolling interests	—	—	—	—	—	(679)	(679)							
Other comprehensive income (loss), net of tax	—	—	—	(970)	—	—	(970)							
Stock-based compensation - equity classified	—	—	10,812	—	—	—	10,812							
Issuance of common stock in connection with equity compensation plans	544	5	15,526	—	—	—	15,531							
Repurchase and retirement of common stock	(195)	(1)	(27,048)	—	—	—	(27,049)							
Cash dividends paid ($0.60 per common share)	—	—	—	—	(20,077)	—	(20,077)							
Other activity	—	—	(5,303)	—	—	15,490	10,187							
Balance at March 31, 2022	32,398	$ 324	$ 387,009	$ 1,588	$ 1,205,384	$ 42,866	$ 1,637,171							
Balance at December 31, 2022								32,396	$ 323	$412,636	$(1,568)	$1,278,035	$ 27,403	$1,716,829
Walker & Dunlop net income	—	—	—	—	54,286	—	54,286	—	—	—	—	26,665	—	26,665

Net income (loss) from noncontrolling interests	—	—	—	—	—	(179)	(179)	—	—	—	—	—	805	805
Other comprehensive income (loss), net of tax	—	—	—	(1,810)	—	—	(1,810)	—	—	—	(53)	—	—	(53)
Stock-based compensation - equity classified	—	—	9,980	—	—	—	9,980	—	—	6,664	—	—	—	6,664
Issuance of common stock in connection with equity compensation plans	43	—	110	—	—	—	110	468	5	3,397	—	—	—	3,402
Repurchase and retirement of common stock	(119)	(1)	(2,409)	—	(9,892)	—	(12,302)	(185)	(1)	(17,394)	—	—	—	(17,395)
Distributions to noncontrolling interest holders	—	—	—	—	—	(1,675)	(1,675)	—	—	—	—	—	(600)	(600)
Cash dividends paid ($0.60 per common share)	—	—	—	—	(20,066)	—	(20,066)							
Cash dividends paid ($0.63 per common share)								—	—	—	—	(21,221)	—	(21,221)
Other activity	—	—	8,978	—	—	(8,718)	260	—	—	—	—	(2,360)	2,360	—
Balance at June 30, 2022	32,322	$ 323	$ 403,668	$ (222)	$ 1,229,712	$ 32,294	$ 1,665,775							
Walker & Dunlop net income	—	—	—	—	46,833	—	46,833							
Net income (loss) from noncontrolling interests	—	—	—	—	—	(174)	(174)							
Other comprehensive income (loss), net of tax	—	—	—	(1,238)	—	—	(1,238)							
Stock-based compensation - equity classified	—	—	5,185	—	—	—	5,185							
Issuance of common stock in connection with equity compensation plans	36	—	—	—	—	—	—							
Repurchase and retirement of common stock	(14)	—	(1,436)	—	—	—	(1,436)							

Distributions to noncontrolling interest holders	—	—	—	—	—	(360)	(360)
Cash dividends paid ($0.60 per common share)	—	—	—	—	(19,882)	—	(19,882)
Balance at September 30, 2022	32,344	$ 323	$ 407,417	$ (1,460)	$ 1,256,663	$ 31,760	$ 1,694,703
Balance at March 31, 2023	32,679	$ 327	$405,303	$(1,621)	$1,281,119	$ 29,968	$1,715,096

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Walker & Dunlop, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	For the nine months ended September 30,	
	2023	2022
Cash flows from operating activities		
Net income before noncontrolling interests	$ 74,135	$ 171,296
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Gains attributable to the fair value of future servicing rights, net of guaranty obligation	(107,446)	(159,970)
Change in the fair value of premiums and origination fees	6,634	8,586
Amortization and depreciation	170,737	177,101
Provision (benefit) for credit losses	(11,088)	(13,120)
Gain from revaluation of previously held equity-method investment	—	(39,641)
Originations of loans held for sale	(8,402,185)	(13,877,961)
Proceeds from transfers of loans held for sale	8,023,294	13,283,455
Other operating activities, net	(86,493)	(16,512)
Net cash provided by (used in) operating activities	$ (332,412)	$ (466,766)
Cash flows from investing activities		
Capital expenditures	$ (13,880)	$ (19,302)
Purchases of equity-method investments	(15,062)	(25,098)
Purchases of pledged available-for-sale ("AFS") securities	—	(51,302)

Proceeds from prepayment and sale of pledged AFS securities		9,274		9,261
Investments in joint ventures		—		(5,040)
Distributions from joint ventures		5,436		11,926
Acquisitions, net of cash received		—		(114,163)
Originations of loans held for investment		—		(50,772)
Principal collected on loans held for investment		160,801		73,500
Net cash provided by (used in) investing activities	$	146,569	$	(170,990)
Cash flows from financing activities				
Borrowings (repayments) of warehouse notes payable, net	$	387,109	$	593,685
Borrowings of interim warehouse notes payable		—		36,459
Repayments of interim warehouse notes payable		(119,835)		(26,000)
Repayments of notes payable		(120,046)		(29,487)
Borrowings of notes payable		196,000		—
Proceeds from issuance of common stock		2,186		263
Repurchase of common stock		(18,928)		(40,675)
Cash dividends paid		(63,540)		(60,025)
Payment of contingent consideration		(26,090)		(19,720)
Distributions to noncontrolling interest holders		(3,328)		(2,035)
Debt issuance costs		(5,321)		(2,831)
Net cash provided by (used in) financing activities	$	228,207	$	449,634
Net increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents (NOTE 2)	$	42,364	$	(188,122)
Cash, cash equivalents, restricted cash, and restricted cash equivalents at beginning of period		258,283		393,180
Total of cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period	$	300,647	$	205,058
Supplemental Disclosure of Cash Flow Information:				
Cash paid to third parties for interest	$	86,663	$	48,590
Cash paid for income taxes		26,656		56,099

Table of Contents

Walker & Dunlop, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows (CONTINUED)

(In thousands)

(Unaudited)

	For the nine months ended September 30,	
	2023	2022
Supplemental Disclosure of Non-Cash Activity:		
Issuance of common stock to settle compensation liabilities	2,953	6,551
Issuance of common stock to settle contingent consideration liabilities (NOTE 7)	—	8,750
Net increase in total equity due to consolidations of tax credit entities (NOTE 10)	—	10,447
Net increase in total assets due to consolidations of tax credit entities (NOTE 10)	—	13,700
Net increase in total liabilities due to consolidations of tax credit entities (NOTE 10)	—	3,559
Forgiveness of receivables related to acquisitions	—	5,460
Allowance charge-off of loan held for investment	(6,033)	—

Additions of contingent consideration liabilities from acquisitions (NOTE 7)	—	119,955

	For the three months ended March 31,	
	2024	2023
Cash flows from operating activities		
Net income before noncontrolling interests	$ 10,815	$ 27,470
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Gains attributable to the fair value of future servicing rights, net of guaranty obligation	(20,898)	(30,013)
Change in the fair value of premiums and origination fees	9,225	2,536
Amortization and depreciation	55,891	56,966
Provision (benefit) for credit losses	524	(10,775)
Originations of loans held for sale	(1,187,645)	(2,512,635)
Proceeds from transfers of loans held for sale	1,260,295	2,001,507
Other operating activities, net	(89,810)	(81,728)
Net cash provided by (used in) operating activities	$ 38,397	$ (546,672)
Cash flows from investing activities		
Capital expenditures	$ (3,221)	$ (2,526)
Purchases of equity-method investments	(4,048)	(11,049)
Purchases of pledged available-for-sale ("AFS") securities	(8,000)	—
Proceeds from prepayment and sale of pledged AFS securities	3,061	2,797
Distributions from joint ventures	627	733
Repurchase of Agency loans	(13,469)	—
Originations of loans held for investment	—	(139)
Principal collected on loans held for investment	—	19,468
Net cash provided by (used in) investing activities	$ (25,050)	$ 9,284
Cash flows from financing activities		
Borrowings (repayments) of warehouse notes payable, net	$ (74,359)	$ 516,288
Repayments of interim warehouse notes payable	(2,460)	(14,521)
Repayments of notes payable	(2,000)	(116,046)
Borrowings of notes payable	—	196,000
Proceeds from issuance of common stock	1,220	449
Repurchase of common stock	(9,789)	(17,395)
Cash dividends paid	(21,965)	(21,221)
Payment of contingent consideration	(13,820)	(25,690)
Distributions to noncontrolling interest holders	(500)	(600)
Debt issuance costs	(480)	(3,460)
Net cash provided by (used in) financing activities	$ (124,153)	$ 513,804
Net increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents (NOTE 2)	$ (110,806)	$ (23,584)
Cash, cash equivalents, restricted cash, and restricted cash equivalents at beginning of period	391,403	258,283
Total of cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period	$ 280,597	$ 234,699
Supplemental Disclosure of Cash Flow Information:		
Cash paid to third parties for interest	$ 18,145	$ 26,393
Cash paid (refunded) for income taxes	(604)	1,236

See accompanying notes to condensed consolidated financial statements.

Table of Contents

NOTE 1—ORGANIZATION AND BASIS OF PRESENTATION

These financial statements represent the condensed consolidated financial position and results of operations of Walker & Dunlop, Inc. and its subsidiaries. Unless the context otherwise requires, references to "we," "us," "our," "Walker & Dunlop" and the "Company" mean the Walker & Dunlop consolidated companies. The statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they may not include certain financial statement disclosures and other information required for annual financial statements. The accompanying condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022December 31, 2023 ("20222023 Form 10-K"). In the opinion of management, all adjustments considered necessary for a fair presentation of the results for the Company in the interim periods presented have been included. Results of operations for the three and nine months ended September 30, 2023March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023December 31, 2024 or thereafter.

Walker & Dunlop, Inc. is a holding company and conducts the majority of its operations through Walker & Dunlop, LLC, the operating company. Walker & Dunlop is one of the leading commercial real estate services and finance companies in the United States. The Company originates, sells, and services a range of commercial real estate debt and equity financing products, provides multifamily property sales brokerage and valuation services, engages in commercial real estate investment management activities with a particular focus on the affordable housing sector through low-income housing tax credit ("LIHTC") syndication, provides housing market research, and delivers real estate-related investment banking and advisory services.

Through its agency lending products, the Company originates and sells loans pursuant to the programs of the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac" and, together with Fannie Mae, the "GSEs"), the Government National Mortgage Association ("Ginnie Mae"), and the Federal Housing Administration, a division of the U.S. Department of Housing and Urban Development (together with Ginnie Mae, "HUD"). Through its debt brokerage products, the Company brokers, and in some cases services, loans for various life insurance companies, commercial banks, commercial mortgage-backed securities issuers, and other institutional investors.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The condensed consolidated financial statements include the accounts of Walker & Dunlop, Inc., its wholly-owned subsidiaries, and its majority owned subsidiaries. All intercompany balances and transactions are eliminated in consolidation. The Company consolidates entities in which it has a controlling financial interest based on either the variable interest entity ("VIE") or the voting interest model. The Company is required to first apply the VIE model to determine whether it holds a variable interest in an entity, and if so, whether the entity is a VIE. If the Company determines it holds a variable interest in a VIE and has a controlling financial interest and therefore is considered the primary beneficiary, the Company consolidates the entity. In instances where the Company holds a variable interest in a VIE but is not the primary beneficiary, the Company uses the equity-method of accounting.

If the Company determines it does not hold a variable interest in a VIE, it then applies the voting interest model. Under the voting interest model, the Company consolidates an entity when it holds a majority voting interest in an entity. If the Company does not have a majority voting interest but has significant influence, it uses the equity method of accounting. In instances where the Company owns less than 100% of the equity interests of an entity but owns a majority of the voting interests or has control over an entity, the Company accounts for the portion of equity not attributable to Walker & Dunlop, Inc. as *Noncontrolling interests* on the Condensed Consolidated Balance Sheets and the portion of net income not attributable to Walker & Dunlop, Inc. as *Net income (loss) from noncontrolling interests* in the Condensed Consolidated Statements of Income.

Subsequent Events—The Company has evaluated the effects of all events that have occurred subsequent to September 30, 2023March 31, 2024. The Company has made certain disclosures in the notes to the condensed consolidated financial statements of events that have occurred subsequent to September 30, 2023March 31, 2024. There have been no other material subsequent events that would require recognition in the condensed consolidated financial statements.

Use of Estimates—The preparation of condensed consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, including the allowance for risk-sharing obligations, initial and recurring fair value assessments of capitalized mortgage servicing rights, goodwill, initial fair value estimate of other intangible assets, and the initial and recurring fair value assessments of contingent consideration liabilities. Actual results may vary from these estimates.

Table of Contents

other intangible assets, and the initial and recurring fair value assessments of contingent consideration liabilities. Actual results may vary from these estimates.

Provision (Benefit) for Credit Losses—The Company records the income statement impact of the changes in the allowance for loan losses, and the allowance for risk-sharing obligations, and other credit losses within *Provision (benefit) for credit losses* in the Condensed Consolidated Statements of Income. NOTE 4 contains additional discussion related to the allowance for risk-sharing obligations. The Company has credit risk exclusively on loans secured by multifamily real estate, with no exposure to any other sector of commercial real estate, including office, retail, industrial and hospitality. Substantially all of the *Provision (benefit) for credit losses* for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is related to the provision (benefit) for risk-sharing obligations, with the other portion attributable primarily to other credit losses in 2024 and to the provision (benefit) for loan losses related to loans held for investment. investment in 2023.

Agency Loan Repurchases—The Company is obligated to repurchase loans that are originated for the GSEs or HUD (collectively, the "Agencies") programs if certain representations and warranties that it provides in connection with the sale of the loans through these programs are or may have been breached. When the Company repurchases loans from the Agencies, the loan(s) are included as a component of *Other Assets* on the Condensed Consolidated Balance Sheets and any related credit loss is included within *Provision (benefit) for credit losses* in the Condensed Consolidated Statements of Income.

Fannie Mae— During the first quarter of 2024, the Company repurchased a $17.9 million Fannie Mae loan, which consisted of a $4.4 million advance previously made to Fannie Mae in 2023 and a $13.5 million cash payment during the three months ended March 31, 2024. The Company recorded an immaterial provision for credit loss related to this loan.

Freddie Mac— The Company received repurchase requests from Freddie Mac related to two loans with unpaid principal balances ("UPB") of $11.4 million and $34.8 million. In March 2024, the Company entered into a forbearance and indemnification agreement with Freddie Mac that among other things delayed the repurchase of these loans for six and 12 months, respectively, and transferred the risk of loss for both loans from Freddie Mac to the Company. The fair value of the indemnification related to the $11.4 million loan is de minimis due to the excess of fair value of the underlying collateral compared to the carrying value of the loan. With respect to the $34.8 million loan, the Company has not yet fully completed its inspection and evaluation of the underlying property due to the suspected fraudulent activity committed by the borrower during the origination process. As of March 31, 2024, the Company's best estimate of the fair value of the indemnification was $2.0 million, which is included within *Other Liabilities* on the Condensed Consolidated Balance Sheets, with a corresponding amount included in *Provision (benefit) for credit losses* in the Condensed Consolidated Statements of Income.

Loans Held for Investment ("LHFI"), net—LHFI are consist predominately of multifamily interim loans originated by the Company for properties that currently do not qualify for permanent GSE or HUD (collectively, the "Agencies") Agency financing ("Interim Loan Program" or "ILP"). These loans have terms of up to three years and are all adjustable-rate, interest-only, multifamily loans with similar risk characteristics and no geographic concentration. The Company also has an immaterial amount of LHFI associated with repurchased loans as discussed above. The loans are carried at their unpaid principal balances, adjusted for net unamortized loan fees and costs, and net of any allowance for loan losses.

As of September 30, 2023, LHFI consisted of two loans with an aggregate $40.0 million of unpaid principal balance less an immaterial amount of net unamortized deferred fees and costs and allowance for loan losses. As of December 31, 2022, LHFI consisted of nine loans with an aggregate $206.8 million of unpaid principal balance less $0.4 million of net unamortized deferred fees and costs and $6.2 million of allowance for loan losses. LHFI are included as a component of *Other assets* in the Condensed Consolidated Financial Statements.

The Company did not have any LHFI that As of both March 31, 2024 and December 31, 2023, the balance of the Interim Loan Program portfolio consisted of a small number of loans with a balance of $40.1 million including an immaterial amount of net unamortized deferred fees and costs and allowance for loan losses. There were no ILP loans delinquent and in non-accrual status as of September 30, 2023, compared to one loan held for investment with an unpaid principal balance of $14.7 million both March 31, 2024 and an allowance for loan losses of $5.9 million as of December 31, 2022 December 31, 2023. During the second quarter of 2023, the Company sold the underlying collateral for $8.7 million and wrote off the $6.0 million of collateral-based reserves. The Company had not recorded any interest related to this loan since it went on non-accrual status in 2019. The Company has not previously charged off any other loan or had any other delinquencies related to loans held for investment. The amortized cost basis of loans that were current was $40.1 million as of September 30, 2023 both March 31, 2024 and December 31, 2022 was $39.9 million and $191.7 million, respectively. December 31, 2023. As of September 30, 2023 March 31, 2024, all ILP loans held for investment were originated between 2019 and 2021.

Statement of Cash Flows—For presentation in the Condensed Consolidated Statements of Cash Flows, the Company considers pledged cash and cash equivalents (as detailed in NOTE 9) to be restricted cash and restricted cash equivalents. The following table presents a reconciliation of the total cash, cash equivalents, restricted cash, and restricted cash equivalents as presented in the Condensed Consolidated Statements of Cash Flows to the related captions in the Condensed Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and 2022 2023, and December 31, 2022 December 31, 2023 and 2021. 2022.

	September 30,	**December 31,**	**March 31,**	**December 31,**

(in thousands)	2023	2022	2022	2021	2024	2023	2023	2022
Cash and cash equivalents	$ 236,321	$ 152,188	$ 225,949	$ 305,635	$216,532	$188,389	$328,698	$225,949
Restricted cash	17,768	40,246	17,676	42,812	21,071	20,504	21,422	17,676
Pledged cash and cash equivalents (NOTE 9)	46,558	12,624	14,658	44,733	42,994	25,806	41,283	14,658
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	$ 300,647	$ 205,058	$ 258,283	$ 393,180	$280,597	$234,699	$391,403	$258,283

Income Taxes—The Company records the realizable excess tax benefits from stock-based compensation as a reduction to income tax expense. The realizable excess tax benefits were $0.7 million and $0.3 million for the three months ended September 30, 2023 and 2022, respectively, and $2.2 million and $5.5 million for the nine months ended September 30, 2023 and 2022, respectively.

Table of Contents

Income Taxes—The Company records the realizable excess tax benefits from stock-based compensation as a reduction to income tax expense. The realizable excess tax benefits were $0.6 million and $1.5 million for the three months ended March 31, 2024 and 2023, respectively.

Net Warehouse Interest Income (Expense)—The Company presents warehouse interest income net of warehouse interest expense. Warehouse interest income is the interest earned from loans held for sale and loans held for investment. Generally, a substantial portion of the Company's loans is financed with matched borrowings under one of its warehouse facilities. The remaining portion of loans not funded with matched borrowings is financed with the Company's own cash. The Occasionally, the Company also occasionally fully funds a small number of loans held for sale or loans held for investment with its own cash. Warehouse interest expense is incurred on borrowings used to fund loans solely while they are held for sale or for investment. Warehouse interest income and expense are earned or incurred on loans held for sale after a loan is closed and before a loan is sold. Warehouse interest income and expense are earned or incurred on loans held for investment after a loan is closed and before a loan is repaid. Included in *Net warehouse interest income (expense)* for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are the following components:

Components of Net Warehouse Interest Income (Expense)	For the three months ended September 30,		For the nine months ended September 30,		For the three months ended March 31,	
(in thousands)	2023	2022	2023	2022	2024	2023
Warehouse interest income	$ 11,912	$ 18,413	$ 34,015	$ 44,816	$ 7,493	$ 10,507
Warehouse interest expense	(13,943)	(14,433)	(37,571)	(30,795)	(8,609)	(10,506)
Net warehouse interest income (expense)	$ (2,031)	$ 3,980	$ (3,556)	$ 14,021	$ (1,116)	$ 1

Co-broker Fees—Third-party co-broker fees are netted against *Loan origination and debt brokerage fees, net* in the Condensed Consolidated Statements of Income and were $2.5 million $2.6 million and $3.1 million $3.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $9.3 million and $13.4 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Contracts with Customers—A majority of the Company's revenues are derived from the following sources, all of which are excluded from the accounting provisions applicable to contracts with customers: (i) financial instruments, (ii) transfers and servicing, (iii) derivative transactions, and (iv) investments in debt securities/equity-method investments. The remaining portion of revenues is derived from contracts with customers.

The majority Other than LIHTC asset management fees as described in the 2023 Form 10-K for the year ended December 31, 2023 and presented as *Investment management fees* in the Condensed Consolidated Statements of Income, the Company's contracts with customers generally do not require significant judgment or material estimates that affect the determination of the transaction price (including the assessment of variable consideration), the allocation of the transaction price to performance obligations, and the determination of the timing of the satisfaction of performance obligations. Additionally, the earnings process for the majority all of the Company's contracts with customers is not complicated and is generally completed in a short period of time. The following table presents information about the Company's contracts with customers for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Description	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	Statement of income line item	For the three months ended March 31, 2024	For the three months ended March 31, 2023	Statement of income line item
(*in thousands*)								
Certain loan origination fees	$ 16,259	$ 40,076	$ 50,982	$ 130,722	Loan origination and debt brokerage fees, net	$ 17,787	$ 14,029	Loan origination and debt brokerage fees, n
Property sales broker fees	16,862	30,308	38,831	100,092	Property sales broker fees	8,821	11,624	Property sales broker fees
Investment management fees	13,362	16,301	44,844	47,345	Investment management fees	13,520	15,173	Investment management fees
Application fees, appraisal revenues, subscription revenues, syndication fees, and other revenues	15,138	12,643	56,602	55,384	Other revenues	12,275	22,538	Other revenues
Total revenues derived from contracts with customers	$ 61,621	$ 99,328	$ 191,259	$ 333,543		$ 52,403	$ 63,364	

Litigation—In the ordinary course of business, the Company may be party to various claims and litigation, none of which the Company believes is material, and the Company has accrued its best estimate of any probable impacts from pending litigation in its Condensed Consolidated Financial Statements. material. The Company cannot predict the outcome of any pending litigation and may be subject to consequences that could include fines, penalties, and other costs, and the Company's reputation and business may be impacted. The Company believes that any liability that could be imposed on the Company in connection with the disposition of any pending lawsuits would not have a material adverse effect on its business, results of operations, liquidity, or financial condition.

Table of Contents

Recently Adopted and Recently Announced Accounting Pronouncements—The Company is currently evaluating Accounting Standards Updates ("ASU") 2023-07 Segment Reporting and 2023-09 Income Taxes, which have effective dates for interim periods starting in 2024 and 2025, respectively. The Company believes these ASUs will not materially impact the Company's consolidated financial statements or disclosures. There have been were no material changes to the accounting policies discussed in NOTE 2 of the 2022 Form 10-K. There are no other recently announced but not yet effective accounting pronouncements issued that are expected have the potential to have a material impact to the Company's condensed consolidated financial statements. The Company as did not adopt any new accounting policies during the first quarter of September 30, 2023. 2024.

Reclassifications—The Company has made certain immaterial reclassifications to prior-year balances to conform to current-year presentation within our segment reporting. presentation.

NOTE 3—MORTGAGE SERVICING RIGHTS

The fair value of the mortgage servicing rights ("MSRs") was $1.4 billion as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The Company uses a discounted static cash flow valuation approach, and the key economic assumption is the discount rate. For example, see the following sensitivities related to the discount rate:

The impact of a 100-basis point increase in the discount rate at September 30, 2023 March 31, 2024 would be a decrease in the fair value of $43.2 million $44.3 million to the MSRs outstanding as of September 30, 2023 March 31, 2024.

The impact of a 200-basis point increase in the discount rate at September 30, 2023 March 31, 2024 would be a decrease in the fair value of $83.5 million $85.5 million to the MSRs outstanding as of September 30, 2023 March 31, 2024.

These sensitivities are hypothetical and should be used with caution, and these caution. These estimates do not include interplay among assumptions. assumptions and are estimated as a portfolio rather than individual assets.

Activity related to MSRs for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 follows:

	For the three months ended September 30,		For the nine months ended September 30,		For the three months ended March 31,	
Roll Forward of MSRs *(in thousands)*	2023	2022	2023	2022	2024	2023
Beginning balance	$ 932,131	$ 978,745	$ 975,226	$ 953,845	$ 907,415	$ 975,226
Additions, following the sale of loan	42,495	45,454	104,644	182,753	26,410	24,030
Amortization	(50,276)	(47,391)	(149,185)	(140,846)	(50,531)	(49,442)
Pre-payments and write-offs	(2,604)	(9,038)	(8,939)	(27,982)	(1,460)	(3,408)
Ending balance	$ 921,746	$ 967,770	$ 921,746	$ 967,770	$ 881,834	$ 946,406

The following table summarizes the gross value, accumulated amortization, and net carrying value of the Company's MSRs as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

Components of MSRs *(in thousands)*	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Gross value	$ 1,710,517	$ 1,659,185	$ 1,750,048	$ 1,733,844
Accumulated amortization	(788,771)	(683,959)	(868,214)	(826,429)
Net carrying value	$ 921,746	$ 975,226	$ 881,834	$ 907,415

Table of Contents

The expected amortization of MSRs shown in the Condensed Consolidated Balance Sheet as of September 30, 2023 March 31, 2024 is shown in the table below. Actual amortization may vary from these estimates.

(in thousands)	Expected Amortization	Expected Amortization
Three Months Ending December 31,		
2023	$ 49,384	
Nine Months Ending December 31,		
2024		$ 146,577

Year Ending December 31,		
2024	$ 187,062	
2025	164,837	$ 175,565
2026	139,019	149,851
2027	118,031	128,263
2028	95,632	100,556
2029		76,260
Thereafter	167,781	104,762
Total	$ 921,746	$ 881,834

NOTE 4—ALLOWANCE FOR RISK-SHARING OBLIGATIONS

When a loan is sold under the Fannie Mae Delegated Underwriting and Servicing ("DUS") program, the Company typically agrees to guarantee a portion of the ultimate loss incurred on the loan should the borrower fail to perform. The compensation for this risk is a component of the servicing fee on the loan. The guaranty is in force while the loan is outstanding. The Company does not provide a guaranty for any other loan product it sells or brokers. Substantially all loans sold under the Fannie Mae DUS program contain modified or full-risk sharing guaranties that are based on the credit performance of the loan. The Company records an estimate of the contingent loss reserve for Current Expected Credit Losses ("CECL") for all loans in its Fannie Mae at-risk servicing portfolio and also records collateral-based reserves as necessary and presents this combined loss reserve as *Allowance for risk-sharing obligations* on the Condensed Consolidated Balance Sheets.

Activity related to the allowance for risk-sharing obligations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 follows:

Roll Forward of Allowance for Risk-Sharing Obligations *(in thousands)*	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Beginning balance	$ 32,410	$ 48,475	$ 44,057	$ 62,636	$ 31,601	$ 44,057
Provision (benefit) for risk-sharing obligations	555	1,183	(11,092)	(12,978)	(1,477)	(10,970)
Write-offs	(2,008)	—	(2,008)	—	—	—
Ending balance	$ 30,957	$ 49,658	$ 30,957	$ 49,658	$ 30,124	$ 33,087

The Company assesses several qualitative and quantitative factors to calculate the CECL allowance each quarter including the current and expected unemployment rate, macroeconomic conditions, and the multifamily market. The key inputs for the CECL allowance are the historic loss rate, the forecast-period loss rate, the reversion-period loss rate, and the unpaid principal balance ("UPB") UPB of the at-risk servicing portfolio. A summary of the key inputs of the CECL allowance as of the end of each of the quarters presented and the provision (benefit) impact during each quarter for the nine three months ended September 30, 2023March 31, 2024 and 2022 2023 follows.

CECL Calculation Details and Provision Impact	2023 Q1	2023 Q2	2023 Q3	2023 Total
Forecast-period loss rate (*in basis points*)	2.3	2.3	2.3	N/A
Reversion-period loss rate (*in basis points*)	1.5	1.5	1.5	N/A
Historical loss rate (*in basis points*)	0.6	0.6	0.6	N/A
At-risk Fannie Mae servicing portfolio UPB (*in billions*)	$ 54.5	$ 55.7	$ 57.4	N/A
CECL allowance (*in millions*)	$ 28.7	$ 28.9	$ 31.0	N/A
Provision (benefit) for risk-sharing obligations (*in millions*)	$ (11.0)	$ (0.7)	$ 0.6	$ (11.1)

CECL Calculation Inputs, Details, and Provision Impact	As of and for the three months ended March 31, 2024	As of and for the three months ended March 31, 2023
Forecast-period loss rate (*in basis points*)	2.3	2.3
Reversion-period loss rate (*in basis points*)	1.3	1.5
Historical loss rate (*in basis points*)	0.3	0.6
At-risk Fannie Mae servicing portfolio UPB (*in billions*)	$ 59.2	$ 54.5

CECL allowance *(in millions)*	$	25.0	$	28.7
Provision (benefit) for risk-sharing obligations *(in millions)*	$	(1.5)	$	(11.0)

Table of Contents

	2022			
CECL Calculation Details and Provision Impact	**Q1**	**Q2**	**Q3**	**Total**
Forecast-period loss rate *(in basis points)*	3.0	2.2	2.2	N/A
Reversion-period loss rate *(in basis points)*	2.0	1.7	1.7	N/A
Historical loss rate *(in basis points)*	1.2	1.2	1.2	N/A
At-risk Fannie Mae servicing portfolio UPB *(in billions)*	$ 49.7	$ 51.2	$ 52.1	N/A
CECL allowance *(in millions)*	$ 42.5	$ 37.7	$ 38.9	N/A
Provision (benefit) for risk-sharing obligations *(in millions)*	$ (9.4)	$ (4.8)	$ 1.2	$ (13.0)

During the first quarters of 2023 2024 and 2022, 2023, the Company updated its 10-year look-back period, resulting in loss data from the earliest year being replaced with the loss data for the most recently completed year. The look-back period updates resulted in the historical loss rate factor factors decreasing and the benefit for risk-sharing obligations, as noted in the table above. The Company also slightly increased its forecast-period and reversion-period loss rates during the three months ended March 31, 2023, to incorporate uncertain macroeconomic conditions. For the three months ended March 31, 2022, no adjustment was made to the forecast-period loss rate.

During the second quarter of 2023, the benefit for risk-sharing obligations shown above was the result of an updated collateral-based reserve, as the Company settled this risk-sharing obligation with Fannie Mae early in the third quarter of 2023 for $2.0 million. During the second quarter of 2022, the benefit for risk-sharing obligations seen above was a result of the reductions in the forecast-period and reversion-period rates seen above, as the remaining risks and uncertainties related to the COVID-19 pandemic were removed from the forecast-period and reversion period loss rates.

During the third quarters of 2023 and 2022, the provision for risk-sharing obligations seen above were the result of increases in the at-risk portfolio.

The weighted average remaining life of the at-risk Fannie Mae servicing portfolio as of September 30, 2023March 31, 2024 was 6.6 6.2 years compared to 7.2 6.4 years as of December 31, 2022 December 31, 2023.

As of September 30, 2023 March 31, 2024, the Company had no six loans with aggregate collateral-based reserves of $5.1 million compared to two three loans with an aggregate collateral-based reserve of $4.4 million $2.8 million as of December 31, 2022 December 31, 2023.

As of September 30, 2023 March 31, 2024 and 2022, 2023, the maximum quantifiable contingent liability associated with the Company's guaranties for the at-risk loans serviced under the Fannie Mae DUS agreement was $11.8 billion $12.1 billion and $10.8 billion $11.1 billion, respectively. This maximum quantifiable contingent liability relates to the at-risk loans serviced for Fannie Mae at the specific point in time indicated. The maximum quantifiable contingent liability is not representative of the actual loss the Company would incur. The Company would be liable for this amount only if all of the loans it services for Fannie Mae, for which the Company retains some risk of loss, were to default and all of the collateral underlying these loans were determined to be without value at the time of settlement.

NOTE 5—SERVICING

The total unpaid principal balance of loans the Company was servicing for various institutional investors was $129.0 billion $132.0 billion as of September 30, 2023 March 31, 2024 compared to $123.1 billion $130.5 billion as of December 31, 2022 December 31, 2023.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, custodial deposit accounts ("escrow deposits") relating to loans serviced by the Company totaled $2.8 billion $2.3 billion and $2.7 billion, respectively. These amounts are not included in the Condensed Consolidated Balance Sheets as such amounts are not Company assets; however, the Company is entitled to placement fees on these escrow deposits, presented within *Placement fees and other interest income* in the Condensed Consolidated Statements of Income. Certain cash deposits exceed the Federal Deposit Insurance Corporation insurance limits; however, the Company believes it has mitigated this risk by holding uninsured deposits balances at large national banks.

NOTE 6—WAREHOUSE NOTES PAYABLE AND NOTES PAYABLE

As of September 30, 2023 March 31, 2024, to provide financing to borrowers under the Agencies' programs, the Company has had committed and uncommitted warehouse lines of credit in the amount of $3.9 billion with certain national banks and a $1.5 billion uncommitted facility with Fannie Mae (collectively, the "Agency Warehouse Facilities"). In support of these Agency Warehouse Facilities, the Company has pledged substantially all of its loans held for sale under the Company's approved programs. The Company's ability to originate mortgage loans for sale depends upon its ability to secure and maintain these types of short-term financings on acceptable terms.

Additionally, the Company has arranged for warehouse lines of credit with certain national banks to assist in funding loans held for investment under the Interim Loan Program ("Interim Warehouse Facilities"). The Company has pledged the majority of its loans held for investment against these Interim Warehouse Facilities. The Company's ability to originate and hold loans held for investment depends upon market conditions and its ability to secure and maintain these types of short-term financings on acceptable terms. As of March 31, 2024, the Interim Warehouse Facilities had $454.8 million of total facility capacity with an outstanding balance of $23.1 million. The interest rate on the Interim Warehouse Facilities ranged from SOFR (defined below) plus 135 to 325 basis points.

substantially all of its loans held for sale under the Company's approved programs. The Company's ability to originate mortgage loans for sale depends upon its ability to secure and maintain these types of financings on acceptable terms.

Additionally, the Company has arranged for warehouse lines of credit with certain national banks to assist in funding loans held for investment under the Interim Loan Program ("Interim Warehouse Facilities"). The Company has pledged substantially all of its loans held for investment against these Interim Warehouse Facilities. The Company's ability to originate and hold loans held for investment depends upon market conditions and its ability to secure and maintain these types of financings on acceptable terms. As of September 30, 2023, the Interim Warehouse Facilities had $454.8 million of total facility capacity with an outstanding balance of $25.6 million. The interest rate on the Interim Warehouse Facilities ranged from SOFR (defined below) plus 135 to 325 basis points.

The interest rate for all our warehouse facilities and debt is based on an Adjusted Term Secured Overnight Financing Rate ("SOFR"). The maximum amount and outstanding borrowings under Agency Warehouse Facilities as of September 30, 2023 March 31, 2024 follows:

	September 30, 2023					March 31, 2024				
(dollars in thousands) **Facility**	**Committed Amount**	**Uncommitted Amount**	**Total Facility Capacity**	**Outstanding Balance**	**Interest rate(1)**	**Committed Amount**	**Uncommitted Amount**	**Total Facility Capacity**	**Outstanding Balance**	**Interest rate(1)**
Agency Warehouse Facility #1	$ 325,000	$ 250,000	$ 575,000	$ 92,872	SOFR plus 1.30%	$ 325,000	$ 250,000	$ 575,000	$ 63,826	SOFR plus 1.30%
Agency Warehouse Facility #2	700,000	300,000	1,000,000	133,366	SOFR plus 1.30%	700,000	300,000	1,000,000	74,831	SOFR plus 1.30%
Agency Warehouse Facility #3	600,000	265,000	865,000	106,856	SOFR plus 1.35%	600,000	265,000	865,000	48,982	SOFR plus 1.35%
Agency Warehouse Facility #4	200,000	225,000	425,000	124,934	SOFR plus 1.30% to 1.35%	200,000	225,000	425,000	84,340	SOFR plus 1.30% to 1.35%
Agency Warehouse Facility #5	—	1,000,000	1,000,000	94,755	SOFR plus 1.45%	—	1,000,000	1,000,000	143,225	SOFR plus 1.45%
Total National Bank Agency Warehouse Facilities	$1,825,000	$ 2,040,000	$ 3,865,000	$ 552,783		$1,825,000	$ 2,040,000	$3,865,000	$ 415,204	

Fannie Mae repurchase agreement, uncommitted line and open maturity	—	1,500,000	1,500,000	212,811	—	1,500,000	1,500,000	83,711
Total Agency Warehouse Facilities	$1,825,000	$ 3,540,000	$ 5,365,000	$ 765,594	$1,825,000	$ 3,540,000	$5,365,000	$ 498,915

(1) Interest rate presented does not include the effect of any applicable interest rate floors.

During 2023, 2024, the following amendments amendment to one of the Company's Agency Warehouse Facilities and Notes Payable were was executed in the normal course of business to support the Company's business. Additionally, the Company had a note payable through its wholly-owned subsidiary, WDAE (as defined in NOTE 12), formerly known as "Alliant," which had an outstanding balance of $114.5 million as of December 31, 2022. As noted below, on January 12, 2023, the Company repaid the Alliant note payable in full with proceeds from the Incremental Term Loan (as defined below).

Agency Warehouse Facilities

During August 2023, the Company executed an amendment to Agency Warehouse Facility #1 that extended the maturity date to August 28, 2024. No other material modifications have been made to the agreement during 2023.

During April 2023, 2024, the Company executed an amendment to Agency Warehouse Facility #2 that extended the maturity date to April 12, 2024 April 11, 2025. No other material modifications have been made to the agreement during 2023.

During May 2023, the Company executed an amendment to Agency Warehouse Facility #3 that extended the maturity date to May 15, 2024. No other material modifications have been made to the agreement during 2023.

During June 2023, the Company executed an amendment to Agency Warehouse Facility #4 that extended the maturity date to June 22, 2024, updated the interest rate as shown in the table above, and updated one of the financial covenants to conform with the Company's other financial covenants. No other material modifications have been made to the agreement during 2023.

During September 2023, the Company executed an amendment to Agency Warehouse Facility #5 that extended the maturity date to September 12, 2024. No other material modifications have been made to the agreement during 2023. 2024.

No other material modifications have been made to the Agency Warehouse Facilities during the year.

Table of Contents

Notes payable

Incremental Term Loan

As of December 31, 2022, the Company had a senior secured credit agreement (the "Credit Agreement") that provided for a $600 million term loan (the "Term Loan"). On January 12, 2023, the Company entered into a lender joinder agreement and amendment to the Credit Agreement that provided for an increment term loan ("Incremental Term Loan") with a principal amount of $200.0 million, modified the ratio thresholds related to mandatory prepayments, and included a provision that allows additional types of indebtedness. The Incremental Term Loan was issued at a 2.0% discount and contains similar repayment terms as the Term Loan, bears interest at a rate equal to SOFR plus 300 basis points, and matures on December 16, 2028. The Company used approximately $115.9 million of the proceeds to pay off the Alliant note payable principal balance, accrued interest, and other fees. The Company is obligated to make principal payments on the Incremental Term Loan in consecutive quarterly installments equal to 0.25% of the aggregate original principal amount of the Incremental Term Loan on the last business day of each March, June, September, and December that commenced on June 30, 2023.

The warehouse notes payable and notes payable are subject to various financial covenants. The Company is in compliance with all of these financial covenants. As of September 30, 2023, the Company has transitioned all of its debt agreements to a SOFR-based benchmark.

NOTE 7—GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

A summary of the Company's goodwill by reportable segments for the nine months ended September 30, 2023 and 2022 follows:

	For the nine months ended September 30,	
Roll Forward of Goodwill *(in thousands)*	**2023**	**2022**
Beginning balance	$ 959,712	$ 698,635
Additions from acquisitions	—	222,670
Measurement-period and other adjustments	3,998	26,859
Impairment	(14,000)	—
Ending balance	$ 949,710	$ 948,164

The Company recognized goodwill impairment during the three months ended September 30, 2023 in conjunction with the Company's reassessment March 31, 2024 and 2023 follows:

	For the three months ended March 31,					
(in thousands)	**2024**			**2023**		
Roll Forward of Gross Goodwill	**CM**	**SAM**	**Consolidated(1)**	**CM**	**SAM**	**Consolidated(1)**
Beginning balance	$ 524,189	$ 439,521	$ 963,710	$ 520,191	$ 439,521	$ 959,712
Measurement-period and other adjustments	—	—	—	—	—	—
Ending gross goodwill balance	$ 524,189	$ 439,521	$ 963,710	$ 520,191	$ 439,521	$ 959,712
Roll Forward of Accumulated Goodwill Impairment						
Beginning balance	$ 62,000	$ —	$ 62,000	$ —	$ —	$ —
Impairment	—	—	—	—	—	—
Ending accumulated goodwill impairment	$ 62,000	$ —	$ 62,000	$ —	$ —	$ —
Goodwill	$ 462,189	$ 439,521	$ 901,710	$ 520,191	$ 439,521	$ 959,712

(1) As of the fair value of its contingent consideration liabilitiesassociated with its December 31, 2023 and 2022, acquisition of GeoPhy B.V. ("GeoPhy"). The Company recorded a corresponding and offsetting impairment March 31, 2024 and 2023, no goodwill was allocated to the goodwill associated with the GeoPhy acquisition, since a substantial portion of the goodwill originally recorded for the GeoPhy acquisition was directly related to the contingent consideration liability. The Company allocated this goodwill impairment to one of the two reporting units to which the GeoPhy operations and goodwill are assigned, both of which are components of the Capital Markets Corporate reportable segment.

The Company does not believe the impairment recorded is indicative of a broader goodwill impairment at the reporting unit. The period over which the contingent consideration can be earned (approximately two more years) is much shorter than the period of time considered in a fair value assessment of a reporting unit, and the Company believes the macroeconomic and commercial real estate conditions that led to the fair value adjustment related to the continent consideration liability are short term in nature.

The fair value adjustment to the contingent consideration liability and the goodwill impairment are both included within *Other operating expenses* in the Condensed Consolidated Statements of Income and within the *Other operating activities, net* line in the Condensed Consolidated Statements of Cash Flows.

Table of Contents

The following table shows goodwill by reportable segments as of September 30, 2023 and December 31, 2022.

Goodwill by Reportable Segment *(in thousands)*	As of September 30, 2023	As of December 31, 2022
Capital Markets	$ 510,189	$ 520,191
Servicing & Asset Management	439,521	439,521
Ending balance	$ 949,710	$ 959,712

Other Intangible Assets

Activity related to other intangible assets for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 follows:

Roll Forward of Other Intangible Assets *(in thousands)*	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Beginning balance	$ 198,643	$ 183,904	$ 181,975	$ 198,643
Additions from acquisitions	—	31,000		
Amortization	(12,716)	(12,070)	(3,754)	(4,435)
Ending balance	$ 185,927	$ 202,834	$ 178,221	$ 194,208

The following table summarizes the gross value, accumulated amortization, and net carrying value of the Company's other intangible assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

Components of Other Intangible Assets *(in thousands)*	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Gross value	$ 220,682	$ 220,682	$ 220,682	$ 220,682
Accumulated amortization	(34,755)	(22,039)	(42,461)	(38,707)
Net carrying value	$ 185,927	$ 198,643	$ 178,221	$ 181,975

The expected amortization of other intangible assets shown in the Condensed Consolidated Balance Sheet as of September 30, 2023 March 31, 2024 is shown in the table below. Actual amortization may vary from these estimates.

(in thousands)	Expected Amortization	Expected Amortization
Three Months Ending December 31,		
2023	$ 4,257	
Nine Months Ending December 31,		
2024		$ 12,236
Year Ending December 31,		
2024	$ 16,235	
2025	16,235	$ 16,314
2026	16,235	16,314
2027	16,235	16,314
2028	16,235	16,314
2029		16,250
Thereafter	100,495	84,479
Total	$ 185,927	$ 178,221

Table of Contents

Contingent Consideration Liabilities

A summary of the Company's contingent consideration liabilities, which are included in *Other liabilities* in the Condensed Consolidated Balance Sheets, as of and for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 follows:

Roll Forward of Contingent Consideration Liabilities *(in thousands)*	**For the nine months ended September 30,**		**For the three months ended March 31,**	
	2023	**2022**	**2024**	**2023**
Beginning balance	$ 200,346	$ 125,809	$ 113,546	$ 200,346
Additions	—	119,955		
Accretion	927	3,767	512	177
Fair value adjustments	(14,000)	—		
Payments	(26,090)	(28,547)	(13,819)	(25,690)
Ending balance	$ 161,183	$ 220,984	$ 100,239	$ 174,833

The contingent consideration liabilities presented in the table above relate to (i) acquisitions of debt brokerage and investment sales brokerage companies and (ii) other acquisitions completed over the past several years, (ii) the purchase of noncontrolling interests in 2020 that was fully earned as of December 31, 2021 and paid in 2022, (iii) the Alliant acquisition, and (iv) the GeoPhy acquisition. years. The contingent consideration for each of the acquisitions may be earned over various lengths of time after each acquisition, with a maximum earnout period of five years, provided certain revenue targets and other metrics have been met. The last of the earnout periods related to the contingent consideration ends in the third quarter of 2027. In each case, the Company estimated the initial fair value of the contingent consideration using a Monte Carlo simulation.

As noted in the table above, the fair value adjustment recorded during the nine months ended September 30, 2023 was related to the GeoPhy acquisition. The probability Table of achievement for the contingent consideration declined due to short-term macroeconomic and commercial real estate market conditions and the reduced likelihood that those conditions will recover for the business to achieve the maximum contingent consideration targets. Contents

The recognition of the contingent consideration liability for the GeoPhy acquisition in the first quarter of 2022 is non-cash, and thus not reflected in the amount of cash consideration paid on the Condensed Consolidated Statements of Cash Flows. In addition, $8.8 millionof the payments settling contingent consideration liabilities included in the table above for the nine months ended September 30, 2022 were from the issuance of the Company's common stock, a non-cash transaction.

NOTE 8—FAIR VALUE MEASUREMENTS

The Company uses valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach to measure assets and liabilities that are measured at fair value. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, accounting standards establish a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- *Level 1*—Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

- *Level 2*—Financial assets and liabilities whose values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, discount rates, volatilities, prepayment speeds, earnings rates, credit risk, risks, etc.) or inputs that are derived principally from, or corroborated by, market data by correlation or other means.
- *Level 3*—Financial assets and liabilities whose values are based on inputs that are both unobservable and significant to the overall valuation.

The Company's MSRs are measured at fair value at inception, and thereafter on a nonrecurring basis. basis and are carried at the lower of amortized cost or fair value. That is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value measurement when there is evidence of impairment and for disclosure purposes (NOTE 3). The Company's MSRs do not trade in an active, open market with readily observable prices. While sales of multifamily MSRs do occur on occasion, precise terms and conditions vary with each transaction and are not readily available. Accordingly, the estimated fair value of the Company's MSRs was developed using discounted cash flow models that calculate the present value of estimated future net servicing income. The model considers contractually specified servicing fees, prepayment assumptions, estimated placement fee revenue from escrow deposits, costs to service, and other economic factors. The Company periodically reassesses and adjusts, when necessary, the underlying inputs and assumptions used in the model to reflect observable market conditions and assumptions that a market participants participant would consider in valuing MSR assets. MSRs are carried at the lower of amortized cost or fair value.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

- *Derivative Instruments*—The derivative positions consist of interest rate lock commitments with borrowers and forward sale agreements to the Agencies. The fair value of these instruments is estimated using a discounted cash flow model developed based on changes in the applicable U.S. Treasury rate and other observable market data. The value was determined after considering the potential impact of collateralization, adjusted to reflect nonperformance risk of both the counterparty and the Company, and are is classified within Level 3 of the valuation hierarchy.
- *Loans Held for Sale*—All loans held for sale presented in the Condensed Consolidated Balance Sheets are reported at fair value. The Company determines the fair value of the loans held for sale using discounted cash flow models that incorporate quoted observable inputs from market participants, such as changes in the U.S. Treasury rate. Therefore, the Company classifies these loans held for sale as Level 2.
- *Pledged Securities*—Investments in money market funds are valued using quoted market prices from recent trades. Therefore, the Company classifies this portion of pledged securities as Level 1. The Company determines the fair value of its AFS investments in Agency debt securities MBS using discounted cash flows that incorporate observable inputs from market participants and then compares the fair value to third-party broker estimates of fair value. value. Consequently, the Company classifies this portion of pledged securities as Level 2. Additional details on Pledged Securities are included in NOTE 9.
- *Contingent Consideration Liabilities*—Contingent consideration liabilities from acquisitions are recognized at fair value and subsequently remeasured using a Monte Carlo simulation that uses updated management forecasts and current valuation assumptions and discount rates. The Company determines the fair value of each contingent consideration liability based on probability of achievement, which incorporates management estimates. As a result, the Company classifies these liabilities as Level 3.

- *Contingent Consideration Liabilities*—Contingent consideration liabilities from acquisitions are initially recognized at fair value at acquisition and subsequently remeasured using a Monte Carlo simulation that uses updated management forecasts and current valuation assumptions and discount rates. The Company determines the fair value of each contingent consideration liability based on probability of achievement, which incorporates management estimates. As a result, the Company classifies these liabilities as Level 3. Additional details on Contingent consideration liabilities are included in NOTE 7.

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, segregated by the level of the valuation inputs within the fair value hierarchy used to measure fair value:

(in thousands)	Level 1	Level 2	Level 3	Balance as of Period End	Level 1	Level 2	Level 3	Balance as of Period End
September 30, 2023								
March 31, 2024								
Assets								
Loans held for sale	$ —	$ 758,926	$ —	$ 758,926	$ —	$497,933	$ —	$ 497,933
Pledged securities	46,558	130,951	—	177,509	42,994	147,685	—	190,679
Derivative assets	—	—	33,617	33,617	—	—	14,300	14,300
Total	$ 46,558	$ 889,877	$ 33,617	$ 970,052	$42,994	$645,618	$ 14,300	$ 702,912
Liabilities								
Derivative liabilities	$ —	$ —	$ 2,065	$ 2,065	$ —	$ —	$ 503	$ 503
Contingent consideration liabilities	—	—	161,183	161,183	—	—	100,239	100,239
Total	$ —	$ —	$ 163,248	$ 163,248	$ —	$ —	$100,742	$ 100,742
December 31, 2022								
December 31, 2023								
Assets								
Loans held for sale	$ —	$ 396,344	$ —	$ 396,344	$ —	$594,998	$ —	$ 594,998
Pledged securities	14,658	142,624	—	157,282	41,283	142,798	—	184,081
Derivative assets	—	—	17,636	17,636	—	—	31,451	31,451
Total	$ 14,658	$ 538,968	$ 17,636	$ 571,262	$41,283	$737,796	$ 31,451	$ 810,530
Liabilities								
Derivative liabilities	$ —	$ —	$ 2,076	$ 2,076	$ —	$ —	$ 28,247	$ 28,247
Contingent consideration liabilities	—	—	200,346	200,346	—	—	113,546	113,546
Total	$ —	$ —	$ 202,422	$ 202,422	$ —	$ —	$141,793	$ 141,793

There were no transfers between any of the levels within the fair value hierarchy during the nine three months ended September 30, 2023. March 31, 2024 and 2023.

Derivative instruments (Level 3) are outstanding for short periods of time (generally less than 60 days). A roll forward of derivative instruments is presented below for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Derivative Assets and Liabilities, net *(in thousands)*	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Beginning balance	$ 20,241	$ 42,634	$ 15,560	$ 30,961	$ 3,204	$ 15,560
Settlements	(80,213)	42,458	(259,655)	(235,463)	(54,045)	(100,386)
Realized gains (losses) recorded in earnings(1)	59,972	(85,092)	244,095	204,502	50,841	84,826
Unrealized gains (losses) recorded in earnings(1)	31,552	231,241	31,552	231,241	13,797	(7,729)
Ending balance	$ 31,552	$ 231,241	$ 31,552	$ 231,241	$ 13,797	$ (7,729)

(1) Realized and unrealized gains (losses) from derivatives are recognized in *Loan origination and debt brokerage fees, net* and *Fair value of expected net cash flows from servicing, net* in the Condensed Consolidated Statements of Income.

Table of Contents

The following table presents information about significant unobservable inputs used in the recurring measurement of the fair value of the Company's Level 3 assets and liabilities as of September 30, 2023 March 31, 2024:

	Quantitative Information about Level 3 Fair Value Measurements					Quantitative Information about Level 3 Fair		
(in thousands)	Fair Value	Valuation Technique	Unobservable Input (1)	Input Range (1)	Weighted Average (2)	Fair Value	Valuation Technique	Unobservable Input (1
Derivative assets	$ 33,617	Discounted cash flow	Counterparty credit risk	—	—	$ 14,300	Discounted cash flow	Counterparty credit risk
Derivative liabilities	$ 2,065	Discounted cash flow	Counterparty credit risk	—	—	$ 503	Discounted cash flow	Counterparty credit risk
Contingent consideration liabilities	$161,183	Monte Carlo Simulation	Probability of earnout achievement	48% - 100%	66%	$100,239	Monte Carlo Simulation	Probability of earnout achie

(1) Significant changes in this input may lead to significant changes in the fair value measurements.
(2) Contingent consideration weighted based on maximum gross earnout amount.

The carrying amounts and the fair values of the Company's financial instruments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are presented below:

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
(in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:								
Cash and cash equivalents	$ 236,321	$ 236,321	$ 225,949	$ 225,949	$ 216,532	$ 216,532	$ 328,698	$ 328,698
Restricted cash	17,768	17,768	17,676	17,676	21,071	21,071	21,422	21,422
Pledged securities	177,509	177,509	157,282	157,282	190,679	190,679	184,081	184,081
Loans held for sale	758,926	758,926	396,344	396,344	497,933	497,933	594,998	594,998
Loans held for investment, net(1)	39,891	40,000	200,247	200,900	59,502	58,575	40,056	40,139
Derivative assets(1)	33,617	33,617	17,636	17,636	14,300	14,300	31,451	31,451
Total financial assets	$ 1,264,032	$ 1,264,141	$ 1,015,134	$ 1,015,787	$1,000,017	$ 999,090	$1,200,706	$1,200,789
Financial Liabilities:								
Derivative liabilities(2)	$ 2,065	$ 2,065	$ 2,076	$ 2,076	$ 503	$ 503	$ 28,247	$ 28,247
Contingent consideration liabilities(2)	161,183	161,183	200,346	200,346	100,239	100,239	113,546	113,546
Warehouse notes payable	790,742	791,178	537,531	538,134	521,977	522,040	596,178	596,428
Notes payable	774,677	788,500	704,103	708,546	772,037	784,500	773,358	786,500
Total financial liabilities	$ 1,728,667	$ 1,742,926	$ 1,444,056	$ 1,449,102	$1,394,756	$1,407,282	$1,511,329	$1,524,721

(1) Included as a component of *Other Assets* in on the Condensed Consolidated Balance Sheets.
(2) Included as a component of *Other Liabilities* in on the Condensed Consolidated Balance Sheets.

The following methods and assumptions were used for recurring fair value measurements as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Cash and Cash Equivalents and *Restricted Cash*—The carrying amounts approximate fair value because of the short maturity of these instruments (Level 1).

Pledged Securities—Consist of cash, highly liquid investments in money market accounts invested in government securities, and investments in Agency debt securities. The investments of the money market funds typically have maturities of 90 days or less and are valued using quoted market prices from recent trades. The fair value of the Agency debt securities incorporates the contractual cash flows third-party broker estimates of the security discounted at market-rate, risk-adjusted yields. fair value.

Loans Held for Sale—Consist of originated loans that are generally transferred or sold within 60 days from the date that a mortgage loan is funded and are valued using discounted cash flow models that incorporate observable prices from market participants.

Table of Contents

Contingent Consideration Liabilities— Consists of the estimated fair values of expected future earnout payments related to acquisitions completed over the past few years. primarily in 2021 and 2022. The earnout liabilities are valued using a Monte Carlo simulation analysis. The fair value of the contingent consideration liabilities incorporates unobservable inputs, such as the probability of earnout achievement, volatility rates, and discount rate, to determine the expected earnout cash flows. The probability of the earnout achievement is based on management's estimate of the expected future performance and other financial metrics of each of the acquired entities, which are subject to significant uncertainty.

Derivative Instruments—Consists of interest rate lock commitments and forward sale agreements. These instruments are valued using discounted cash flow models developed based on changes in the U.S. Treasury rate and other observable market data. The value is determined after considering the potential impact of collateralization, adjusted to reflect nonperformance risk of both the counterparty and the Company.

Fair Value of Derivative Instruments and *Loans Held for Sale*—In the normal course of business, the Company enters into contractual commitments to originate and sell multifamily mortgage loans at fixed prices with fixed expiration dates. The commitments become effective when the borrowers "lock-in" a specified interest rate within time frames established by the Company. All mortgagors are evaluated for creditworthiness prior to the extension of the commitment. Market risk arises if interest rates move adversely between the time of the "lock-in" of rates by the borrower and the sale date of the loan to an investor.

To mitigate the effect of the interest rate risk inherent in providing rate lock commitments to borrowers, the Company enters into a sale commitment with the investor simultaneously with the rate lock commitment with the borrower. The sale contract with the investor locks in an interest rate and price for the sale of the loan. The terms of the contract with the investor and the rate lock with the borrower are matched in substantially all respects, with the objective of eliminating interest rate risk to the extent practical. Sale commitments with the investors have an expiration date that is longer than our related commitments to the borrower to allow, among other things, for the closing of the loan and processing of paperwork to deliver the loan into the sale commitment.

Both the rate lock commitments to borrowers and the forward sale contracts to buyers are undesignated derivatives and, accordingly, are marked to fair value through *Loan origination and debt brokerage fees, net* in the Condensed Consolidated Statements of Income. The fair value of the Company's rate lock commitments to borrowers and loans held for sale and the related input levels includes, as applicable:

- the estimated gain of the expected loan sale to the investor (Level 2);
- the expected net cash flows associated with servicing the loan, net of any guaranty obligations retained (Level 2);
- the effects of interest rate movements between the date of the rate lock and the balance sheet date (Level 2); and
- the nonperformance risk of both the counterparty and the Company (Level 3; derivative instruments only).

The estimated gain considers the origination fees the Company expects to collect upon loan closing (derivative instruments only) and premiums the Company expects to receive upon sale of the loan (Level 2). The fair value of the expected net cash flows associated with servicing the loan is calculated pursuant to the valuation techniques applicable to the fair value of future servicing, net at loan sale (Level 2).

To calculate the effects of interest rate movements, the Company uses applicable published U.S. Treasury prices, and multiplies the price movement between the rate lock date and the balance sheet date by the notional loan commitment amount (Level 2).

The fair value of the Company's forward sales contracts to investors considers the effects of interest rate movements between the trade date and the balance sheet date (Level 2). The market price changes are multiplied by the notional amount of the forward sales contracts to measure the fair value.

The fair value of the Company's interest rate lock commitments and forward sales contracts is adjusted to reflect the risk that the agreement will not be fulfilled. The Company's exposure to nonperformance in interest rate lock commitments and forward sale contracts is represented by the contractual amount of those instruments. Given the credit quality of our counterparties and the short duration of interest rate lock commitments and forward sale contracts, the risk of nonperformance by the Company's counterparties has historically been minimal (Level 3).

Table of Contents

The following table presents the components of fair value and other relevant information associated with the Company’s derivative instruments and loans held for sale as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(in thousands)	Notional or Principal Amount	Fair Value Adjustment Components: Estimated Gain on Sale	Fair Value Adjustment Components: Interest Rate Movement	Fair Value Adjustment Components: Total Fair Value Adjustment	Balance Sheet Location: Derivative Assets	Balance Sheet Location: Derivative Liabilities	Balance Sheet Location: Fair Value Adjustment to Loans Held for Sale	Notional or Principal Amount	Fair Value Adjustment Components: Estimated Gain on Sale	Fair Value Adjustment Components: Interest Rate Movement	Fair Value Adjustment Components: Total Fair Value Adjustment	Balance Sheet Location: Derivative Assets	Balance Sheet Location: Derivative Liabilities	Balance Sheet Location: Fair Va Adjustr to Loa Held for
September 30, 2023														
March 31, 2024														
Rate lock commitments	$ 349,336	$ 10,990	$ (6,049)	$ 4,941	$ 5,142	$ (201)	$ —	$ 156,512	$ 3,880	$ 55	$ 3,935	$ 3,935	$ —	$
Forward sale contracts	1,120,941	—	26,611	26,611	28,475	(1,864)	—	656,200	—	9,862	9,862	10,365	(503)	
Loans held for sale	771,605	7,883	(20,562)	(12,679)	—	—	(12,679)	499,688	8,162	(9,917)	(1,755)	—	—	(1
Total		$ 18,873	$ —	$ 18,873	$ 33,617	$ (2,065)	$ (12,679)		$ 12,042	$ —	$ 12,042	$ 14,300	$ (503)	$ (1
December 31, 2022														
December 31, 2023														
Rate lock commitments	$ 376,870	$ 12,349	$ (4,495)	$ 7,854	$ 7,854	$ —	$ —	$ 463,626	$ 15,908	$ 11,492	$ 27,400	$ 27,400	$ —	$
Forward sale contracts	769,585	—	7,706	7,706	9,782	(2,076)	—	1,035,964	—	(24,196)	(24,196)	4,051	(28,247)	
Loans held for sale	392,715	6,840	(3,211)	3,629	—	—	3,629	572,338	9,956	12,704	22,660	—	—	22
Total		$ 19,189	$ —	$ 19,189	$ 17,636	$ (2,076)	$ 3,629		$ 25,864	$ —	$ 25,864	$ 31,451	$(28,247)	$ 22

NOTE 9—FANNIE MAE COMMITMENTS AND PLEDGED SECURITIES

Fannie Mae DUS Related Commitments—Commitments for the origination and subsequent sale and delivery of loans to Fannie Mae represent those mortgage loan transactions where the borrower has locked an interest rate and scheduled closing, and the Company has entered into a mandatory delivery commitment to sell the loan to Fannie Mae. As discussed in NOTE 8, the Company accounts for these commitments as derivatives recorded at fair value.

The Company is generally required to share the risk of any losses associated with loans sold under the Fannie Mae DUS program. The Company is required to secure these obligations by assigning restricted cash balances and securities to Fannie Mae, which are classified as *Pledged securities, at fair value* on the Condensed Consolidated Balance Sheets. The amount of collateral required by Fannie Mae is a formulaic calculation at the loan level and considers the balance of the loan, the risk level of the loan, the age of the loan, and the level of risk-sharing. Fannie Mae requires restricted liquidity for Tier 2 loans of 75 basis points, which is funded over a 48-month period that begins upon delivery of the loan to Fannie Mae. Pledged securities held in the form of money market funds holding U.S. Treasuries are discounted 5%, and Agency mortgage-backed securities (“Agency MBS”) are discounted 4% for purposes of calculating compliance with the restricted liquidity requirements. As seen below, the Company held the majority of its pledged securities in Agency MBS as of September 30, 2023 March 31, 2024. The majority of the loans for which the Company has risk sharing are Tier 2 loans.

The Company is in compliance with the September 30, 2023 March 31, 2024 collateral requirements as outlined above. As of September 30, 2023 March 31, 2024, reserve requirements for the DUS loan portfolio will require the Company to fund $79.6 million $75.4 million in additional restricted liquidity over the next 48 months, assuming no further principal paydowns, prepayments, or defaults within the at-risk portfolio. Fannie Mae has reassessed the DUS Capital Standards in the past and may make changes to these standards in the future. The Company generates sufficient cash flow from its operations to meet these capital standards and does not expect any future changes to have a material impact on its future operations; however, any future increases to collateral requirements may adversely impact the Company's available cash.

Fannie Mae has established benchmark standards for capital adequacy and reserves the right to terminate the Company's servicing authority for all or some of the portfolio if, at any time, it determines that the Company's financial condition is not adequate to support its obligations under the DUS agreement. The Company is required to maintain acceptable net worth, as defined in the agreement, and the Company satisfied the requirements as of September 30, 2023 March 31, 2024. The net worth requirement is derived primarily from unpaid principal balances on Fannie Mae loans and the level of risk sharing. As of September 30, 2023 March 31, 2024, the net worth requirement was $301.6 million $310.7 million, and the Company's net worth, as defined in the requirements, was $1.0 billion, as measured at our wholly-owned operating subsidiary, Walker & Dunlop, LLC. As of September 30, 2023 March 31, 2024, the Company was required to maintain at least $60.0 $61.8 million of liquid assets to meet operational liquidity requirements for Fannie Mae, Freddie Mac, HUD, and Ginnie Mae, and the Company had operational liquidity, as defined in the requirements, of $186.4 $177.9 million as of September 30, 2023 March 31, 2024, as measured at our wholly-owned operating subsidiary, Walker & Dunlop, LLC.

Table of Contents

Pledged Securities, at Fair Value—Pledged securities, at fair value consisted of the following balances as of September 30, 2023 March 31, 2024 and 2022 2023, and December 31, 2022 December 31, 2023 and 2021: 2022:

	September 30,		December 31,		March 31,		December 31,	
Pledged Securities *(in thousands)*	2023	2022	2022	2021	2024	2023	2023	2022
Restricted cash	$ 10,523	$ 8,454	$ 5,788	$ 3,779	$ 2,602	$ 8,536	$ 2,727	$ 5,788
Money market funds	36,035	4,170	8,870	40,954	40,392	17,270	38,556	8,870
Total pledged cash and cash equivalents	$ 46,558	$ 12,624	$ 14,658	$ 44,733	$ 42,994	$ 25,806	$ 41,283	$ 14,658
Agency MBS	130,951	138,789	142,624	104,263	147,685	139,275	142,798	142,624
Total pledged securities, at fair value	$ 177,509	$ 151,413	$ 157,282	$ 148,996	$190,679	$165,081	$184,081	$157,282

The information in the preceding table is presented to reconcile beginning and ending cash, cash equivalents, restricted cash, and restricted cash equivalents in the Condensed Consolidated Statements of Cash Flows as more fully discussed in NOTE 2.

The Company's investments included within *Pledged securities, at fair value* consist primarily of money market funds and Agency debt securities. The investments in Agency debt securities consist of multifamily Agency MBS and are all accounted for as AFS securities. When A detailed discussion of the fair value of Agency MBS is lower than Company's accounting policies regarding the carrying value, the Company assesses whether an allowance for credit losses is necessary. The Company does not record an allowance for credit losses for its AFS securities including those whose fair value is less than amortized cost, when the AFS securities are issued by the GSEs. The contractual cash flows of these AFS securities are guaranteed by the GSEs, which are government-sponsored enterprises under the conservatorship included in NOTE 2 of the Federal Housing Finance Agency. Accordingly, it is expected that the securities would not be settled at a price less than the amortized cost of these securities. The Company does not intend to sell any of the Agency MBS whose fair value is less than the carrying value, nor does the Company believe that it is more likely than not that it would be required to sell these investments before recovery of their amortized cost basis, which may be at maturity. Company's 2023 Form 10-K. The following table provides additional information related to the Agency MBS as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

Fair Value and Amortized Cost of Agency MBS *(in thousands)*	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Fair value	$ 130,951	$ 142,624	$ 147,685	$ 142,798
Amortized cost	133,421	144,801	148,100	143,862
Total gains for securities with net gains in AOCI	381	797	1,272	1,036
Total losses for securities with net losses in AOCI	(2,851)	(2,974)	(1,687)	(2,100)
Fair value of securities with unrealized losses	115,337	118,565	89,862	103,003

Pledged securities with a fair value of $99.2 million $87.3 million, an amortized cost of $102.0 million $89.0 million, and a net unrealized loss of $2.8 million $1.7 million have been in a continuous unrealized loss position for more than 12 months, with the unrealized losses driven primarily by widening investor spreads as a result of the rapid increase in interest rates and related market uncertainty over the last 12 months. All securities that have been in a continuous loss position are Agency debt securities that carry a guarantee of the contractual payments. The Company concluded that an allowance for credit losses is not warranted, as the Company does not intend to sell the securities and does not believe it would be required to sell the securities, and as they carry the guarantee of payment from the Agencies.

The following table provides contractual maturity information related to Agency MBS. The money market funds invest in short-term Federal Government and Agency debt securities and have no stated maturity date.

	September 30, 2023		March 31, 2024	
Detail of Agency MBS Maturities *(in thousands)*	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Within one year	$ —	$ —	$ —	$ —
After one year through five years	18,045	18,132	41,573	41,706
After five years through ten years	92,267	93,322	85,297	85,640
After ten years	20,639	21,967	20,815	20,754
Total	$ 130,951	$ 133,421	$147,685	$ 148,100

Table of Contents

NOTE 10—EARNINGS PER SHARE AND STOCKHOLDERS' EQUITY

Earnings per share ("EPS") is calculated under the two-class method. The two-class method allocates all earnings (distributed and undistributed) to each class of common stock and participating securities based on their respective rights to receive dividends. The Company grants share-based awards to various employees and nonemployee directors under the 2020 Equity Incentive Plan that entitle recipients to receive nonforfeitable dividends during the vesting period on a basis equivalent to the dividends paid to holders of common stock. These unvested awards meet the definition of participating securities.

Table of Contents

The following table presents the calculation of basic and diluted EPS for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 under the two-class method. Participating securities were included in the calculation of diluted EPS using the two-class method, as this computation was more dilutive than the treasury-stock method.

	For the three months ended September 30,		For the nine months ended September 30,		For the three months ended March 31,	
EPS Calculations *(in thousands, except per share amounts)*	2023	2022	2023	2022	2024	2023
Calculation of basic EPS						
Walker & Dunlop net income	$ 21,458	$ 46,833	$ 75,758	$ 172,328	$11,866	$26,665

Less: dividends and undistributed earnings allocated to participating securities	534	1,296	1,942	4,984	290	707
Net income applicable to common stockholders	$ 20,924	$ 45,537	$ 73,816	$ 167,344	$11,576	$25,958
Weighted-average basic shares outstanding	32,737	32,290	32,654	32,300	32,978	32,529
Basic EPS	$ 0.64	$ 1.41	$ 2.26	$ 5.18	$ 0.35	$ 0.80
Calculation of diluted EPS						
Net income applicable to common stockholders	$ 20,924	$ 45,537	$ 73,816	$ 167,344	$11,576	$25,958
Add: reallocation of dividends and undistributed earnings based on assumed conversion	—	7	2	34	(1)	1
Net income allocated to common stockholders	$ 20,924	$ 45,544	$ 73,818	$ 167,378	$11,575	$25,959
Weighted-average basic shares outstanding	32,737	32,290	32,654	32,300	32,978	32,529
Add: weighted-average diluted non-participating securities	158	330	199	345	70	287
Weighted-average diluted shares outstanding	32,895	32,620	32,853	32,645	33,048	32,816
Diluted EPS	$ 0.64	$ 1.40	$ 2.25	$ 5.13	$ 0.35	$ 0.79

The assumed proceeds used for calculating the dilutive impact of restricted stock awards under the treasury-stock method includes the unrecognized compensation costs associated with the awards. For the three and nine months ended September 30, 2023March 31, 2024, 169181 thousand average restricted shares and 343 thousand average restricted shares, respectively, were excluded from the computation of diluted EPS under the treasury-stock method. For the three and nine months ended September 30, 2022March 31, 2023, 218368 thousand average restricted shares and 111 thousand average restricted shares, respectively, were excluded from the computation. These average restricted shares were excluded from the computation of diluted EPS under the treasury method because the effect would have been anti-dilutive as(the exercise price of the options, or the grant date market price of the restricted shares was greater than the average market price of the Company's shares of common stock during the periods presented.

The following non-cash transactions did not impact the amount of cash paid on the Condensed Consolidated Statements of Cash Flows. During 2022, the operating agreement of three of the Company's tax credit-related joint ventures changed. The Company reconsidered its consolidation conclusion based on these changes and concluded that the joint ventures should be consolidated, resulting in a $3.7 million increase in APIC and $6.8 million of noncontrolling interests consolidated as shown on the Consolidated Statements of Changes in Equity for the nine months ended September 30, 2022presented). The consolidation also resulted in a $35.0 million increase in *Receivables, net*, a $21.3 million reduction in *Other assets*, and a $3.6 million increase in *Other liabilities.*

In February 2023,2024, the Company's Board of Directors approved a stock repurchase program that permits the repurchase of up to $75.0 million of the Company's common stock over a 12-month period beginning on February 23, 2023February 23, 2024. During the first ninethree months of 2023,2024, the Company did not repurchase any shares of its common stock under the share repurchase program. As of September 30, 2023March 31, 2024, the Company had $75.0 million of authorized share repurchase capacity remaining under the 20232024 share repurchase program.

Table of Contents

During each of the first three quartersquarter of 2023,2024, the Company paid a dividend of $0.63$0.65 per share. On November 8, 2023May 1, 2024, the Company's Board of Directors declared a dividend of $0.63$0.65 per share for the fourthsecond quarter of 2023.2024. The dividend will be paid on December 8, 2023May 31, 2024 to all holders of record of the Company's restricted and unrestricted common stock as of November 24, 2023May 16, 2024.

The Company awarded $4.4 million and $3.0 million of stock to settle compensation liabilities, a non-cash transaction, for the three months ended March 31, 2024 and 2023, respectively.

The Company's Note Payable ("Term Loan") contains direct restrictions on the amount of dividends the Company may pay, and the warehouse debt facilities and agreements with the Agencies contain minimum equity, liquidity, and other capital requirements that indirectly restrict the amount of dividends the Company may pay. The Company does not believe that these restrictions currently limit the amount of dividends the Company can pay for the foreseeable future.

NOTE 11—SEGMENTS

The Company's executive leadership team, which functions as the Company's chief operating decision making body, makes decisions and assesses performance based on the following three reportable segments. The reportable segments are determined based on the product or service provided and reflect the manner in which management is currently evaluating the Company's financial information.

(i) *Capital Markets ("CM")*—CM provides a comprehensive range of commercial real estate finance products to its customers, including Agency lending, debt brokerage, property sales, and appraisal and valuation services. The Company's long-established relationships with the Agencies and institutional investors enable CM to offer a broad range of loan products and services to the Company's customers, including first mortgage, second trust, supplemental, construction, mezzanine, preferred equity, and small-balance loans. CM provides property sales services to owners and developers of multifamily properties and commercial real estate and multifamily property appraisals for various investors. CM also provides real estate-related investment banking and advisory services, including housing market research.

As part of Agency lending, CM temporarily funds the loans it originates (loans held for sale) before selling them to the Agencies and earns net interest income on the spread between the interest income on the loans and the warehouse interest expense. For Agency loans, CM recognizes the fair value of expected net cash flows from servicing, which represents the right to receive future servicing fees. CM also earns fees for origination of loans for both Agency lending and debt brokerage, fees for property sales, appraisals, and investment banking and advisory services, and subscription revenue for its housing market research. Direct internal, including compensation, and external costs that are specific to CM are included within the results of this reportable segment.

(ii) *Servicing & Asset Management ("SAM")*—SAM's activities include: (i) servicing and asset-managing the portfolio of loans the Company (a) originates and sells to the Agencies, (b) brokers to certain life insurance companies, and (c) originates through its principal lending and investing activities, (ii) managing third-party capital invested in commercial real estate assets through senior secured debt or limited partnership equity instruments; e.g., preferred equity, mezzanine debt, etc. either through funds or direct investments, and (iii) managing third-party capital invested in tax credit equity funds focused on the low-income housing tax credit ("LIHTC") LIHTC sector and other commercial real estate.

SAM earns revenue through (i) fees for servicing and asset-managing the loans in the Company's servicing portfolio, (ii) asset management fees for managing third-party capital, and (iii) net interest income on the spread between the interest income on the loans and the warehouse interest expense for loans held for investment. Direct internal, including compensation, and external costs that are specific to SAM are included within the results of this reportable segment.

(iii) *Corporate*—The Corporate segment consists primarily of the Company's treasury operations and other corporate-level activities. The Company's treasury activities include monitoring and managing liquidity and funding requirements, including corporate debt. Other corporate-level activities include equity-method investments, accounting, information technology, legal, human resources, marketing, internal audit, and various other corporate groups ("support functions"). The Company does not allocate costs from these support functions to the CM or SAM segments in presenting segment operating results. The Company does allocate interest expense and income tax expense. Corporate debt and the related interest expense are allocated first based on specific acquisitions where debt was directly used to fund the acquisition, such as the acquisition of Alliant, and then based on the remaining segment assets. Income tax expense is allocated proportionally based on income from operations at each segment, except for significant, one-time tax activities, which are allocated entirely to the segment impacted by the tax activity.

The following tables provide a summary and reconciliation of each segment's results for the three months ended September 30, 2023 March 31, 2024 and 2022. 2023 and total assets as of March 31, 2024 and 2023.

Segment Results *(in thousands)*	For the three months ended September 30, 2023							
Segment Results and Total Assets *(in thousands)*					As of and for the three months ended March 31, 2024			
Revenues	**CM**	**SAM**	**Corporate**	**Consolidated**	**CM**	**SAM**	**Corporate**	**Consolidated**
Loan origination and debt brokerage fees, net	$ 56,149	$ —	$ —	$ 56,149	$ 43,700	$ 40	$ —	$ 43,740
Fair value of expected net cash flows from servicing, net	35,375	—	—	35,375	20,898	—	—	20,898

Servicing fees	—	79,200	—	79,200	—	80,043	—	80,043
Property sales broker fees	16,862	—	—	16,862	8,821	—	—	8,821
Investment management fees	—	13,362	—	13,362	—	13,520	—	13,520
Net warehouse interest income (expense)	(2,565)	534	—	(2,031)	(1,574)	458	—	(1,116)
Placement fees and other interest income	—	39,475	3,525	43,000	—	35,603	3,799	39,402
Other revenues	11,875	15,569	(618)	26,826	10,052	11,571	1,128	22,751
Total revenues	$ 117,696	$ 148,140	$ 2,907	$ 268,743	$ 81,897	$ 141,235	$ 4,927	$ 228,059
Expenses								
Personnel	$ 97,973	$ 17,139	$ 21,395	$ 136,507	$ 79,187	$ 18,055	$ 14,221	$ 111,463
Amortization and depreciation	1,137	54,375	1,967	57,479	1,137	53,071	1,683	55,891
Provision (benefit) for credit losses	—	421	—	421	—	524	—	524
Interest expense on corporate debt	4,874	11,096	1,624	17,594	4,851	11,191	1,617	17,659
Other operating expenses	4,193	5,039	19,297	28,529	5,052	5,123	18,668	28,843
Total expenses	$ 108,177	$ 88,070	$ 44,283	$ 240,530	$ 90,227	$ 87,964	$ 36,189	$ 214,380
Income (loss) from operations	$ 9,519	$ 60,070	$ (41,376)	$ 28,213	$ (8,330)	$ 53,271	$ (31,262)	$ 13,679
Income tax expense (benefit)	2,386	15,040	(10,357)	7,069	(1,744)	11,153	(6,545)	2,864
Net income (loss) before noncontrolling interests	$ 7,133	$ 45,030	$ (31,019)	$ 21,144	$ (6,586)	$ 42,118	$ (24,717)	$ 10,815
Less: net income (loss) from noncontrolling interests	83	(397)	—	(314)	114	(1,165)	—	(1,051)
Walker & Dunlop net income (loss)	$ 7,050	$ 45,427	$ (31,019)	$ 21,458	$ (6,700)	$ 43,283	$ (24,717)	$ 11,866
Total assets					$1,155,060	2,270,266	400,586	$ 3,825,912

Table of Contents

Segment Results *(in thousands)*	For the three months ended September 30, 2022			
Revenues	**CM**	**SAM**	**Corporate**	**Consolidated**
Loan origination and debt brokerage fees, net	$ 89,752	$ 1,106	$ —	$ 90,858
Fair value of expected net cash flows from servicing, net	55,291	—	—	55,291
Servicing fees	—	75,975	—	75,975
Property sales broker fees	30,308	—	—	30,308
Investment management fees	—	16,301	—	16,301
Net warehouse interest income (expense)	2,178	1,802	—	3,980
Placement fees and other interest income	—	17,760	369	18,129
Other revenues	11,011	16,378	(2,620)	24,769
Total revenues	$ 188,540	$ 129,322	$ (2,251)	$ 315,611
Expenses				
Personnel	$ 128,981	$ 18,728	$ 9,350	$ 157,059
Amortization and depreciation	1,052	57,139	1,655	59,846
Provision (benefit) for credit losses	—	1,218	—	1,218
Interest expense on corporate debt	2,430	6,324	552	9,306
Other operating expenses	6,869	5,237	21,885	33,991
Total expenses	$ 139,332	$ 88,646	$ 33,442	$ 261,420
Income (loss) from operations	$ 49,208	$ 40,676	$ (35,693)	$ 54,191
Income tax expense (benefit)	12,468	10,204	(15,140)	7,532

Net income (loss) before noncontrolling interests	$ 36,740	$ 30,472	$ (20,553)	$ 46,659
Less: net income (loss) from noncontrolling interests	277	(451)	—	(174)
Walker & Dunlop net income (loss)	$ 36,463	$ 30,923	$ (20,553)	$ 46,833

Table of Contents

The following tables provide a summary and reconciliation of each segment's results for the nine months ended September 30, 2023 and 2022 and total assets as of September 30, 2023 and 2022.

Segment Results and Total Assets *(in thousands)*	**As of and for the nine months ended September 30, 2023**			
Revenues	**CM**	**SAM**	**Corporate**	**Consolidated**
Loan origination and debt brokerage fees, net	$ 167,679	$ 522	$ —	$ 168,201
Fair value of expected net cash flows from servicing, net	107,446	—	—	107,446
Servicing fees	—	232,027	—	232,027
Property sales broker fees	38,831	—	—	38,831
Investment management fees	—	44,844	—	44,844
Net warehouse interest income (expense)	(7,006)	3,450	—	(3,556)
Placement fees and other interest income	—	100,636	8,674	109,310
Other revenues	40,735	42,697	(431)	83,001
Total revenues	$ 347,685	$ 424,176	$ 8,243	$ 780,104
Expenses				
Personnel	$ 281,502	$ 53,669	$ 53,254	$ 388,425
Amortization and depreciation	3,412	161,935	5,390	170,737
Provision (benefit) for credit losses	—	(11,088)	—	(11,088)
Interest expense on corporate debt	13,870	31,385	4,623	49,878
Other operating expenses	15,037	16,465	51,820	83,322
Total expenses	$ 313,821	$ 252,366	$ 115,087	$ 681,274
Income (loss) from operations	$ 33,864	$ 171,810	$ (106,844)	$ 98,830
Income tax expense (benefit)	8,462	42,931	(26,698)	24,695
Net income (loss) before noncontrolling interests	$ 25,402	$ 128,879	$ (80,146)	$ 74,135
Less: net income (loss) from noncontrolling interests	1,741	(3,364)	—	(1,623)
Walker & Dunlop net income (loss)	$ 23,661	$ 132,243	$ (80,146)	$ 75,758
Total assets	$ 1,424,270	$ 2,361,245	$ 492,336	$ 4,277,851

Table of Contents

Segment Results and Total Assets *(in thousands)*	As of and for the nine months ended September 30, 2022				As of and for the three months ended March 31, 2023			
Revenues	**CM**	**SAM**	**Corporate**	**Consolidated**	**CM**	**SAM**	**Corporate**	**Consolidated**
Loan origination and debt brokerage fees, net	$ 273,660	$ 2,113	$ —	$ 275,773	$ 46,956	$ 128	$ —	$ 47,084
Fair value of expected net cash flows from servicing, net	159,970	—	—	159,970	30,013	—	—	30,013
Servicing fees	—	222,916	—	222,916	—	75,766	—	75,766
Property sales broker fees	100,092	—	—	100,092	11,624	—	—	11,624
Investment management fees	—	47,345	—	47,345	—	15,173	—	15,173
Net warehouse interest income (expense)	9,415	4,606	—	14,021	(1,689)	1,690	—	1
Placement fees and other interest income	—	26,166	517	26,683	—	28,824	2,100	30,924
Other revenues	29,838	57,624	41,641	129,103	17,100	11,615	(554)	28,161
Total revenues	$ 572,975	$ 360,770	$ 42,158	$ 975,903	$ 104,004	$ 133,196	$ 1,546	$ 238,746
Expenses								
Personnel	$ 372,656	$ 53,211	$ 43,741	$ 469,608	$ 90,462	$ 15,341	$ 12,810	$ 118,613
Amortization and depreciation	2,191	170,501	4,409	177,101	1,186	54,010	1,770	56,966
Provision (benefit) for credit losses	—	(13,120)	—	(13,120)	—	(10,775)	—	(10,775)
Interest expense on corporate debt	5,488	15,388	1,247	22,123	4,269	9,582	1,423	15,274
Other operating expenses	19,943	15,535	66,922	102,400	5,644	1,480	16,939	24,063
Total expenses	$ 400,278	$ 241,515	$ 116,319	$ 758,112	$ 101,561	$ 69,638	$ 32,942	$ 204,141
Income (loss) from operations	$ 172,697	$ 119,255	$ (74,161)	$ 217,791	$ 2,443	$ 63,558	$ (31,396)	$ 34,605
Income tax expense (benefit)	41,878	28,919	(24,302)	46,495	504	13,104	(6,473)	7,135
Net income (loss) before noncontrolling interests	$ 130,819	$ 90,336	$ (49,859)	$ 171,296	$ 1,939	$ 50,454	$ (24,923)	$ 27,470
Less: net income (loss) from noncontrolling interests	995	(2,027)	—	(1,032)	1,435	(630)	—	805
Walker & Dunlop net income (loss)	$ 129,824	$ 92,363	$ (49,859)	$ 172,328	$ 504	$ 51,084	$ (24,923)	$ 26,665
Total assets	$ 3,093,803	$ 2,543,730	$ 365,480	$ 6,003,013	$1,586,339	$2,484,437	$ 422,276	$ 4,493,052

Table of Contents

NOTE 12—VARIABLE INTEREST ENTITIES

The Company, through its subsidiary Walker & Dunlop Affordable Equity ("WDAE"), formerly known as "Alliant," provides alternative investment management services through the syndication of tax credit funds and the joint development of affordable housing projects. To facilitate the syndication and development of affordable housing projects, the Company is involved with the acquisition and/or formation of limited partnerships and joint ventures with investors, property developers, and property managers that are VIEs.

A detailed discussion of the Company's accounting policies regarding the consolidation of VIEs and significant transactions involving VIEs is included in NOTE 2 and NOTE 17 of the 2022 2023 Form 10-K.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the assets and liabilities of the consolidated tax credit funds were immaterial.

The table below presents the assets and liabilities of the Company's consolidated joint development VIEs included in the Condensed Consolidated Balance Sheets:

Consolidated VIEs *(in thousands)*	**September 30, 2023**	**December 31, 2022**	**March 31, 2024**	**December 31, 2023**
Assets:				
Cash and cash equivalents	$ 379	$ 201	$ 1,743	$ 2,841

Restricted cash	2,828	1,532	4,427	2,811
Receivables, net	31,948	33,593	27,914	28,256
Other Assets	50,501	49,768	46,951	47,249
Total assets of consolidated VIEs	$ 85,656	$ 85,094	$ 81,035	$ 81,157
Liabilities:				
Other liabilities	$ 44,745	$ 39,148	$ 54,830	$ 53,526
Total liabilities of consolidated VIEs	$ 44,745	$ 39,148	$ 54,830	$ 53,526

The table below presents the carrying value and classification of the Company's interests in nonconsolidated VIEs included in the Condensed Consolidated Balance Sheets:

Nonconsolidated VIEs *(in thousands)*	**September 30, 2023**	**December 31, 2022**	**March 31, 2024**	**December 31, 2023**
Assets				
Committed investments in tax credit equity	$ 212,296	$ 254,154	$ 122,332	$ 154,028
Other assets: Equity-method investments	60,188	57,981	62,310	60,195
Total interests in nonconsolidated VIEs	$ 272,484	$ 312,135	$ 184,642	$ 214,223
Liabilities				
Commitments to fund investments in tax credit equity	$ 196,250	$ 239,281	$ 114,206	$ 140,259
Total commitments to fund nonconsolidated VIEs	$ 196,250	$ 239,281	$ 114,206	$ 140,259
Maximum exposure to losses(1)(2)	$ 272,484	$ 312,135	$ 184,642	$ 214,223

(1) Maximum exposure determined as *Total* *"Total interests in nonconsolidated VIEs.* VIEs." The maximum exposure for the Company's investments in tax credit equity is limited to the carrying value of its investment, as there are no funding obligations or other commitments related to the nonconsolidated VIEs other than the amounts presented in the table above.

(2) Based on historical experience and the underlying expected cash flows from the underlying investment, the maximum exposure of loss is not representative of the actual loss, if any, that the Company may incur.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the historical financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q ("Form 10-Q"). The following discussion contains, in addition to historical information, forward-looking statements that include risks and uncertainties. Our actual results may differ materially from those expressed or contemplated in those forward-looking statements as a result of certain factors, including those set forth under the headings "Forward-Looking Statements" and "Risk Factors" below and in our Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 Form December 31, 2023 "Form 10-K").

Forward-Looking Statements

Some of the statements in this Quarterly Report on Form 10-Q of Walker & Dunlop, Inc. and subsidiaries (the "Company," "Walker & Dunlop," "we," "us," or "our"), may constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans, or intentions.

The forward-looking statements contained in this Form 10-Q reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions, and changes in circumstances that may cause actual results to differ significantly from those expressed or contemplated in any forward-looking statement. Statements regarding the following subjects, among others, may be forward-looking:

- the future of the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac," and together with Fannie Mae, the "GSEs"), including their existence, relationship to the U.S. federal government, origination capacities, and their impact on our business;
- changes to and trends in the interest rate environment and its impact on our business;
- our growth strategy;
- our projected financial condition, liquidity, and results of operations;
- our ability to obtain and maintain warehouse and other loan funding arrangements;
- our ability to make future dividend payments or repurchase shares of our common stock;
- availability of and our ability to attract and retain qualified personnel and our ability to develop and retain relationships with borrowers, key principals, and lenders;
- degree and nature of our competition;
- changes in governmental regulations, policies, and programs, tax laws and rates, and similar matters and the impact of such regulations, policies, and actions;
- our ability to comply with the laws, rules, and regulations applicable to us, including additional regulatory requirements for broker-dealer and other financial services firms;
- trends in the commercial real estate finance market, commercial real estate values, the credit and capital markets, or the general economy, including demand for multifamily housing and rent growth;
- general volatility of the capital markets and the market price of our common stock; and
- other risks and uncertainties associated with our business described in our 2022 2023 Form 10-K and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission.

While forward-looking statements reflect our good-faith projections, assumptions, and expectations, they are not guarantees of future results. Furthermore, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes, except as required by applicable law. For a further discussion of these and other factors that could cause future results to differ materially from those expressed or contemplated in any forward-looking statements, see "Risk Factors."

Business

Overview

We are a leading commercial real estate (i) services, (ii) finance, and (iii) technology company in the United States. Through investments in people, brand, and technology, we have built a diversified suite of commercial real estate services to meet the needs of our customers. Our services include (i) multifamily lending, property sales, appraisal, valuation, and research, (ii) commercial real estate debt brokerage and advisory services, (iii) investment management, and (iv) affordable housing lending, tax credit syndication, development, and investment. We leverage our technological resources and investments to (i) provide an enhanced experience for our customers, (ii) identify refinancing and other financial and investment opportunities for new and existing customers, and (iii) drive efficiencies in our internal processes. We believe our people, brand, and technology provide us with a competitive advantage, as evidenced by 65% 79% of refinancing volumes coming from new loans to us and 21% 17% of total transaction volumes coming from new customers for the nine three months ended September 30, 2023 March 31, 2024.

We are one of the largest service providers to multifamily operators in the country. We originate, sell, and service a range of multifamily and other commercial real estate financing products, including loans through the programs of the GSEs, and the Federal Housing Administration, a division of the U.S. Department of Housing and Urban Development (together with Ginnie Mae, "HUD") (collectively, the "Agencies"). We retain servicing rights and asset management responsibilities on substantially all loans that we originate for the Agencies' programs. We broker, and occasionally service, loans to commercial real estate operators for many life insurance companies, commercial banks, and other institutional investors, in which cases we do not fund the loan but rather act as a loan broker.

We provide multifamily property sales brokerage and appraisal and valuation services and engage in commercial real estate investment management activities, including a focus on the affordable housing sector through low-income housing tax credit (“LIHTC”) syndication. We engage in the development and preservation of affordable housing projects through joint ventures with real estate developers and the management of funds focused on affordable housing. We provide housing market research and real estate-related investment banking and advisory services, which provide our clients and us with market insight into many areas of the housing market. Our clients are owners and developers of multifamily properties and other commercial real estate assets across the country, some of whom are the largest owners and developers in the industry. country. We also underwrite, service, and asset-manage shorter-term loans on commercial real estate. Most of these shorter-term interim loans are closed through a joint venture or through separate accounts managed by our investment management subsidiary, Walker & Dunlop Investment Partners, Inc. (“WDIP”). Some In the past, some of these interim loans are were closed and retained by us through our Interim Program JV or Interim Loan Program (as defined below in *Investment Management and Principal Lending and Investing*). We are a leader in commercial real estate technology, developing and acquiring technology resources that (i) provide innovative solutions and a better experience for our customers, and (ii) allow us to drive efficiencies across our internal processes.

We acquired GeoPhy B.V. (“GeoPhy”), a leading commercial real estate technology company based in the Netherlands, in the first quarter of 2022. We are using GeoPhy’s data analytics processes, and technology development capabilities (iii) allow us to accelerate the growth of our small-balance lending platform business and our technology-enabled appraisal and valuation platform, Apprise, by providing data analytics and other technology capabilities. Apprise.

Walker & Dunlop, Inc. is a holding company. We conduct the majority of our operations through Walker & Dunlop, LLC, our operating company.

Segments

Our executive leadership team, which functions as our chief operating decision making body, makes decisions and assesses performance based on the following three reportable segments: (i) Capital Markets, (“CM”), (ii) Servicing & Asset Management, (“SAM”), and (iii) Corporate. The reportable segments are determined based on the product or service provided and reflect the manner in which management is currently evaluating the Company’s financial information. The segments and related services are described in the following paragraphs.

Capital Markets (“CM”)

Capital Markets CM provides a comprehensive range of commercial real estate finance products to our customers, including Agency lending, debt brokerage, property sales, appraisal and valuation services, and real estate related investment banking and advisory services, including housing market research. Our long-established relationships with the Agencies and institutional investors enable us to offer a broad range of loan products and services to our customers. We provide property sales services to owners and developers of multifamily properties and

---

commercial real estate and multifamily property appraisals for various investors. Additionally, we earn subscription fees for our housing related research. The primary services within CM are described below.

Agency Lending

We are one of the leading lenders with the Agencies, where we originate and sell multifamily, manufactured housing communities, student housing, affordable housing, seniors housing, and small-balance multifamily loans. For additional information on our Agency Lending services, refer to Item 1. Business in our 2022 2023 Form 10-K.

We recognize *loan Loan origination and debt brokerage fees, net* and the *fair Fair value of expected net cash flows from servicing, net* from our lending with the Agencies when we commit to both originate a loan with a borrower and sell that loan to an investor. The loan origination and debt brokerage fees, net and the fair value of expected net cash flows from servicing, net for these transactions reflect the fair value attributable to loan origination fees, premiums on the sale of loans, net of any co-broker fees, and the fair value of the expected net cash flows associated with servicing the loans, net of any guaranty obligations retained.

We generally fund our Agency loan products through warehouse facility financing and sell them to investors in accordance with the related loan sale commitment, which we obtain concurrent with rate lock. Proceeds from the sale of the loan are used to pay off the warehouse facility borrowing. The sale of the loan is typically completed within 60 days after the loan is closed. We earn net warehouse interest income or expense from loans held for sale while they are outstanding equal to the difference between the note rate on the loan and the cost of borrowing of the warehouse facility. On occasion, our Our cost of borrowing can exceed the note rate on the loan, resulting in a net interest expense.

Our loan commitments and loans held for sale are currently not exposed to unhedged interest rate risk during the loan commitment, closing, and delivery process. The sale or placement of each loan to an investor is negotiated at the same time we establish the coupon rate for the loan. We also seek to mitigate the risk of a loan not closing by collecting good faith deposits from the borrower. The deposit is returned to the borrower only once the loan is closed. Any potential loss from a catastrophic change in the property condition while the loan is held for sale using warehouse facility financing is mitigated through property insurance equal to replacement cost. We are also protected contractually from an investor's failure to purchase the loan. We have experienced an immaterial number of failed deliveries in our history and have incurred immaterial losses on such failed deliveries.

As part of our overall growth strategy, we are focused on significantly growing and investing in our small-balance multifamily lending platform, which involves a high volume of transactions with smaller loan balances. In support of We have supported our small-balance lending platform with acquisitions in the past that have provided data analytics and further advanced our technology development capabilities in this strategy, we acquired GeoPhy as noted above. area.

Debt Brokerage

Our mortgage bankers who focus on debt brokerage are engaged by borrowers to work with a variety of institutional lenders, banks, and banks various other institutional lenders to find the most appropriate debt and/or equity solution for the borrowers' needs. These financing solutions are then funded directly by the lender, and we receive an origination fee for our services. On occasion, we service the loans after they are originated by the lender.

Property Sales

We Through our subsidiary Walker & Dunlop Investment Sales ("WDIS"), we offer property sales brokerage services to owners and developers of multifamily properties that are seeking to sell these properties. We Through these property sales brokerage services, we seek to maximize proceeds and certainty of closure for our clients using our knowledge of the commercial real estate and capital markets and relying on our experienced transaction professionals. We receive a sales commission for brokering the sale of these multifamily assets on behalf of our clients, and we often are able to provide financing to for the purchaser of the properties through our Agency or debt brokerage teams. Our property sales services are offered across the United States. We have increased the number of property sales brokers and the geographical reach of our investment sales platform over the past several years through hiring and acquisitions and intend to continue this expansion in support of our growth strategy. To further support strategy, geographical reach, and service offerings. Our geographical reach now covers many major markets in the United States, and our growth strategy, we acquired an investment sales brokerage company during the third quarter of 2022, which expands our investment sales service offerings to now include sales of land, sales. student, senior housing, and affordable properties.

Housing Market Research and Real Estate Investment Banking Services

We own a 75% interest in a subsidiary doing business as Zelman & Associates ("Zelman"). Zelman is a nationally recognized housing market research and investment banking firm that will enhance the information we provide to our clients and increase our access to high-quality

Table of Contents

market insight in many areas of the housing market, including construction trends, demographics, housing demand and mortgage finance.

Table of Contents

Zelman generates revenues through the sale of its housing market research data and related publications to banks, investment banks and other financial institutions. Zelman is also a leading independent investment bank providing comprehensive M&A advisory services and capital markets solutions to our clients within the housing and commercial real estate sectors. As part of our growth strategy, we have increased the number of investment bankers to broaden our reach and expertise within the residential housing, building products, multifamily and commercial real estate sectors.

Appraisal and Valuation Services

We offer multifamily appraisal and valuation services though our subsidiary, Apprise by Walker & Dunlop ("Apprise"). Apprise leverages technology and data science to dramatically improve the consistency, transparency, and speed of multifamily property appraisals in the U.S. through our proprietary technology and provides appraisal services to a client list that includes many national commercial real estate lenders. Apprise also provides quarterly and annual valuation services to some of the largest institutional commercial real estate investors in the country. Prior to the GeoPhy acquisition, we and GeoPhy each owned a 50% interest in Apprise, and we accounted for the interest as an equity-method investment. Subsequent to the GeoPhy acquisition, Apprise is a wholly-owned subsidiary of Walker & Dunlop. We have increased the number of valuation specialists and the geographical reach of our appraisal platform over the past several years through hiring and recruiting in support of our long-term growth strategy.

Servicing & Asset Management ("SAM")

Servicing & Asset Management SAM focuses on servicing and asset-managing the portfolio of loans we originate and sell to the Agencies, broker to certain life insurance companies, and originate through our principal lending and investing activities, and managing third-party capital invested in tax credit equity funds focused on the affordable housing sector and other commercial real estate. We earn servicing fees for overseeing the loans in our servicing portfolio and asset management fees for the capital invested in our funds. Additionally, we earn revenue through net interest income on the loans and the warehouse interest expense for loans held for investment. The primary services within SAM are described below. For additional information on our SAM services, refer to Item 1. Business in our 2023 Form 10-K.

Loan Servicing

We retain servicing rights and asset management responsibilities on substantially all of our Agency loan products that we originate and sell and generate cash revenues from the fees we receive for servicing the loans, from the placement fees on escrow deposits held on behalf of borrowers, and from other ancillary fees relating to servicing the loans. Servicing fees, which are based on servicing fee rates set at the time an investor agrees to purchase the loan and on the unpaid principal balance of the loan, are generally paid monthly for the duration of the loan. Our Fannie Mae and Freddie Mac servicing arrangements generally provide for prepayment protection to us in the event of a voluntary prepayment. For loans serviced outside of Fannie Mae and Freddie Mac, we typically do not have similar prepayment protections. For most loans we service under the Fannie Mae Delegated Underwriting and Servicing ("DUS") program, we are required to advance the principal and interest payments and guarantee fees for four months should a borrower cease making payments under the terms of their loan, including while that loan is in forbearance. After advancing for four months, we may request reimbursement by Fannie Mae for the principal and interest advances, and Fannie Mae will reimburse us for these advances within 60 days of the request. Under the Ginnie Mae program, we are obligated to advance the principal and interest payments and guarantee fees until the HUD loan is brought current, fully paid or assigned to HUD. We are eligible to assign a loan to HUD once it is in default for 30 days. If the loan is not brought current, or the loan otherwise defaults, we are not reimbursed for our advances until such time as we assign the loan to HUD or work out a payment modification for the borrower. For loans in default, we may repurchase those loans out of the Ginnie Mae security, at which time our advance requirements cease, and we may then modify and resell the loan or assign the loan back to HUD and be reimbursed for our advances. We are not obligated to make advances on the loans we service under the Freddie Mac Optigo® program and our bank and life insurance company servicing agreements.

We have risk-sharing obligations on substantially all loans we originate under the Fannie Mae DUS program. When a Fannie Mae DUS loan is subject to full risk-sharing, we absorb losses on the first 5% of the unpaid principal balance of a loan at the time of loss settlement, and above 5% we share a percentage of the loss with Fannie Mae, with our maximum loss capped at 20% of the original unpaid principal balance of the loan (subject to doubling or tripling if the loan does not meet specific underwriting criteria or if the loan defaults within 12 months of its sale to Fannie Mae). Our full risk-sharing is currently limited to loans up to $300 million, which equates to a maximum loss per loan of $60 million (such exposure would occur in the event that the underlying collateral is determined to be completely without value at the time of loss). For loans in excess of $300 million, we receive modified risk-sharing. We also may request modified risk-sharing at the time of origination on loans below $300 million, which reduces our potential risk-sharing losses from the levels described above if we do not believe that we are being

---

fully compensated for the risks of the transaction. The full risk-sharing limit prior to June 30, 2021 was less than $300 million. has varied over time. Accordingly, loans originated prior to then may have been subject to modified risk-sharing at much lower levels.

Table of Contents

Our servicing fees for risk-sharing loans include compensation for the risk-sharing obligations and are larger than the servicing fees we would receive from Fannie Mae for loans with no risk-sharing obligations. We receive a lower servicing fee for modified risk-sharing than for full risk-sharing. For brokered loans we also service, we collect ongoing servicing fees while those loans remain in our servicing portfolio. The servicing fees we typically earn on brokered loan transactions are substantially lower than the servicing fees we earn on Agency loans.

Investment Management and Principal Lending and Investing

Investment Management—Through our subsidiary, Walker & Dunlop Investment Partners ("WDIP"), we function as the operator of a private commercial real estate investment advisor adviser focused on the management of debt, preferred equity, and mezzanine equity investments in middle-market commercial real estate funds. WDIP's current regulatory assets under management ("AUM") of $1.4 billion $1.6 billion primarily consist of six sources: Fund III, Fund IV, Fund V, Fund VI, and Fund VII (collectively, the "Funds"), and separate accounts managed primarily for life insurance companies. AUM for the Funds and for the separate accounts consists of both unfunded commitments and funded investments. Unfunded commitments are highest during the fundraising and investment phases. WDIP receives management fees based on both unfunded commitments and funded investments. Additionally, with respect to the Funds, WDIP receives a percentage of the return above the fund return hurdle rate specified in the fund agreements.

Through a joint venture with an affiliate of Blackstone Mortgage Trust, Inc., WDIP also offers short-term senior secured debt financing products that provide floating-rate, interest-only loans for terms of generally up to three years to experienced borrowers seeking to acquire or reposition multifamily properties that do not currently qualify for permanent financing (the "Interim Program JV" or the "joint venture"). The joint venture funds its operations using a combination of equity contributions from its owners and third-party credit facilities. We hold a 15% ownership interest in the Interim Program JV and are responsible for sourcing, underwriting, servicing, and asset-managing the loans originated by the joint venture. The Interim Program JV assumes full risk of loss while the loans it originates are outstanding, while we assume risk commensurate with our 15% ownership interest.

Principal Lending and Investing—Using a combination of our own capital and warehouse debt financing, we offer interim loans that do not meet the criteria of the Interim Program JV (the "Interim Loan Program"). We underwrite, service, and asset-manage all loans executed through the Interim Loan Program. We originate and hold these Interim Loan Program loans for investment, which are included on our balance sheet, and during the time that these loans are outstanding, we assume the full risk of loss. The ultimate goal of the Interim Loan Program is to provide permanent Agency financing on these transitional properties. We believe third-party capital solutions, in the form of direct real estate investment or commingled funds with our registered investment adviser, are a long-term growth opportunity for our servicing and asset management businesses, and we have steadily reduced our reliance on our own capital and warehouse debt financing to fund interim loans in order to focus on raising third-party capital solutions to meet market demand and pursue our asset management growth strategy.

In the fourth of quarter 2023, WDIP launched a credit fund focused on transitional lending with a large, institutional insurance company. The credit fund focuses on the same core product as the Interim Loan Program and Interim Program JV, and we expect to further wind down our reliance on the Interim Loan Program as a result of launching this credit fund. The Company underwrites, services, and asset manages all loans originated for the credit fund and has only a 5% co-investment obligation.

Affordable Housing Real Estate Services

We provide affordable housing investment management and real estate services through our subsidiary, Walker & Dunlop Affordable Equity ("WDAE"), formerly known as Alliant Capital, Ltd. and its affiliates ("Alliant"). WDAE is one of the largest tax credit syndicators and affordable housing developers in the U.S. and provides alternative investment management services focused on the affordable housing sector through LIHTC syndication, development of affordable housing projects through joint ventures, and affordable housing preservation fund management. Our affordable housing investment management team works with our developer clients to identify properties that will generate LIHTCs and meet our affordable investors' needs, and forms limited partnership funds ("LIHTC funds") with third-party investors that invest in the limited partnership interests in these properties. WDAE serves as the general partner of these LIHTC funds, and it receives fees, such as asset management fees, and a portion of refinance and disposition proceeds as compensation for its work as the general partner of the fund. Additionally, WDAE earns a syndication fee from the LIHTC funds for the identification, organization, and acquisition of affordable housing projects that generate LIHTCs.

We invest, as the managing or non-managing member of joint ventures, with developers of affordable housing projects that generate LIHTCs. These joint ventures earn developer fees and sale/refinance proceeds from the properties they develop, and we receive the portion of the economic benefits commensurate with its investment in the joint ventures. Additionally, WDAE also invests with third-party investors (either

Table of Contents

(either in a fund or joint-venture structure) with the goal of preserving affordability on multifamily properties coming out of the LIHTC 15-year compliance period or on which market forces are unlikely to keep the properties affordable. Through these preservation funds, WDAE

Table of Contents

may receive acquisition and asset management fees and will receive a portion of the operating cash and capital appreciation upon sale through a promote structure.

Corporate

The Corporate segment consists primarily of our treasury operations and other corporate-level activities. Our treasury operations include monitoring and managing our liquidity and funding requirements, including our corporate debt. The major other corporate-level functions include our equity-method investments, accounting, information technology, legal, human resources, marketing, internal audit, and various other corporate groups.

Basis of Presentation

The accompanying condensed consolidated financial statements include all the accounts of the Company and its wholly-owned subsidiaries, and all intercompany transactions have been eliminated.

Critical Accounting Estimates

Our condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), which requires management to make estimates based on certain judgments and assumptions that are inherently uncertain and affect reported amounts. The estimates and assumptions are based on historical experience and other factors management believes to be reasonable. Actual results may differ from those estimates and assumptions and the use of different judgments and assumptions may have a material impact on our results. The following critical accounting estimates involve significant estimation uncertainty that may have or are reasonably likely to have a material impact on our financial condition or results of operations. Additional information about our critical accounting estimates and other significant accounting policies are discussed in NOTE 2 of the consolidated financial statements in our 2022 2023 Form 10-K.

Mortgage Servicing Rights (“MSRs”). MSRs are recorded at fair value at loan sale. The fair value at loan sale (“MSR”) is based on estimates of expected net cash flows associated with the servicing rights and takes into consideration an estimate of loan prepayment. Initially, the fair value amount is included as a component of the derivative asset fair value at the loan commitment date. The estimated net cash flows from servicing, which includes assumptions for discount rate, placement fees, prepayment speed, and servicing costs, are discounted at a rate that reflects the credit and liquidity risk of the MSR over the estimated life of the underlying loan. The discount rates used throughout the periods presented for all MSRs were between 8-14% and varied based on the loan type. The life of the underlying loan is estimated giving consideration to the prepayment provisions in the loan and assumptions about loan behaviors around those provisions. Our model for MSRs assumes no prepayment prior to the expiration of the prepayment provisions and full prepayment of the loan at or near the point when the prepayment provisions have expired. The estimated net cash flows also include cash flows related to the future placement fees on deposit accounts associated with servicing the loans that are based on an earnings rate assumption. We include a servicing cost assumption to account for our expected costs to service a loan. The servicing cost assumption has had a de minimis impact on the estimate historically. We record an individual MSR asset for each loan at loan sale.

The assumptions used to estimate the fair value of capitalized MSRs are developed internally and are periodically compared to assumptions used by other market participants. Due to the relatively few transactions in the multifamily MSR market and the lack of significant changes in assumptions by market participants, we have experienced limited volatility in the assumptions historically, including the assumption that most significantly impacts the estimate: the discount rate. We do not expect to see significant volatility in the assumptions for the foreseeable future. We actively monitor the assumptions used and make adjustments to those assumptions when market conditions change, or other factors indicate such adjustments are warranted. Over the past two three years, we have adjusted the placement fee assumption related to escrow deposits several times to reflect the current and expected future earnings rate projected for the life of the MSR. Additionally, we adjusted Subsequent to loan origination, the discount rate at carrying value of the beginning MSR is amortized over the expected life of 2021 to mirror changes observed from market participants. the loan. We engage a third party to assist in determining an estimated fair value of our existing and outstanding MSRs on at least a semi-annual basis. basis, primarily for financial statement disclosure purposes. Changes in our discount rate assumptions may materially impact the fair value of the MSRs (NOTE 3 of the condensed consolidated financial statements details the portfolio-level impact of a change in the discount rate).

Allowance for Risk-Sharing Obligations. This reserve liability (referred to as "allowance") for risk-sharing obligations relates to our Fannie Mae at-risk servicing portfolio and is presented as a separate liability on our balance sheets. We record an estimate of the loss reserve for the current expected credit losses ("CECL") for all loans in our Fannie Mae at-risk servicing portfolio using the weighted-average remaining maturity method ("WARM"). WARM uses an average annual loss rate that contains loss content over multiple vintages and loan terms and is

used as a foundation for estimating the CECL reserve. The average annual loss rate is applied to the estimated unpaid principal balance over

the contractual term, adjusted for estimated prepayments and amortization to arrive at the CECL reserve for the entire current portfolio as described further below. We currently use one year for our reasonable and supportable forecast period ("forecast period") as we believe forecasts beyond one year are inherently less reliable. During the forecast period we apply an adjusted loss factor based on economic and unemployment forecasts from a market survey and a blended loss rate from historical periods that we believe reflect the forecast from the survey. We revert to the historical loss rate over a one-year period on a straight-line basis. Over the past couple of years, the loss rate used in the forecast period has been updated to reflect our expectations of the economic conditions over the coming year in relation to the historical period. For example, in the first quarter of 2023, we updated the loss rate used in the forecast period from 2.1 basis points to 2.3 basis points. This change resulted in our forecast-period loss rate increasing from 1.8 times to 3.8 times the historical loss rate factor to reflect our current expectations of the evolving and uncertain macroeconomic conditions facing the multifamily sector. We made multiple revisions to the loss rate used in the forecast period in the past, most notably related to the COVID-19 pandemic, and those changes in the loss rates have significantly impacted the estimate.

One of the key components of a WARM calculation is the runoff rate, which is the expected rate at which loans in the current portfolio will amortize and prepay in the future based on our historical prepayment and amortization experience. We group loans by similar origination dates (vintage) and contractual maturity terms for purposes of calculating the runoff rate. We originate loans under the DUS program with various terms generally ranging from several years to 15 years; each of these various loan terms has a different runoff rate. The runoff rates applied to each vintage and contractual maturity term are determined using historical data; however, changes in prepayment and amortization behavior may significantly impact the estimate. We have not experienced significant changes in the runoff rate since we implemented CECL in 2020.

The weighted-average annual loss rate is calculated using a 10-year look-back period, utilizing the average portfolio balance and settled losses for each year. A 10-year period is used as we believe that this period of time includes sufficiently different economic conditions to generate a reasonable estimate of expected results in the future, given the relatively long-term nature of the current portfolio. As the weighted-average annual loss rate utilizes a rolling 10-year look-back period, the loss rate used in the estimate will change as loss data from earlier periods in the look-back period continue to fall off and as new loss data are added. For example, in the first quarter of 2023, 2024, loss data from earlier periods in the look-back period with significantly higher losses fell off and were replaced with more recent loss data with significantly lower losses, resulting in the weighted-average annual loss rate changing declining from 1.2 0.6 basis points to 0.3 basis points.

We currently use one year for our reasonable and supportable forecast period ("forecast period") as we believe forecasts beyond one year are inherently less reliable. During the forecast period we apply an adjusted loss factor based on generally available economic and unemployment forecasts and a blended loss rate from historical periods that we believe reflect the forecasts. We revert to the historical loss rate over a one-year period on a straight-line basis. Over the past couple of years, the loss rate used in the forecast period reflects our expectations of the economic conditions impacting the multifamily sector over the coming year in relation to the historical period. For example, despite our historical loss rate declining from 0.6 basis points. Changes in points as of December 31, 2023 to 0.3 basis points as of March 31, 2024, our expectations and forecasts have materially impacted, and in forecast-period loss rate remained relatively unchanged from 2.4 basis points as of

December 31, 2023, to 2.3 basis points as of March 31, 2024. The forecast loss rate remaining the future may materially impact, same reflects our relatively unchanged view of the estimate. In 2022, we had our first loss settlement in six years. We settled another immaterial loss in July 2023. uncertainty of the evolving macroeconomic conditions facing the multifamily sector.

NOTE 4 of the condensed consolidated financial statements outlines adjustments made in the loss rates used to account for the expected economic conditions as of a given period and the related impact on the estimate.

Changes in our expectations and forecasts have materially impacted, and in the future may materially impact, these inputs and the CECL estimate.

We evaluate our risk-sharing loans on a quarterly basis to determine whether there are loans that are probable of foreclosure. Specifically, we assess a loan's qualitative and quantitative risk factors, such as payment status, property financial performance, local real estate market conditions, loan-to-value ratio, debt-service-coverage ratio, and property condition. When a loan is determined to be probable of foreclosure based on these factors, we remove the loan from the WARM calculation and individually assess the loan for potential credit loss. This assessment requires certain judgments and assumptions to be made regarding the property values and other factors, which may differ significantly from actual results. Loss settlement with Fannie Mae has historically concluded within 18 to 36 months after foreclosure. Historically, the initial collateral-based reserves have not varied significantly from the final settlement.

We actively monitor the judgments and assumptions used in our Allowance for Risk-Sharing Obligation estimate and make adjustments to those assumptions when market conditions change, or when other factors indicate such adjustments are warranted. We believe the level of Allowance for Risk-Sharing Obligation is appropriate based on our expectations of future market conditions; however, changes in one or more of the judgments or assumptions used above could have a significant impact on the estimate.

Contingent Consideration Liabilities. The Company typically includes an earnout as part of the consideration paid for acquisitions to align the long-term interests of the acquiree with the Company. These earnouts contain milestones for achievement, which typically are revenue, revenue-like, or productivity measurements. If the milestone is achieved, the acquiree is paid the additional consideration. Upon acquisition, the Company is required to estimate the fair value of the earnout and include that fair value measurement as a component of the total consideration paid in the calculation of goodwill. The fair value of the earnout is recorded as a contingent consideration liability and is included

within *Other liabilities* in the Condensed Consolidated Balance Sheet and adjusted to the estimated fair value at the end of each reporting period.

The determination of the fair value of contingent consideration liabilities requires significant management judgment and unobservable inputs to (i) determine forecasts and scenarios of future revenues, net cash flows and certain other performance metrics, (ii) assign a probability of achievement for the forecasts and scenarios, and (iii) select a discount rate. A Monte Carlo simulation analysis is used to determine many iterations of potential fair values. The average of these iterations is then used to determine the estimated fair value. We typically obtain the assistance of third-party valuation specialists to assist with the fair value estimation. The probability of the earnout achievement is based on management's estimate of the expected future performance and other financial metrics of each of the acquired entities, which are subject to significant uncertainty. Changes to the aforementioned inputs impact the estimate; for example, in the fourth quarter of 2022, we recorded a net $13.5 million reduction to the fair value of our contingent consideration liabilities based primarily on revised management forecasts of the financial performance of the entities over the remaining earnout period. During the third quarter of 2023, we recorded a $62.5 million reduction of $14.0 million to the fair value of our contingent consideration liabilities based on revised management forecasts, scenarios, and other valuation inputs.

The aggregate fair value of our contingent consideration liabilities as of September 30, 2023 March 31, 2024 was $161.2 million $100.2 million. This fair value represents management's best estimate of the discounted cash payments that will be made in the future for all of our contingent consideration arrangements. The maximum remaining undiscounted earnout payments as of September 30, 2023 March 31, 2024 was $292.9 million $279.0 million. Over the past two In prior years, we have made two large acquisitions that included significant amounts of contingent consideration to maximize alignment of the key principals and management teams. The earnouts completed prior to 2021 involved businesses that operated in our core debt financing business and involved substantially smaller amounts of contingent consideration as compared to the two aforementioned acquisitions.

Goodwill. As of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, we reported goodwill of $949.7 million and $959.7 million, respectively. $901.7 million. Goodwill represents the excess of cost over the identifiable net assets of businesses acquired. Goodwill is assigned to the reporting unit to which the acquisition relates. Goodwill is recognized as an asset and is reviewed for impairment annually as of October 1. Between annual impairment analyses, we perform an evaluation of recoverability, when events and circumstances indicate that it is more-likely-than not that the fair value of a reporting unit is below its carrying value. Impairment testing requires an assessment of qualitative factors to determine if there are indicators of potential impairment, followed by, if necessary, an assessment of quantitative factors. These factors include, but are not limited to, whether there has been a significant or adverse change in the business climate that could affect the value of an asset and/or significant or adverse changes in cash flow projections or earnings forecasts. These assessments require management to make judgments, assumptions, and estimates about projected cash flows, discount rates and other factors.

We recorded goodwill impairment during the third quarter of 2023 in conjunction with the aforementioned reassessment of contingent consideration liabilities. The fair value adjustment reduced the contingent consideration liability associated with our 2022 acquisition of GeoPhy, and we recorded a corresponding and offsetting impairment to the goodwill associated with the acquisition since a substantial portion of the goodwill originally recorded was directly related to the contingent consideration liability. We attributed this goodwill impairment to one of the two reporting units to which the GeoPhy operations and goodwill are assigned, both of which are components of the Capital Markets segment. The period over which the contingent consideration can be earned (approximately two more years) is much shorter than the period of time considered in a fair value assessment of a reporting unit, and we believe the macroeconomic and commercial real estate market conditions that led to the fair value adjustment related to the continent consideration liability are short term in nature. As of September 30, 2023, we continue to believe the remaining goodwill at each of our other reporting units is not impaired. However, if the volatile macroeconomic and commercial real estate market conditions continue, the fair value of our contingent consideration liabilities may decline further in the coming quarters, resulting in a corresponding and offsetting goodwill impairment similar to the one we recorded during the three months ended September 30, 2023, as discussed above.

Overview of Current Business Environment

Inflation has remained consistently high since early 2022. In response, the Federal Open Market Committee ("FOMC") has increased its target Federal Funds Rate by 5.25% since the first quarter of 2022, with the last increase coming at the July 2023 FOMC meeting, establishing and maintaining a target range of 5.25% to 5.50% that remains in place through March 31, 2024. Entering 2024, the long-term yield curve was pricing in an expectation of three to five rate cuts by the FOMC, with the first of those rate cuts expected in March 2024. Consequently, the ten-year Treasury yield—the benchmark rate against which many commercial real estate loan products are priced—began the year at 3.95%. Inflation and employment data during the first few months of the year has remained above the FOMC's long-term target, however, and no action has been taken by the FOMC to reduce the Federal Funds Rate yet in 2024. The long-term yield curve is now pricing in one to two cuts in the Federal Funds Rate in 2024, with the first of those cuts not expected until late-Fall 2024. Consequently, the ten-year Treasury yield has risen to a high of 4.62% in April 2024. The volatility and absolute level of medium-to-long term interest rates continues to suppress commercial real estate transaction activity, as those rates serve as the basis for many of our lending products, and the return expectations for many investors in commercial real estate. Higher short-term interest rates also have a negative impact on our business by increasing our borrowing costs for both our warehouse lines and corporate debt. The Federal Funds Rate remaining at elevated levels does benefit our placement fee revenue on escrow deposits and cash and cash equivalents, though, and we now expect to earn elevated placement fees and other interest income for the remainder of the year on those deposits.

Higher and volatile interest rates continue to disrupt many sectors of the capital markets, causing significant volatility and uncertainty, including: (a) disruption in the commercial real estate lending and transactions environment, market, (b) volatility in pricing of commercial real estate assets, (c) challenges in the banking sector which are significantly constraining the supply of capital from the financial sector, and (d) uncertainty amongst owners, operators, and developers of commercial real estate assets. Due The largest impact of these uncertainties was to our multifamily property sales business, as overall multifamily acquisitions activity fell to its lowest quarterly level in nearly four years, according to Real Capital Analytics. As a result, our property sales volume in the first quarter 2024 declined 38% compared to the disruption and uncertainties, same quarter last year. Several of our total transaction volumes decreased 54% from debt executions were also negatively impacted for the first nine months of 2022, quarter 2024 compared to the same quarter last year, with the largest decreases in our HUD (89%) and Fannie Mae (34%) executions. Despite the challenges already outlined, third party capital from life insurance companies, certain banks, and CMBS transacted at a higher level in the first quarter of 2024 compared to the same period last year, as evidenced by the 40% increase in our debt brokerage (59%) and multifamily property sales (64%) executions. The decrease in total transaction volumes also included a decrease in our GSE lending (34%) and HUD originations (61%).

To combat the high rate of inflation quarter over the past two years the Federal Reserve increased its target Federal Funds Rate by 5.25% since December 2021, with a target range of 5.25% to 5.50% as of September 30, 2023. Following the September 2023 meeting, the Federal Reserve signaled a slower pace of increases, but that rates would need to remain higher for longer to bring inflation down toward the Federal Reserve's long-term target. The actions of the Federal Reserve resulted in an increase in medium to long-term mortgage interest rates, which form the basis quarter. As a result of most of our lending. The increase in the Federal Funds Rate has increased our placement fee revenue on escrow deposits and cash and cash equivalents but also increased our borrowing costs for both our warehouse lines and corporate debt.

As the Federal Reserve continues to combat inflation through higher interest rates and with the turmoil in the banking sector from earlier in the year, we expect commercial real estate debt and property sales transaction activity to be depressed in 2023 from the levels we achieved in 2022. Certain of our products are impacted more than others, with property sales volumes and debt brokerage executions in non-multifamily asset classes being impacted the most volumes, our total debt financing volumes during the first nine months of the year, as banks and other third-party capital sources reduced their lending activities significantly and increased capital reserves. We also saw a significant slowdown in lending activity from the GSEs in the first quarter, as overall demand for new loans was down sharply as the market adjusted to the macroeconomic environment early in the year. However, as the market adjusted, the GSEs saw a 68% and 81% increase in their lending activity in the second and third quarters of 2023, respectively, compared to the first quarter of 2023. We 2024 increased 8% when compared to the same quarter last year.

As the market adjusts its expectations to a sustained high interest rate environment, we expect medium and long-term interest rates to stabilize, and for capital and our customers to adjust. The multifamily lending market is forecasted by the Mortgage Bankers Association ("MBA") to increase to $339 billion in 2024 from $271 billion in 2023, an increase of 25%. Our view is that for the MBA's forecast to be accurate, interest rates must remain stable, and a large majority of transaction activity will need to close in the second half of the year. This will benefit our GSE lending executions. Although our GSE lending volumes declined 20%, we expect the GSEs' lending terms to remain be more competitive in the latter parts of 2024, and supply much needed countercyclical capital to the multifamily sector for the rest of 2023. When the broader capital markets tighten, the GSEs historically increase their lending GSE transaction activity to provide liquidity increase throughout the year in a similar manner to the multifamily borrowing community as they did throughout 2020 and the second half of 2021. As the largest GSE multifamily lender by volume in 2022, we remain well positioned to originate loans for the GSEs. As interest rates increased rapidly, and liquidity in the capital markets tightened, we have experienced declines in credit spreads to offset a portion of the interest rate increases on the total cost of borrowing. This has resulted in lower average servicing fees on our new GSE lending over the past year, and we do not anticipate that changing in the near term.2023.

The Federal Housing Finance Agency ("FHFA") establishes loan origination caps for both Fannie Mae and Freddie Mac each year. In November 2022, 2023, the FHFA established Fannie Mae's and Freddie Mac's 2023 2024 loan origination caps at $75 billion $70 billion each for all multifamily business, a 4% 7% decrease from the 2022 2023 caps, but an a 38% increase over actual 2022 combined 2023 lending volumes for both Agencies. the GSEs. During the three months ended September 30, 2023 March 31, 2024, Fannie Mae and Freddie Mac had multifamily origination volumes of $16.5 billion $10.0 billion and $9.1 billion, respectively, down 2.0% and up 3.8%, and $13.3 billion, down 9.5% 46.0%, from the same period in 2022, respectively. During the nine three months ended September 30, 2023, Fannie Mae and Freddie Mac had multifamily origination volumes of $41.7 billion and $32.4 billion, respectively, down 17.6% and 26.9%, from the nine months ended September 30, 2022 March 31, 2023, respectively, leaving a combined $75.9 billion $120.9 billion of available lending capacity for the remainder of 2023. A decline in our GSE originations negatively impacts our financial results, as our non-cash MSR revenues decrease disproportionately with debt financing volume and future servicing revenue would be constrained or decline. 2024.

Despite the higher interest rate environment and declines in commercial real estate lending and property sales, macroeconomic conditions impacting multifamily property fundamentals remained healthy in through the third first quarter of 2023, 2024, with the national unemployment rate remaining low at 3.8% as of September 2023. March 2024. According to RealPage, a provider of commercial real estate data and analytics, vacancies have risen from their historical low of 2.4% in February 2022 and stabilized at 5.6% around 5.9% as of September March 2024 from 5.8% as of December 2023 and 5.3% as of March 2023. The recent historically low vacancy rates A record number of new multifamily properties were largely considered completed in 2023, with the majority of those completions concentrated in sunbelt markets, with an even greater number expected to be unsustainable from completed in 2024. Beyond 2024, multifamily completions are expected to decrease significantly, as new starts stalled in 2023 as a long-term perspective, result of the liquidity and macroeconomic challenges. In the current vacancy rate represents a return short-term, rent growth is expected to normal that matches the pre-pandemic decade-long average. face downward pressure, while occupancy rates are also expected to face upward pressure as new supply is absorbed. Despite the increase in vacancies and an the short-term increase in supply of multifamily units, national rent growth remains flat to slightly positive indicating continued healthy demand for multifamily units. units as the market is absorbing the new supply.

Our The increase in completions in 2024 will present an opportunity for our multifamily property sales volumes decreased 64% in the first nine months of 2023. team, as many merchant builders will look to sell completed assets once stabilized. We continue to compete for market share in the a challenging multifamily property sales sector, as customers increasingly look to experienced brokers to maximize value in this uncertain environment. Long term, we believe the market fundamentals will continue to be trend more positive for multifamily properties and we are beginning due to see an increase constrained supply resulting from the decline in assets brought to market as we enter new construction starts over the second half of the past year. Over the last several years, household formation and a dearth of supply of entry-level single-family homes led to strong demand for rental housing in many geographical areas. Consequently, the fundamentals of the multifamily assets were strong prior to the pandemic, remain healthy, and when combined with high occupancy and elevated real-estate prices, we expect that market demand for multifamily assets in the long-term will return, as this asset class remains an attractive investment option.

Our debt brokerage platform had lower volumes the first nine months of 2023 compared to same period in 2022 due to the volatile interest rate environment and constrained supply of capital from banks, securitization markets, and other specialty finance lenders. As the interest rate environment and banking sector begin to stabilize, we expect to see capital slowly return to the market.

As noted above, our debt financing operations with HUD declined compared to 2022. HUD loan volumes accounted for 1.4% and 2.0% the first quarter of our total debt financing volumes for the three and nine months ended September 30, 2023, respectively, compared to 2.8% and 2.6% of our total debt financing volumes for the three and nine months ended September 30, 2022, respectively. 2023. The decline in HUD debt financing volumes as a percentage of our total debt financing volumes was driven by lower aggregate HUD lending volumes industry-wide, as due to the ongoing high volatile interest-rate environment discussed above, which more acutely impacted the our HUD product given the longer lead times associated with HUD executions. As interest rates stabilize, we expect our HUD volume to improve.

Table of Contents

We entered into the Interim Program JV to expand our capacity to originate Interim Program loans beyond the use of our own balance sheet. Demand for transitional lending was strong over the last several years prior to 2023 and drove increased competition from lenders, specifically banks, private debt funds, mortgage real estate investment trusts, and life insurance companies. Since

Over the Federal Reserve began increasing interest rates, the supply of capital to transitional lending decreased substantially due to constraints in lending from banks, as well as tightening credit standards for transitional assets. For the nine months ended September 30, 2023, past two years, we did not originate any Interim Program JV loans, compared to $86.3 million of originations for the same period last year. Given the volatile macroeconomic conditions discussed above, we continue to approach reduced our lending activity reliance on transitional assets cautiously. We expect our lending volumes for transitional assets to remain low until economic conditions normalize. As of September 30, 2023, all the loans in our portfolio balance sheet and in the Interim Program JV, continue and as such shifted our strategy for transitional lending toward our investment management platform and our registered investment adviser, WDIP. Given the increased distress in the transitional lending market, particularly within CLOs, we have been actively raising capital to perform according meet the potential market demand as those loans mature in 2024 and 2025. We launched our first credit fund through WDIP in the fourth quarter of 2023, raising $150 million of capital from a large life insurance company, that when levered will allow WDIP to their terms. supply over half a billion dollars to the transitional multifamily lending market. The credit fund focuses on the same core product as the Interim Loan Program and Interim Program JV. WDIP underwrites, services and asset manages all loans originated for the credit fund, and the Company has only a 5% co-investment obligation.

We provide alternative investment management services focused on the affordable housing sector through LIHTC syndication, joint venture development, and community preservation fund management through our subsidiary, WDAE. We remain were the 6th eighth largest LIHTC syndicator despite the volatile and uncertain economic conditions mentioned above. in 2023. We continue to approach the affordable housing space with a combined LIHTC syndication and affordable housing service offering that we believe will generate significant long-term financing, property sales, and syndication opportunities. Additionally, as part of

Table of Contents

FHFA's 2023 2024 loan origination caps of $150 billion $140 billion announced in November 2022, 2023, at least 50% of the GSEs' multifamily business is required to be targeted towards affordable housing. We expect these initiatives coupled with the continued demand will create additional growth opportunities for both WDAE and our debt financing and property sales teams focused on affordable housing, as evidenced by the $461 million of equity syndicated by WDAE for the nine months ended September 30, 2023, putting them on pace for their strongest year of syndicated equity ever. housing.

Table of Contents

Consolidated Results of Operations

The following is a discussion of our consolidated results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. The financial results are not necessarily indicative of future results. Our quarterly results have fluctuated in the past and are expected to fluctuate in the future, reflecting the interest rate environment, the volume of transactions, business acquisitions, regulatory actions, industry trends, and general economic conditions. The table below provides supplemental data regarding our financial performance.

SUPPLEMENTAL OPERATING DATA

CONSOLIDATED

	For the three months ended September 30,		For the nine months ended September 30,		For the three months ended March 31,	
(dollars in thousands; except per share data)	2023	2022	2023	2022		
(dollars in thousands)					2024	2023
Transaction Volume:						
Components of Debt Financing Volume						
Total Debt Financing Volume	$ 6,047,394	$ 11,925,593	$ 17,781,027	$ 35,711,568	$ 5,227,308	$ 4,825,798
Property Sales Volume	2,508,073	4,993,615	5,907,138	16,417,367	1,167,151	1,894,682
Total Transaction Volume	$ 8,555,467	$ 16,919,208	$ 23,688,165	$ 52,128,935	$ 6,394,459	$ 6,720,480
Key Performance Metrics:						
Operating margin	10 %	17 %	13 %	22 %	6 %	14 %
Return on equity	5	11	6	14	3	6
Walker & Dunlop net income	$ 21,458	$ 46,833	$ 75,758	$ 172,328	$ 11,866	$ 26,665
Adjusted EBITDA[(1)]	74,065	74,990	212,541	232,470	74,136	67,975
Diluted EPS	0.64	1.40	2.25	5.13	0.35	0.79
Key Expense Metrics (as a percentage of total revenues):						
Personnel expenses	51 %	50 %	50 %	48 %	49 %	50 %
Other operating expenses	11	11	11	10	13	10

	As of September 30,		As of March 31,	
Managed Portfolio:	2023	2022	2024	2023
Total Servicing Portfolio	$ 128,959,434	$ 120,778,424	$ 131,963,765	$ 124,575,919
Assets under management	17,334,877	17,017,355	17,465,398	16,654,566
Total Managed Portfolio	$ 146,294,311	$ 137,795,779	$ 149,429,163	$ 141,230,485

(1) This is a non-GAAP financial measure. For more information on adjusted EBITDA, refer to the section below titled "Non-GAAP Financial Measure."

Table of Contents

The following tables present table presents a period-to-period comparisons comparison of our financial results for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

FINANCIAL RESULTS – THREE MONTHS

CONSOLIDATED

	For the three months ended September 30,		Dollar	Percentage

(dollars in thousands)	2023	2022	Change	Change
Revenues				
Loan origination and debt brokerage fees, net	$ 56,149	$ 90,858	$ (34,709)	(38)%
Fair value of expected net cash flows from servicing, net	35,375	55,291	(19,916)	(36)
Servicing fees	79,200	75,975	3,225	4
Property sales broker fees	16,862	30,308	(13,446)	(44)
Investment management fees	13,362	16,301	(2,939)	(18)
Net warehouse interest income (expense)	(2,031)	3,980	(6,011)	(151)
Placement fees and other interest income	43,000	18,129	24,871	137
Other revenues	26,826	24,769	2,057	8
Total revenues	$ 268,743	$ 315,611	$ (46,868)	(15)
Expenses				
Personnel	$ 136,507	$ 157,059	$ (20,552)	(13)%
Amortization and depreciation	57,479	59,846	(2,367)	(4)
Provision (benefit) for credit losses	421	1,218	(797)	(65)
Interest expense on corporate debt	17,594	9,306	8,288	89
Other operating expenses	28,529	33,991	(5,462)	(16)
Total expenses	$ 240,530	$ 261,420	$ (20,890)	(8)
Income from operations	$ 28,213	$ 54,191	$ (25,978)	(48)
Income tax expense	7,069	7,532	(463)	(6)
Net income before noncontrolling interests	$ 21,144	$ 46,659	$ (25,515)	(55)
Less: net income (loss) from noncontrolling interests	(314)	(174)	(140)	80
Walker & Dunlop net income	$ 21,458	$ 46,833	$ (25,375)	(54)

Table of Contents

FINANCIAL RESULTS – NINE MONTHS

CONSOLIDATED

	For the nine months ended September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Revenues				
Loan origination and debt brokerage fees, net	$ 168,201	$ 275,773	$ (107,572)	(39)%
Fair value of expected net cash flows from servicing, net	107,446	159,970	(52,524)	(33)
Servicing fees	232,027	222,916	9,111	4
Property sales broker fees	38,831	100,092	(61,261)	(61)
Investment management fees	44,844	47,345	(2,501)	(5)
Net warehouse interest income (expense)	(3,556)	14,021	(17,577)	(125)
Placement fees and other interest income	109,310	26,683	82,627	310
Other revenues	83,001	129,103	(46,102)	(36)
Total revenues	$ 780,104	$ 975,903	$ (195,799)	(20)
Expenses				
Personnel	$ 388,425	$ 469,608	$ (81,183)	(17)%
Amortization and depreciation	170,737	177,101	(6,364)	(4)

Provision (benefit) for credit losses	(11,088)	(13,120)	2,032	(15)
Interest expense on corporate debt	49,878	22,123	27,755	125
Other operating expenses	83,322	102,400	(19,078)	(19)
Total expenses	$ 681,274	$ 758,112	$ (76,838)	(10)
Income from operations	$ 98,830	$ 217,791	$ (118,961)	(55)
Income tax expense	24,695	46,495	(21,800)	(47)
Net income before noncontrolling interests	$ 74,135	$ 171,296	$ (97,161)	(57)
Less: net income (loss) from noncontrolling interests	(1,623)	(1,032)	(591)	57
Walker & Dunlop net income	$ 75,758	$ 172,328	$ (96,570)	(56)

	For the three months ended March 31,		Dollar	Percentage
(dollars in thousands)	2024	2023	Change	Change
Revenues				
Loan origination and debt brokerage fees, net	$ 43,740	$ 47,084	$ (3,344)	(7)%
Fair value of expected net cash flows from servicing, net	20,898	30,013	(9,115)	(30)
Servicing fees	80,043	75,766	4,277	6
Property sales broker fees	8,821	11,624	(2,803)	(24)
Investment management fees	13,520	15,173	(1,653)	(11)
Net warehouse interest income (expense)	(1,116)	1	(1,117)	(111,700)
Placement fees and other interest income	39,402	30,924	8,478	27
Other revenues	22,751	28,161	(5,410)	(19)
Total revenues	$ 228,059	$ 238,746	$ (10,687)	(4)
Expenses				
Personnel	$ 111,463	$ 118,613	$ (7,150)	(6)%
Amortization and depreciation	55,891	56,966	(1,075)	(2)
Provision (benefit) for credit losses	524	(10,775)	11,299	(105)
Interest expense on corporate debt	17,659	15,274	2,385	16
Other operating expenses	28,843	24,063	4,780	20
Total expenses	$ 214,380	$ 204,141	$ 10,239	5
Income from operations	$ 13,679	$ 34,605	$ (20,926)	(60)
Income tax expense	2,864	7,135	(4,271)	(60)
Net income before noncontrolling interests	$ 10,815	$ 27,470	$ (16,655)	(61)
Less: net income (loss) from noncontrolling interests	(1,051)	805	(1,856)	(231)
Walker & Dunlop net income	$ 11,866	$ 26,665	$ (14,799)	(55)

Overview

Three months ended September 30, 2023 compared to three months ended September 30, 2022

The decrease in revenues was primarily driven by decreases in loan origination and debt brokerage fees, net (“origination fees”), the fair value of expected net cash flows from servicing, net (“MSR income”), property sales broker fees, investment management fees, and net warehouse interest income (expense), other revenues, partially offset by increases in servicing fees and placement fees and other interest income, and other revenues. income. Origination fees and MSR income decreased largely as a result of a 49% 38% decline in overall Fannie Mae and HUD debt financing volume. Property sales broker fees decreased primarily due to a 50% 38% decline in property sales volume. Investment management fees Other revenues decreased primarily as a result of a decline in LIHTC investment management fees. Net warehouse interest income (expense) decreased from a net revenue position in 2022 largely due to a net expense position decrease in 2023 investment banking revenues due to short-term rates remaining higher than long-term rates (“inverted yield curve”) during a large investment banking transaction in the third first quarter of 2023. 2023 with no comparable activity in 2024, partially offset by an increase in income from equity method investments. Servicing fees increased largely from an increase in the average servicing portfolio outstanding. Placement fees and other interest income increased primarily as a result of a higher placement fee rate due to rising a higher short-term interest rates. Other revenues increased largely as a result of an increase in assumption fee income. rate environment.

The decrease increase in expenses was primarily due to decreases a significant change in personnel costs, amortization and depreciation, the provision (benefit) for credit losses combined with increases in interest expense on corporate debt and other operating expenses, partially offset by decreases in personnel costs.

Provision (benefit) for credit losses switched from a large benefit in 2023 to a small provision in 2024 due primarily to a decrease in the change in historicalloss rates from 0.6 basis points in 2023 to 0.3 basis points in 2024, partially offset by an increase in interest the provision for defaulted loans. For the three months ended March 31, 2023, the benefit was related to a decrease in the historical loss rate, with no comparable offset. Interest expense on corporate debt. debt increased due to an increase in the interest rate on the debt as its floating rate is tied to short-term interest rates, which were higher in 2024 than 2023. Other operating expenses increased largely as a result of the write-off of debt premium in 2023 due to refinancing debt assumed from an acquisition, which reduced other operating expenses, with no comparable activity in 2024. Personnel costs decreased largely due to decreases in commission costs as a result of our lower transaction volumes. Amortization origination fees and depreciation expense decreased primarily due to a decline in write-offs of MSRs due to lower prepayments in the servicing portfolio. Other operating expenses decreased property sales broker fees and salaries and subjective bonus costs largely as a direct result of our cost-reduction initiatives across a variety of general and administrative cost categories. Interest expense on corporate debt increased due to increases lower average headcount in (i) the interest rate as our corporate debt's floating rate is tied to short-term interest rates, (ii) the outstanding principal balance of corporate debt, and (iii) the principal balance of our corporate debt subject to floating interest rates, as we replaced the fixed-rate debt at one of our subsidiaries with floating-rate debt. 2024.

Income Tax Expense. The decrease in income tax expense primarily relates to a 48% was driven by the 60% decrease in income from operations, largely offset by a one-time tax benefit during the three months ended September 30, 2022 totaling $6.3 million resulting from (i) the dissolution of a joint venture that we acquired full ownership of earlier in 2022 and (ii) intellectual property ("IP") transfer tax related to the IP intangible assets we acquired as part of the 2022 GeoPhy acquisition. There was no comparable one-time tax benefit during the three months ended September 30, 2023.

Nine months ended September 30, 2023 compared to nine months ended September 30, 2022

The decrease in revenues was primarily driven by decreases in origination fees, MSR income, property sales broker fees, net warehouse interest income (expense), and other revenues, partially offset by increases in servicing fees and placement fees and other interest income. Origination fees and MSR income decreased largely as a result of a 50% decline in overall debt financing volume. Property sales broker fees decreased primarily due to a 64% decline in property sales volume. Net warehouse interest income (expense) decreased from a net revenue position in 2022 to a net expense position in 2023 due to the inverted yield curve throughout 2023. Other revenues decreased primarily due to a $39.6 million one-time gain from the revaluation of our previously held equity-method investment in Apprise in the first quarter of 2022, with no comparable activity in 2023, combined with a decline in prepayment fees. Servicing fees increased largely from an increase in the average servicing portfolio outstanding. Placement fees and other interest income increased primarily as a result of a higher placement fee rate due to rising short-term interest rates.

The decrease in expenses was due to decreases in personnel costs, amortization and depreciation, and other operating expenses, partially offset by an increase in interest expense on corporate debt. Personnel costs decreased, largely due to decreases in commission costs as a result of our lower transaction volumes. Amortization and depreciation decreased, largely due to a decline in write-offs of MSRs due to lower prepayments in the servicing portfolio. Other operating expenses decreased primarily as a result of the write off of unamortized debt premium as we paid off a note payable at one of our subsidiaries, and other decreases as a result of our cost-reduction initiatives. Interest expense on corporate debt increased due to increases in (i) the interest rate as our corporate debt's floating rate is tied to short-term interest rates, (ii) the outstanding principal balance of corporate debt, and (iii) the principal balance of our corporate debt subject to floating interest rates, as we replaced the fixed-rate debt at one of our subsidiaries with a floating-rate debt.

Income Tax Expense. The decrease in income tax expense primarily relates to a 55% decrease in income from operations, partially offset by a $3.3 million decrease in realizable excess tax benefits and the one-time tax benefit recognized in 2022 and not 2023 as more fully described above. operations.

A discussion of the financial results for our segments is included further below.

Non-GAAP Financial Measure

To supplement our financial statements presented in accordance with GAAP, we use adjusted EBITDA, a non-GAAP financial measure. The presentation of adjusted EBITDA is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. When analyzing our operating performance, readers should use adjusted EBITDA in addition to, and not as an alternative for, net income. Adjusted EBITDA represents net income before income taxes, interest expense on our corporate debt, and amortization and depreciation, adjusted for provision (benefit) for credit losses, net write-offs, stock-based incentive compensation charges, the fair value of expected net cash flows from servicing, net, the write off of the unamortized balance of premium associated with the repayment of a portion of our corporate debt, goodwill impairment, and contingent consideration liability fair value adjustments when the gain from revaluation of a previously held equity-method investment. The goodwill impairment that is incorporated into the calculation of Adjusted EBITDA includes goodwill impairment resulting from our annual goodwill impairment test and the quarterly evaluations of recoverability. Goodwill impairment that results from a downward fair value adjustment to is a triggering event for a goodwill impairment assessment. In cases where the fair value adjustment of contingent consideration liabilities is not included as an adjustment to GAAP net income to arrive at Adjusted EBITDA, since a trigger for goodwill impairment, the goodwill impairment is offset by netted against the downward fair value adjustment to the of contingent consideration liability, resulting in no liabilities and included as a net impact to GAAP net income. number. Because not all companies use identical calculations, our presentation of adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, adjusted EBITDA is not intended to be a measure of free cash flow for our management's discretionary use, as it does not reflect certain cash requirements such as tax and debt service payments. The amounts shown for adjusted EBITDA may also differ from the amounts calculated under similarly titled definitions in our debt instruments, which are further adjusted to reflect certain other cash and non-cash charges that are used to determine compliance with financial covenants.

Table of Contents

We use adjusted EBITDA to evaluate the operating performance of our business, for comparison with forecasts and strategic plans, and for benchmarking performance externally against competitors. We believe that this non-GAAP measure, when read in conjunction with our GAAP financials, provides useful information to investors by offering:

- the ability to make more meaningful period-to-period comparisons of our ongoing operating results;
- the ability to better identify trends in our underlying business and perform related trend analyses; and
- a better understanding of how management plans and measures our underlying business.

We believe that adjusted EBITDA has limitations in that it does not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP and that adjusted EBITDA should only be used to evaluate our results of operations in conjunction with net income on both a consolidated and segment basis. Adjusted EBITDA is reconciled to net income as follows:

ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP

CONSOLIDATED

	For the three months ended September 30,		For the nine months ended September 30,	
(in thousands)	2023	2022	2023	2022
Reconciliation of Walker & Dunlop Net Income to Adjusted EBITDA				
Walker & Dunlop Net Income	$ 21,458	$ 46,833	$ 75,758	$ 172,328
Income tax expense	7,069	7,532	24,695	46,495
Interest expense on corporate debt	17,594	9,306	49,878	22,123
Amortization and depreciation	57,479	59,846	170,737	177,101
Provision (benefit) for credit losses	421	1,218	(11,088)	(13,120)
Net write-offs(1)	(2,008)	—	(8,041)	—
Share-based compensation expense	7,427	5,546	22,468	27,154
Gain from revaluation of previously held equity-method investment	—	—	—	(39,641)
Write off of unamortized premium from corporate debt repayment	—	—	(4,420)	—
Fair value of expected net cash flows from servicing, net	(35,375)	(55,291)	(107,446)	(159,970)
Adjusted EBITDA	$ 74,065	$ 74,990	$ 212,541	$ 232,470

(1) The net write-off for the nine months ended September 30, 2023 includes the write off of collateral-based reserves related to a loan held for investment.

	For the three months ended March 31,	
(in thousands)	2024	2023
Reconciliation of Walker & Dunlop Net Income to Adjusted EBITDA		
Walker & Dunlop Net Income	$ 11,866	$ 26,665
Income tax expense	2,864	7,135

Interest expense on corporate debt	17,659	15,274
Amortization and depreciation	55,891	56,966
Provision (benefit) for credit losses	524	(10,775)
Net write-offs	—	—
Stock-based compensation expense	6,230	7,143
Fair value of expected net cash flows from servicing, net	(20,898)	(30,013)
Write off of unamortized premium from corporate debt repayment	—	(4,420)
Adjusted EBITDA	$ 74,136	$ 67,975

the three and nine months ended September 30, 2023 and 2022.

ADJUSTED EBITDA – THREE MONTHS

CONSOLIDATED

	For the three months ended			
	September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Loan origination and debt brokerage fees, net	$ 56,149	$ 90,858	$ (34,709)	(38)%
Servicing fees	79,200	75,975	3,225	4
Property sales broker fees	16,862	30,308	(13,446)	(44)
Investment management fees	13,362	16,301	(2,939)	(18)
Net warehouse interest income (expense)	(2,031)	3,980	(6,011)	(151)
Placement fees and other interest income	43,000	18,129	24,871	137
Other revenues	27,140	24,943	2,197	9
Personnel	(129,080)	(151,513)	22,433	(15)
Net write-offs	(2,008)	—	(2,008)	N/A
Other operating expenses	(28,529)	(33,991)	5,462	(16)
Adjusted EBITDA	$ 74,065	$ 74,990	$ (925)	(1)

Table of Contents

The following table presents a period-to-period comparison of the components of adjusted EBITDA for the three months ended March 31, 2024 and 2023.

ADJUSTED EBITDA – NINE THREE MONTHS

CONSOLIDATED

	For the nine months ended			
	September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Loan origination and debt brokerage fees, net	$ 168,201	$ 275,773	$ (107,572)	(39)%
Servicing fees	232,027	222,916	9,111	4
Property sales broker fees	38,831	100,092	(61,261)	(61)
Investment management fees	44,844	47,345	(2,501)	(5)
Net warehouse interest income (expense)	(3,556)	14,021	(17,577)	(125)
Placement fees and other interest income	109,310	26,683	82,627	310
Other revenues	84,624	90,494	(5,870)	(6)
Personnel	(365,957)	(442,454)	76,497	(17)
Net write-offs(1)	(8,041)	—	(8,041)	N/A
Other operating expenses	(87,742)	(102,400)	14,658	(14)
Adjusted EBITDA	$ 212,541	$ 232,470	$ (19,929)	(9)

(1) The net write-off for the nine months ended September 30, 2023 includes the write off of collateral-based reserves related to a loan held for investment.

(dollars in thousands)	For the three months ended March 31, 2024	2023	Dollar Change	Percentage Change
Loan origination and debt brokerage fees, net	$ 43,740	$ 47,084	$ (3,344)	(7)%
Servicing fees	80,043	75,766	4,277	6
Property sales broker fees	8,821	11,624	(2,803)	(24)
Investment management fees	13,520	15,173	(1,653)	(11)
Net warehouse interest income (expense)	(1,116)	1	(1,117)	(111,700)
Placement fees and other interest income	39,402	30,924	8,478	27
Other revenues	23,802	27,356	(3,554)	(13)
Personnel	(105,233)	(111,470)	6,237	(6)
Net write-offs	—	—	—	N/A
Other operating expenses	(28,843)	(28,483)	(360)	1
Adjusted EBITDA	$ 74,136	$ 67,975	$ 6,161	9

Three and nine months ended September 30, 2023 compared to three and nine months ended September 30, 2022

Origination fees decreased primarily due to declines in overall Fannie Mae and HUD debt financing volumes. Servicing fees increased largely due to growth in the average servicing portfolio period over period. Property sales broker fees decreased principally due to declines a decline in property sales volumes. Investment management fees decreased primarily as a result of a decline in LIHTC investment management fees. Net warehouse interest income (expense) decreased from a net revenue position in 2022 to a net expense position in 2023 primarily due to the inverted yield curve throughout much of 2023. Placement fees and other interest income increased largely as a result of higher placement fee rates due to rising a higher short-term interest rates. For the nine months ended September 30, 2023 only, other rate environment. Other revenues decreased primarily due to declines in prepayment fees, partially offset by increases a decrease in investment banking revenues and miscellaneous revenues. The decreases decrease in personnel expenses were was primarily due to decreases in commission costs due to our lower transaction volumes. Net write-offs increased due to the charge off of an Interim Program loan that defaulted origination fees and in 2019 that was settled in the second quarter of 2023 salaries and a loss settlement in our at-risk portfolio during the third quarter of 2023 with no comparable activity in 2022. Other operating expenses decreased subjective bonus costs largely as a result of decreases in travel and entertainment costs and professional fees as a result of our cost-reduction initiatives. lower average headcount.

Financial Condition

Cash Flows from Operating Activities

Our cash flows from operating activities are generated from loan sales, servicing fees, placement fees, from escrow deposits, net warehouse interest income (expense), property sales broker fees, investment management fees, research subscription fees, investment banking advisory fees, and other income, net of loan originations and operating costs. Our cash flows from operations are impacted by the fees generated by our loan originations and property sales, the timing of loan closings, and the period of time loans are held for sale in the warehouse loan facility prior to delivery to the investor.

Cash Flows from Investing Activities

We usually lease facilities and equipment for our operations. Our cash flows from investing activities also include capital expenditures, the funding and repayment of loans held for investment, contributions to and distributions from joint ventures, purchases of equity-method investments, and the purchase of available-for-sale ("AFS") securities pledged to Fannie Mae. We opportunistically invest cash for acquisitions.

Table of Contents

Cash Flows from Financing Activities

We use our warehouse loan facilities and, when necessary, our corporate cash to fund loan closings, both for loans held for sale and loans held for investment. We also use warehouse facilities to assist in funding investments in tax credit equity before transferring them to a tax credit fund. We believe that our current warehouse loan facilities are adequate to meet our loan origination and tax credit equity syndication needs. Historically, we have used a combination of long-term debt and cash on hand flows from operating activities to fund large acquisitions. Additionally, we repurchase shares, pay cash dividends, make long-term debt principal payments, and repay short-term borrowings on a regular basis. We issue stock primarily in connection with the exercise of stock options (cash inflow) and for acquisitions (non-cash transactions).

Table of Contents

Nine Three Months Ended September 30, 2023 March 31, 2024 Compared to Nine Three Months Ended September 30, 2022 March 31, 2023

The following table presents a period-to-period comparison of the significant components of cash flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023.

SIGNIFICANT COMPONENTS OF CASH FLOWS

	For the nine months ended September 30,		Dollar	Percentage	For the three months ended March 31,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change	2024	2023	Change	Change
Net cash provided by (used in) operating activities	$ (332,412)	$ (466,766)	$ 134,354	(29)%	$ 38,397	$ (546,672)	$ 585,069	(107)%
Net cash provided by (used in) investing activities	146,569	(170,990)	317,559	(186)	(25,050)	9,284	(34,334)	(370)
Net cash provided by (used in) financing activities	228,207	449,634	(221,427)	(49)	(124,153)	513,804	(637,957)	(124)
Total of cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period ("Total cash")	300,647	205,058	95,589	47	280,597	234,699	45,898	20
Cash flows from (used in) operating activities								
Net receipt (use) of cash for loan origination activity	$ (378,891)	$ (594,506)	$ 215,615	(36)%	$ 72,650	$ (511,128)	$ 583,778	(114)%
Net cash provided by (used in) operating activities, excluding loan origination activity	46,479	127,740	(81,261)	(64)	(34,253)	(35,544)	1,291	(4)
Cash flows from (used in) investing activities								
Purchases of pledged AFS securities	$ —	$ (51,302)	$ 51,302	(100)%	$ (8,000)	$ —	$ (8,000)	N/A %
Purchases of equity-method investments	(15,062)	(25,098)	10,036	(40)	(4,048)	(11,049)	7,001	(63)
Acquisitions, net of cash received	—	(114,163)	114,163	(100)				
Capital expenditures	(13,880)	(19,302)	5,422	(28)				
Net payoff of (investment in) loans held for investment	160,801	22,728	138,073	608	—	19,329	(19,329)	(100)
Repurchase of Agency loans					(13,469)	—	(13,469)	N/A
Cash flows from (used in) financing activities								

Borrowings (repayments) of warehouse notes payable, net	$ 387,109	$ 593,685	$ (206,576)	(35)%	$ (74,359)	$ 516,288	$(590,647)	(114)%
Borrowings of interim warehouse notes payable	—	36,459	(36,459)	(100)				
Repayments of interim warehouse notes payable	(119,835)	(26,000)	(93,835)	361	(2,460)	(14,521)	12,061	(83)
Repayments of notes payable	(120,046)	(29,487)	(90,559)	307	(2,000)	(116,046)	114,046	(98)
Borrowings of notes payable	196,000	—	196,000	N/A	—	196,000	(196,000)	(100)
Payment of contingent consideration	(26,090)	(19,720)	(6,370)	32	(13,820)	(25,690)	11,870	(46)
Repurchase of common stock	(18,928)	(40,675)	21,747	(53)	(9,789)	(17,395)	7,606	(44)
Debt issuance costs					(480)	(3,460)	2,980	(86)

The decrease in change to net cash provided by operating activities from net cash used in operating activities was driven primarily by loans originated and sold. Such loans are held for short periods of time, generally less than 60 days, and impact cash flows presented as of a point in time due to the timing difference between the date of origination and date of delivery. The decrease in change to cash flows flow provided by loan origination activities from cash flow used in loan origination activities is primarily attributable to sales outpacing originations outpacing by $72.7 million in 2024 compared to originations exceeding sales by $378.9 million $511.1 million in 2023 compared to $594.5 million in 2022. The decline in the amount of originations in excess of sales was due to a decline in our total origination activity in 2023 compared to 2022. 2023. Excluding cash used for the flow provided by origination and sale of loans, cash flows provided by used in operating activities were $46.5 million $34.3 million in 2023, 2024, down slightly from $127.7 million in 2022. The decrease is primarily the result of a $97.2 million decrease in net income before noncontrolling interests and a $70.0 million increase in cash used for other operating activities, net, partially offset by a $46.2 million net increase in non-cash adjustments for MSRs and amortization and depreciation and a $39.6 million non-cash adjustment for the Apprise revaluation gain in 2022 with no comparable activity $35.5 million in 2023.

The change from to net cash used in investing activities in 2022 to 2024 from net cash provided by investing activities in 2023 was due to (i) a decrease an increase in the purchase of AFS securities, which (ii) a decrease in the net payoff of loans held for investments as no loans paid off during 2024, and (iii) the repurchase of an Agency loan during the first quarter 2024 with no comparable activity in 2023. The change to net cash used in investing activities was impacted partially offset by the elevated payoffs of pledged AFS securities leading up to 2022 and no purchases in 2023 as the market interest rates on pledged securities AFS were not substantially higher than the short-term rate earned on uninvested cash

due to the inverted yield curve, (ii) a decrease in purchases of equity-method investments, as we made fewer capital contributions in our LIHTC investments and other equity-method investments, (iii) a significant reduction in investments.

The change to cash used for acquisitions in 2023 compared to 2022, as we had no acquisitions financing activities in 2023, (iv) a decrease in capital expenditures due to elevated capital expenditures in 2022 related to the build out of our new headquarters, and (v) an increase in 2024 from net payoffs of loans held for investment in 2023 due to (a) contractual maturities and the refinancing of these transitional bridge loans to permanent debt structures and (b) no originations in 2023 as we have shifted away from the Interim Loan Program over the past year to invest in other endeavors.

The decrease in cash provided by financing activities in 2023 was largely attributable to (i) a decrease change to net repayments in net warehouse borrowings due to the aforementioned decrease in loan origination activity (ii) and a decrease in borrowings of interim warehouse notes payable, due to the aforementioned reduction partially offset by (i) a decrease in Interim Loan Program loan originations in 2023, (iii) an increase repayments of notes payable, (ii) a decrease in repayments of interim warehouse notes payable due to the aforementioned maturities and refinancings mentioned above, (iv) an increase decrease in repayments of notes payable, and (v) an increase loan payoff activity, (iii) a decrease in the payment of contingent consideration liabilities, ("earnouts"), partially offset by (a) an increase (iv) a decrease in the repurchase of common stock, and (v) a decrease in debt issuance costs. The decreases in borrowings of notes payable and (b) a decrease in repurchases of common stock. The increase in earnout payments was due to a larger payment in 2023 compared to 2022 for one of our acquisitions. The increase in borrowings of notes payable was debt issuance costs were due to borrowings under our Incremental Term Loan (defined in *Liquidity and Capital Resources* below), 2023, a portion of which was used to repay notes payable at one of our subsidiaries, resulting in an increase a decrease in the repayments of notes payable. payable, with no comparable activity in 2024. The decrease in earnout payments was due to a smaller payment in 2024 compared to 2023 for one of our acquisitions. The decrease in repurchases of common stock was related

Table of Contents

to a decrease in the number and value of employee stock vesting events related to previously issued equity grants under our various share-based compensation plans due to both our financial performance and the substantially lower stock price at which these vesting events occurred.

Segment Results

The Company is managed based on our three reportable segments: (i) Capital Markets, (ii) Servicing & Asset Management, and (iii) Corporate. The segment results below are intended to present each of the reportable segments on a stand-alone basis.

Capital Markets

SUPPLEMENTAL OPERATING DATA
CAPITAL MARKETS

	For the three months ended September 30,		Dollar	Percentage
(in thousands; except per share data)	2023	2022	Change	Change
Transaction Volume:				
Components of Debt Financing Volume				
Fannie Mae	$ 1,739,332	$ 3,038,788	$ (1,299,456)	(43)%
Freddie Mac	1,072,048	1,885,492	(813,444)	(43)
Ginnie Mae–HUD	86,557	338,054	(251,497)	(74)
Brokered(1)	3,149,457	6,601,244	(3,451,787)	(52)
Total Debt Financing Volume	$ 6,047,394	$ 11,863,578	$ (5,816,184)	(49)%
Property sales volume	2,508,073	4,993,615	(2,485,542)	(50)
Total Transaction Volume	$ 8,555,467	$ 16,857,193	$ (8,301,726)	(49)%
Key Performance Metrics:				
Net income	$ 7,050	$ 36,463	(29,413)	(81)
Adjusted EBITDA(2)	(15,704)	1,302	(17,006)	(1,306)
Operating margin	8 %	26 %		
Key Revenue Metrics (as a percentage of debt financing volume):				
Origination fees	0.93 %	0.76 %		
MSR income	0.58	0.47		
MSR income, as a percentage of Agency debt financing volume	1.22	1.05		

Table of Contents

	For the nine months ended September 30,		Dollar	Percentage	For the three months ended March 31,	Dollar	Percentage
(in thousands; except per share data)	2023	2022	Change	Change			

(in thousands)					2024	2023	Change	Change
Transaction Volume:								
Components of Debt Financing Volume								
Fannie Mae	$ 5,328,992	$ 8,955,562	$ (3,626,570)	(40)%	$ 903,368	$1,358,708	$(455,340)	(34)%
Freddie Mac	3,260,672	4,014,375	(753,703)	(19)	974,926	975,737	(811)	(0)
Ginnie Mae–HUD	361,929	931,230	(569,301)	(61)	14,140	127,599	(113,459)	(89)
Brokered(1)	8,829,434	21,502,815	(12,673,381)	(59)	3,319,074	2,363,754	955,320	40
Total Debt Financing Volume	$ 17,781,027	$ 35,403,982	$ (17,622,955)	(50)%	$5,211,508	$4,825,798	$ 385,710	8 %
Property sales volume	5,907,138	16,417,367	(10,510,229)	(64)	1,167,151	1,894,682	(727,531)	(38)
Total Transaction Volume	$ 23,688,165	$ 51,821,349	$ (28,133,184)	(54)%	$6,378,659	$6,720,480	$(341,821)	(5)%
Key Performance Metrics:								
Net income	$ 23,661	$ 129,824	(106,163)	(82)%	$ (6,700)	$ 504	(7,204)	(1,429)
Adjusted EBITDA(2)	(44,725)	32,666	(77,391)	(237)	(19,297)	(18,687)	(610)	3
Operating margin	10 %	30 %			(10)%	2 %		
Key Revenue Metrics (as a percentage of debt financing volume):	**Key Revenue Metrics (as a percentage of debt financing volume):**				**Key Revenue Metrics (as a percentage of debt financing volume):**			
Origination fees	0.94 %	0.77 %			0.84 %	0.97 %		
MSR income	0.60	0.45			0.40	0.62		
MSR income, as a percentage of Agency debt financing volume	1.20	1.15			1.10	1.22		

(1) Brokered transactions for life insurance companies, commercial banks, and other capital sources.

(2) This is a non-GAAP financial measure. For more information on adjusted EBITDA, refer to the section below titled "Non-GAAP Financial Measure."

FINANCIAL RESULTS – THREE MONTHS

CAPITAL MARKETS

	For the three months ended September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Revenues				
Origination fees	$ 56,149	$ 89,752	$ (33,603)	(37)%
MSR Income	35,375	55,291	(19,916)	(36)
Property sales broker fees	16,862	30,308	(13,446)	(44)
Net warehouse interest income (expense), loans held for sale	(2,565)	2,178	(4,743)	(218)
Other revenues	11,875	11,011	864	8
Total revenues	$ 117,696	$ 188,540	$ (70,844)	(38)
Expenses				
Personnel	$ 97,973	$ 128,981	$ (31,008)	(24)%
Amortization and depreciation	1,137	1,052	85	8
Interest expense on corporate debt	4,874	2,430	2,444	101
Other operating expenses	4,193	6,869	(2,676)	(39)
Total expenses	$ 108,177	$ 139,332	$ (31,155)	(22)
Income from operations	$ 9,519	$ 49,208	$ (39,689)	(81)
Income tax expense	2,386	12,468	(10,082)	(81)
Net income before noncontrolling interests	$ 7,133	$ 36,740	$ (29,607)	(81)
Less: net income (loss) from noncontrolling interests	83	277	(194)	(70)

Net income	$ 7,050	$ 36,463	$ (29,413)	(81)

Table of Contents

FINANCIAL RESULTS – NINE THREE MONTHS
CAPITAL MARKETS

(dollars in thousands)	For the nine months ended September 30, 2023	2022	Dollar Change	Percentage Change	For the three months ended March 31, 2024	2023	Dollar Change	Percentage Change
Revenues								
Origination fees	$ 167,679	$ 273,660	$ (105,981)	(39)%	$ 43,700	$ 46,956	$ (3,256)	(7)%
MSR Income	107,446	159,970	(52,524)	(33)	20,898	30,013	(9,115)	(30)
Property sales broker fees	38,831	100,092	(61,261)	(61)	8,821	11,624	(2,803)	(24)
Net warehouse interest income (expense), loans held for sale	(7,006)	9,415	(16,421)	(174)	(1,574)	(1,689)	115	(7)
Other revenues	40,735	29,838	10,897	37	10,052	17,100	(7,048)	(41)
Total revenues	$ 347,685	$ 572,975	$ (225,290)	(39)	$ 81,897	$ 104,004	$(22,107)	(21)
Expenses								
Personnel	$ 281,502	$ 372,656	$ (91,154)	(24)%	$ 79,187	$ 90,462	$(11,275)	(12)%
Amortization and depreciation	3,412	2,191	1,221	56	1,137	1,186	(49)	(4)
Interest expense on corporate debt	13,870	5,488	8,382	153	4,851	4,269	582	14
Other operating expenses	15,037	19,943	(4,906)	(25)	5,052	5,644	(592)	(10)
Total expenses	$ 313,821	$ 400,278	$ (86,457)	(22)	$ 90,227	$ 101,561	$(11,334)	(11)
Income from operations	$ 33,864	$ 172,697	$ (138,833)	(80)	$ (8,330)	$ 2,443	$(10,773)	(441)
Income tax expense	8,462	41,878	(33,416)	(80)				
Income tax expense (benefit)					(1,744)	504	(2,248)	(446)
Net income before noncontrolling interests	$ 25,402	$ 130,819	$ (105,417)	(81)	$ (6,586)	$ 1,939	$ (8,525)	(440)
Less: net income (loss) from noncontrolling interests	1,741	995	746	75	114	1,435	(1,321)	(92)
Net income	$ 23,661	$ 129,824	$ (106,163)	(82)				
Net income (loss)					$ (6,700)	$ 504	$ (7,204)	(1,429)

Revenues

Origination fees and *MSR income.* The following tables provide additional information that helps explain changes in origination fees and MSR income period over period:

Debt Financing Volume by Product Type	For the three months ended September 30, 2023	2022	For the nine months ended September 30, 2023	2022
Fannie Mae	29 %	25 %	30 %	25 %
Freddie Mac	18	16	18	11
Ginnie Mae–HUD	1	3	2	3
Brokered	52	56	50	61

	For the three months ended September 30,	For the nine months ended September 30,

Mortgage Banking Details *(basis points)*		2023	2022	2023	2022
Origination Fee Rate (1)		93	76	94	77
	Basis Point Change	17		17	
	Percentage Change	22 %		22 %	
MSR Rate (2)		58	47	60	45
	Basis Point Change	11		15	
	Percentage Change	23 %		33 %	
Agency MSR Rate (3)		122	105	120	115
	Basis Point Change	17		5	
	Percentage Change	16 %		4 %	

Debt Financing Volume by Product Type	For the three months ended March 31, 2024	2023
Fannie Mae	17 %	28 %
Freddie Mac	19	20
Ginnie Mae–HUD(1)	—	3
Brokered	64	49

(1) Ginnie Mae–HUD volume percentage was less than 1% of total debt financing volume for the three months ended March 31, 2024.

Mortgage Banking Details *(basis points)*		For the three months ended March 31, 2024	2023
Origination Fee Rate (1)		84	97
	Basis Point Change	(13)	
	Percentage Change	(13)%	
MSR Rate (2)		40	62
	Basis Point Change	(22)	
	Percentage Change	(35)%	
Agency MSR Rate (3)		110	122
	Basis Point Change	(12)	
	Percentage Change	(10)%	

(1) Origination fees as a percentage of total debt financing volume.

(2) MSR Income as a percentage of total debt financing volume, excluding the income and debt financing volume from principal lending and investing.

(3) MSR Income as a percentage of Agency debt financing volume.

For the three and nine months ended September 30, 2023, the decreases The decrease in origination fees were was primarily the result of a 49% and 50% 13-basis-point decrease in debt financing volume, respectively, partially offset by a 17-basis-point increase in our origination fee rate, for both the three and nine-month periods. The increases partially offset by an 8% increase in the origination fee rate were driven by increases in GSE debt financing volume as a percentage of total debt financing volume as seen above. GSE debt financing volume has higher origination fees than brokered debt financing volume. Additionally, during the nine months ended September 30, 2022, our Fannie Mae debt financing volumes included a $1.9 billion Fannie Mae loan portfolio, for which we received a much lower origination fee than is typical for individual loans.

For the three months ended September 30, 2023, the decrease in MSR income was attributable to a 45% decrease in Agency debt financing volume, partially offset by a 17-basis point increase in the Agency MSR Rate seen above. For the nine months ended September 30, 2023, the decrease in MSR income was attributable to a 36% decrease in Agency debt financing volume, partially offset by a five-basis point increase in the Agency MSR Rate seen above. The increases in the Agency MSR Rate were primarily the result of increases in Fannie Mae debt financing volumes as a percentage of total debt financing volumes. Additionally, we had a $1.9 billion Fannie Mae portfolio that closed in the second quarter of 2022, which had a very low servicing fee rate that is typical of such a portfolio. There was no comparable portfolio in 2023. Our Fannie Mae products have higher weighted-average servicing fee (“WASF”) than our other products.

See the “Overview of Current Business Environment” section above for a detailed discussion of the factors driving the change in debt financing volumes. The decrease in the origination fee rate was driven by an increase in brokered debt financing volume as a percentage of total debt financing volume and decreases in Fannie Mae and HUD debt financing volumes as seen above. Brokered loans have lower origination fees than Agency loans.

The decrease in MSR income was primarily attributable to the decreases in Fannie Mae and HUD debt financing volumes combined with a 12-basis point decrease in the Agency MSR Rate seen above. The decrease in the Agency MSR Rate was primarily the result of the decreases in Fannie Mae and HUD debt financing volumes as a percentage of total debt financing volume. Fannie Mae loans have higher weighted-average servicing fee (“WASF”) than our other products, resulting in higher MSR income from this product than our other products.

Property sales broker fees. For the three and nine months ended September 30, 2023, Tthe decreases he decrease in property sales broker fees were was driven principally by the 50% and 64% decreases, respectively, 38% decrease in the property sales volumes volume period over period.

See the “Overview of Current Business Environment” section above for a detailed discussion of the factors driving the change in property sales volume.

Net warehouse interest income (expense). Other revenues. The For both the three and nine months ended September 30, 2023, the decreases in net warehouse interest income from a net revenue position in 2022 to a net expense position in 2023 were primarily attributable decrease was principally due to an inverted yield curve during much of 2023. Short-term interest rates, upon which we incur interest expense, were higher than the long-term mortgage rates, upon which we earn interest income, during 2023. Partially reducing the negative impact of the inverted yield curve and resulting negative net spreads shown below were the lower average balances of loans held for sale outstanding in 2023 compared to 2022, which were driven by reductions in the number of days loans were held before delivery and lower debt financing volumes.

Net Warehouse Interest Income (Expense) Details *(dollars in thousands)*	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Average LHFS Outstanding Balance	$ 764,615	$ 1,325,419	$ 669,878	$ 1,338,784
Dollar Change	$ (560,804)		$ (668,906)	
Percentage Change	(42)%		(50)%	
LHFS Net Spread *(basis points)*	(134)	66	(139)	94
Basis Point Change	(200)		(233)	
Percentage Change	(303)%		(248)%	

Other revenues. For the nine months ended September 30, 2023, the increase was due to a $6.9 million increase $8.1 million decrease in investment banking revenues and smaller increases in various other revenues categories. The increase in investment banking revenues was primarily due to the closing of the largest investment banking advisory transaction in Company history. history during 2023 with no comparable activity in 2024.

Expenses

Personnel. For the three months ended September 30, 2023, the The decrease was primarily the result of a $25.2 million $4.3 million decrease in commission costs due to lower origination fees and property sales broker fees noted above, combined with a $6.1 million $2.3 million decrease in salaries and bonuses benefits and stock compensation due to lower headcount, and a $4.1 million decrease in the subjective bonus accrual due to lower headcount and our financial performance. Our lower headcount was primarily due to a workforce reduction undertaken implemented in the second quarter of 2023.

Table of Contents

For the nine months ended September 30, 2023, the decrease was primarily the result of an $89.4 million decrease in commission costs due to lower origination fees and property sales broker fees.

Interest expense on corporate debt. Interest expense on corporate debt is determined at a consolidated corporate level and allocated to each segment proportionally based on each segment's use of that corporate debt. The discussion of our consolidated results above has additional information related to the increase in interest expense on corporate debt.

Other operating expenses. For the three and nine months ended September 30, 2023, the decreases were primarily a result of cost-reduction initiatives across a variety of cost categories, with the most prominent decreases in professional fees and travel and entertainment costs.

Income Tax Expense tax expense (benefit). Income tax expense (benefit) is determined at a consolidated corporate level and allocated to each segment proportionally based on each segment's income from operations, except for significant, one-time tax activities, which are allocated entirely to the segment impacted by the tax activity.

Non-GAAP Financial Measure

A reconciliation of adjusted EBITDA for our CM segment is presented below. Our segment-level adjusted EBITDA represents the segment portion of consolidated adjusted EBITDA. A detailed description and reconciliation of consolidated adjusted EBITDA is provided above in our *Consolidated Results of Operations—Non-GAAP Financial Measure.* CM adjusted EBITDA is reconciled to net income as follows:

ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP
CAPITAL MARKETS

	For the three months ended September 30,		For the nine months ended September 30,		For the three months ended March 31,	
(in thousands)	2023	2022	2023	2022	2024	2023
Reconciliation of Net Income to Adjusted EBITDA	*Reconciliation of Net Income to Adjusted EBITDA*					
Net Income	$ 7,050	$ 36,463	$ 23,661	$ 129,824		
Income tax expense	2,386	12,468	8,462	41,878		
Net Income (loss)					$ (6,700)	$ 504
Income tax expense (benefit)					(1,744)	504
Interest expense on corporate debt	4,874	2,430	13,870	5,488	4,851	4,269
Amortization and depreciation	1,137	1,052	3,412	2,191	1,137	1,186
Share-based compensation expense	4,224	4,180	13,316	13,255		
Stock-based compensation expense					4,057	4,863
MSR Income	(35,375)	(55,291)	(107,446)	(159,970)	(20,898)	(30,013)
Adjusted EBITDA	$ (15,704)	$ 1,302	$ (44,725)	$ 32,666	$ (19,297)	$ (18,687)

Table of Contents

The following tables present table presents a period-to-period comparisons comparison of the components of CM adjusted EBITDA for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

ADJUSTED EBITDA – THREE MONTHS
CAPITAL MARKETS

(dollars in thousands)	For the three months ended September 30, 2023	2022	Dollar Change	Percentage Change
Origination fees	$ 56,149	$ 89,752	$ (33,603)	(37)%
Property sales broker fees	16,862	30,308	(13,446)	(44)
Net warehouse interest income (expense), loans held for sale	(2,565)	2,178	(4,743)	(218)
Other revenues	11,792	10,734	1,058	10
Personnel	(93,749)	(124,801)	31,052	(25)
Other operating expenses	(4,193)	(6,869)	2,676	(39)
Adjusted EBITDA	$ (15,704)	$ 1,302	$ (17,006)	(1,306)

Table of Contents

ADJUSTED EBITDA – NINE MONTHS

CAPITAL MARKETS

(dollars in thousands)	For the nine months ended September 30, 2023	2022	Dollar Change	Percentage Change
Origination fees	$ 167,679	$ 273,660	$ (105,981)	(39)%
Property sales broker fees	38,831	100,092	(61,261)	(61)
Net warehouse interest income (expense), loans held for sale	(7,006)	9,415	(16,421)	(174)
Other revenues	38,994	28,843	10,151	35
Personnel	(268,186)	(359,401)	91,215	(25)
Other operating expenses	(15,037)	(19,943)	4,906	(25)
Adjusted EBITDA	$ (44,725)	$ 32,666	$ (77,391)	(237)

Three months ended September 30, 2023 compared to three months ended September 30, 2022

(dollars in thousands)	For the three months ended March 31, 2024	2023	Dollar Change	Percentage Change
Origination fees	$ 43,700	$ 46,956	$ (3,256)	(7)%
Property sales broker fees	8,821	11,624	(2,803)	(24)
Net warehouse interest income (expense), loans held for sale	(1,574)	(1,689)	115	(7)
Other revenues	9,938	15,665	(5,727)	(37)
Personnel	(75,130)	(85,599)	10,469	(12)
Other operating expenses	(5,052)	(5,644)	592	(10)
Adjusted EBITDA	$ (19,297)	$ (18,687)	$ (610)	3

Origination fees decreased due to a decrease in our overall debt financing volume, origination fee rate, partially offset by an increase in our origination fee rate. total debt financing volume. Property sales broker fees decreased as a result of the decline in property sales volumes. Net warehouse interest income (expense) decreased largely due to the inverted yield curve. The decrease in personnel expense other revenues was primarily due to decreased commission costs due to the decrease in origination fees and property sales broker fees. Other operating expenses decreased largely as a result of our cost-reduction initiatives.

Nine months ended September 30, 2023 compared to nine months ended September 30, 2022

Origination fees decreased principally due to a decrease in our overall debt financing volume, partially offset by an increase in our origination fee rate. Property sales broker fees decreased as a result of the decline in property sales volumes. Net warehouse interest income (expense) decreased primarily due to the inverted yield curve. Other revenues increased largely due to increased investment banking revenues. The decrease in personnel expense was primarily due to decreased commission costs due to the decrease decreases in origination fees. Other operating expenses decreased primarily as a result of our cost-reduction initiatives. fees and property sales broker fees and lower salaries expense and subjective bonus accrual.

Table of Contents

Servicing & Asset Management

SUPPLEMENTAL OPERATING DATA
SERVICING & ASSET MANAGEMENT

(dollars in thousands)	As of September 30,		Dollar	Percentage	As of March 31,		Dollar	Percentage
Managed Portfolio:	2023	2022	Change	Change	2024	2023	Change	Change
Components of Servicing Portfolio								
Fannie Mae	$ 62,850,853	$ 58,426,446	$ 4,424,407	8 %	$ 64,349,886	$ 59,890,444	$ 4,459,442	7 %
Freddie Mac	38,656,136	37,241,471	1,414,665	4	39,665,386	38,184,798	1,480,588	4
Ginnie Mae - HUD	10,320,520	9,634,111	686,409	7	10,595,841	10,027,781	568,060	6
Brokered (1)	17,091,925	15,224,581	1,867,344	12	17,312,513	16,285,391	1,027,122	6
Principal Lending and Investing (2)	40,000	251,815	(211,815)	(84)	40,139	187,505	(147,366)	(79)
Total Servicing Portfolio	$ 128,959,434	$ 120,778,424	$ 8,181,010	7 %	$131,963,765	$124,575,919	$ 7,387,846	6 %
Assets under management	17,334,877	17,017,355	317,522	2	17,465,398	16,654,566	810,832	5
Total Managed Portfolio	$ 146,294,311	$ 137,795,779	$ 8,498,532	6 %	$149,429,163	$141,230,485	$ 8,198,678	6 %

	For the three months ended September 30,		Dollar	Percentage	For the three months ended March 31,		Dollar	Percentage
Key Volume and Performance Metrics:	2023	2022	Change	Change	2024	2023	Change	Change
Equity syndication volume(3)	$ 54,119	$ 43,880	$ 10,239	23 %	$ 45,377	$ 135,913	$(90,536)	(67)%
Principal Lending and Investing debt financing volume(4)	—	62,015	(62,015)	(100)	15,800	—	15,800	N/A
Net income	45,427	30,923	14,504	47	43,283	51,084	(7,801)	(15)
Adjusted EBITDA(5)	124,849	106,281	18,568	17	119,658	112,975	6,683	6
Operating margin	41 %	31 %			38 %	48 %		

	For the nine months ended September 30,		Dollar	Percentage
Key Volume and Performance Metrics:	2023	2022	Change	Change
Equity syndication volume(3)	$ 461,212	$ 405,170	$ 56,042	14 %
Principal Lending and Investing debt financing volume(4)	—	307,586	(307,586)	(100)
Net income	132,243	92,363	39,880	43
Adjusted EBITDA(5)	346,283	295,888	50,395	17
Operating margin	41 %	33 %		

	As of March 31,	
Key Servicing Portfolio Metrics:	2024	2023
Custodial escrow deposit balance *(in billions)*	$ 2.3	$ 2.2

Weighted-average servicing fee rate *(basis points)*	24.0	24.3
Weighted-average remaining servicing portfolio term *(years)*	8.0	8.7

	As of September 30,	
Key Servicing Portfolio Metrics:	2023	2022
Custodial escrow deposit balance *(in billions)*	$ 2.8	$ 3.1
Weighted-average servicing fee rate *(basis points)*	24.2	24.7
Weighted-average remaining servicing portfolio term *(years)*	8.4	8.9

	As of September 30,		As of March 31,			
			2024		2023	
Components of assets under management *(in thousands)*	2023	2022	Equity under management	Assets under management	Equity under management	Assets under management
LIHTC	$ 15,248,530	$ 14,692,962	$ 6,699,825	$ 15,183,395	$ 6,462,787	$ 14,423,714
Investment funds	1,350,027	1,424,356				
Interim Program JV Managed Loans	736,320	900,037				
Equity funds			892,887	892,887	805,433	805,433
Debt funds(6)			809,801	1,389,116	700,403	1,425,419
Total assets under management	$ 17,334,877	$ 17,017,355	$ 8,402,513	$ 17,465,398	$ 7,968,623	$ 16,654,566

(1) Brokered loans serviced primarily for life insurance companies.
(2) Consists of interim loans not managed for the Interim Program JV.
(3) Amount of equity called and syndicated into LIHTC funds.

Table of Contents

(4) For the three months ended September 30, 2022, comprised Comprised solely of WDIP separate account originations. For the nine months ended September 30, 2022, includes $86.3 million from the Interim Program JV, $113.6 million from the Interim Loan Program, and $107.7 million from WDIP separate accounts.
(5) This is a non-GAAP financial measure. For more information on adjusted EBITDA, refer to the section below titled "Non-GAAP Financial Measure".
(6) As of March 31, 2024, included $132.2 million of equity under management and $711.5 million of assets under management of Interim program JV loans. The remainder consisted of WDIP debt funds. As of March 31, 2023, includes $169.8 million of equity under management and $894.8 million of assets under management of Interim program JV loans. The remainder consisted of WDIP debt funds.

Table of Contents

FINANCIAL RESULTS – THREE MONTHS
SERVICING & ASSET MANAGEMENT

	For the three months ended September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Revenues				

Origination fees	$ —	$ 1,106	$ (1,106)	(100)%
Servicing fees	79,200	75,975	3,225	4
Investment management fees	13,362	16,301	(2,939)	(18)
Net warehouse interest income (expense), loans held for investment	534	1,802	(1,268)	(70)
Placement fees and other interest income	39,475	17,760	21,715	122
Other revenues	15,569	16,378	(809)	(5)
Total revenues	$ 148,140	$ 129,322	$ 18,818	15
Expenses				
Personnel	$ 17,139	$ 18,728	$ (1,589)	(8)%
Amortization and depreciation	54,375	57,139	(2,764)	(5)
Provision (benefit) for credit losses	421	1,218	(797)	(65)
Interest expense on corporate debt	11,096	6,324	4,772	75
Other operating expenses	5,039	5,237	(198)	(4)
Total expenses	$ 88,070	$ 88,646	$ (576)	(1)
Income from operations	$ 60,070	$ 40,676	$ 19,394	48
Income tax expense	15,040	10,204	4,836	47
Income before noncontrolling interests	$ 45,030	$ 30,472	$ 14,558	48
Less: net income (loss) from noncontrolling interests	(397)	(451)	54	(12)
Net income	$ 45,427	$ 30,923	$ 14,504	47

Table of Contents

FINANCIAL RESULTS – NINE MONTHS

SERVICING & ASSET MANAGEMENT

	For the nine months ended September 30,		Dollar	Percentage	For the three months ended March 31,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change	2024	2023	Change	Change
Revenues								
Origination fees	$ 522	$ 2,113	$ (1,591)	(75)%	$ 40	$ 128	$ (88)	(69)%
Servicing fees	232,027	222,916	9,111	4	80,043	75,766	4,277	6
Investment management fees	44,844	47,345	(2,501)	(5)	13,520	15,173	(1,653)	(11)
Net warehouse interest income (expense), loans held for investment	3,450	4,606	(1,156)	(25)	458	1,690	(1,232)	(73)
Placement fees and other interest income	100,636	26,166	74,470	285	35,603	28,824	6,779	24
Other revenues	42,697	57,624	(14,927)	(26)	11,571	11,615	(44)	—
Total revenues	$ 424,176	$ 360,770	$ 63,406	18	$ 141,235	$ 133,196	$ 8,039	6
Expenses								
Personnel	$ 53,669	$ 53,211	$ 458	1 %	$ 18,055	$ 15,341	$ 2,714	18 %
Amortization and depreciation	161,935	170,501	(8,566)	(5)	53,071	54,010	(939)	(2)
Provision (benefit) for credit losses	(11,088)	(13,120)	2,032	(15)	524	(10,775)	11,299	(105)
Interest expense on corporate debt	31,385	15,388	15,997	104	11,191	9,582	1,609	17
Other operating expenses	16,465	15,535	930	6	5,123	1,480	3,643	246

Total expenses	$ 252,366	$ 241,515	$ 10,851	4	$ 87,964	$ 69,638	$ 18,326	26
Income from operations	$ 171,810	$ 119,255	$ 52,555	44	$ 53,271	$ 63,558	$(10,287)	(16)
Income tax expense	42,931	28,919	14,012	48	11,153	13,104	(1,951)	(15)
Income before noncontrolling interests	$ 128,879	$ 90,336	$ 38,543	43	$ 42,118	$ 50,454	$ (8,336)	(17)
Less: net income (loss) from noncontrolling interests	(3,364)	(2,027)	(1,337)	66	(1,165)	(630)	(535)	85
Net income	$ 132,243	$ 92,363	$ 39,880	43	$ 43,283	$ 51,084	$ (7,801)	(15)

Revenues

Servicing Fees. fees. For the three and nine months ended September 30, 2023, the increases were The increase was primarily attributable to increases an increase in the average servicing portfolio period over period as shown below, slightly offset by declines a decline in the average servicing fee rates. The increases increase in the average servicing portfolio were was driven by the $4.4 billion $4.5 billion increase in Fannie Mae and the $1.4 billion $1.5 billion increase in Freddie Mac loans serviced. The decreases decrease in the average servicing fee rates were rate was the result of decreases in the WASF on our new Fannie Mae debt financing volume over the past year as the volatility in the interest rate environment compressed the spread on our debt financing volume and reduced the servicing fee rates on loans originated in 2023. The WASF on new debt financing volume was lower than the loans paid off in the portfolio over the past year.

	For the three months ended September 30,		For the nine months ended September 30,		For the three months ended March 31,			Percentage
Servicing Fees Details *(dollars in thousands)*	2023	2022	2023	2022	2024	2023	Change	Change
Average Servicing Portfolio	$ 127,971,088	$ 119,551,659	$ 125,741,670	$ 117,798,975	$131,236,834	$123,837,489	$7,399,345	6 %
Dollar Change	$ 8,419,429		$ 7,942,695					
Percentage Change	7 %		7 %					
Average Servicing Fee *(basis points)*	24.2	24.8	24.3	24.9	24.0	24.4	(0.4)	(2)
Basis Point Change	(0.6)		(0.6)					
Percentage Change	(2)%		(2)%					

Investment management fees. Investment management fees decreased primarily due to a decline in revenues from our LIHTC operations of $2.0 million due to lower disposition activity in 2024.

Placement fees and other interest income. For the three and nine months ended September 30, 2023, the increases were The increase was driven primarily by increases an increase in our placement fees on escrow deposits of $21.5 million and $70.4 million $6.3 million, respectively, coupled with increases a small increase in interest income from our pledged securities investments of $1.3 million and $4.3 million, respectively. investments. The placement fee rates on escrow deposits increased significantly as a result of the a higher short-term interest rate environment in 2023 2024 compared to the same period in 2022. 2023. Short-term interest rates were still rising in the first half of 2023 before stabilizing in the second half of the year and into 2024.

Other Revenues. For the nine months ended September 30, 2023, the decrease was primarily due to a $21.7 million decline in prepayment fees, partially offset by increases in syndication and other miscellaneous fees from our LIHTC operations of $6.0 million. The decrease in prepayment fees was due to the aforementioned reduction in the volume of loans prepaying and the amount of prepayment fees. Syndication fees increased due to the higher volume of capital syndicated into our LIHTC funds.

Expenses

Amortization and Depreciation. Personnel. For thethree and nine months ended September 30, 2023, the decreases were primarily Personnel expense increased largely due to reductions an increase in salaries and benefits as the amortization expense related to write-offs of MSRs average headcount for this segment increased. The increase in average headcount was due to declines additional personnel hired in our LIHTC operations as we continue to scale and integrate those operations and our servicing department due to the prepayment growth of MSRs, partially offset by increases in the amortization expense of existing MSRs. servicing portfolio over the past year.

Provision (benefit) for credit losses. For both the nine months ended September 30, 2023 and 2022, The provision for credit losses for 2024 was primarily attributable to a $2.0 million provision for other credit losses, partially offset by a $1.5 million benefit for risk-sharing obligations. In 2023, the benefit for credit losses was primarily attributable comprised predominantly of a benefit for risk-sharing obligations of $11.0 million. The provision for other credit losses for 2024 was related to updates to our historical loss rate factor. the forbearance and indemnification agreement discussed more fully in NOTE 2 of the condensed consolidated financial statements.

The updates resulted decrease in the loss data from earlier periods within benefit for risk-sharing obligations was primarily due to the historical lookback period falling off and being replaced with a period with significantly lower loss data, resulting decrease in the historical loss rate decreasing by from 0.6 basis points as of December 31, 2023 to 0.3 basis points as of March 31, 2024, partially offset by an increase in the provision for both defaulted loans. For the nine three months ended September 30, 2023 and 2022. March 31, 2023, the benefit was related to a decrease in the historical loss rate, with no comparable offset.

Interest expense on corporate debt. Interest expense on corporate debt is determined at a consolidated corporate level and allocated to each segment proportionally based on each segment's use of that corporate debt. The discussion of our consolidated results above has additional information related to the increase in interest expense on corporate debt.

Other operating expenses. The increase primarily stemmed from a $4.4 million write-off of debt premium related to the payoff of fixed-rate debt held by a SAM subsidiary in 2023 with no comparable activity in 2024.

Income Tax Expense tax expense. Income tax expense is determined at a consolidated corporate level and allocated to each segment proportionally based on each segment's income from operations, except for significant, one-time tax activities, which are allocated entirely to the segment impacted by the tax activity.

Non-GAAP Financial Measure

A reconciliation of adjusted EBITDA for our SAM segment is presented below. Our segment-level adjusted EBITDA represents the segment portion of consolidated adjusted EBITDA. A detailed description and reconciliation of consolidated adjusted EBITDA is provided above in our *Consolidated Results of Operations—Non-GAAP Financial Measure.* SAM adjusted EBITDA is reconciled to net income as follows:

ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP
SERVICING & ASSET MANAGEMENT

	For the three months ended September 30,		For the nine months ended September 30,	
(in thousands)	2023	2022	2023	2022
Reconciliation of Net Income to Adjusted EBITDA				
Net Income	$ 45,427	$ 30,923	$ 132,243	$ 92,363
Income tax expense	15,040	10,204	42,931	28,919
Interest expense on corporate debt	11,096	6,324	31,385	15,388
Amortization and depreciation	54,375	57,139	161,935	170,501
Provision (benefit) for credit losses	421	1,218	(11,088)	(13,120)
Net write-offs(1)	(2,008)	—	(8,041)	—
Write off of unamortized premium from corporate debt repayment	—	—	(4,420)	—
Share-based compensation expense	498	473	1,338	1,837
Adjusted EBITDA	$ 124,849	$ 106,281	$ 346,283	$ 295,888

(1) The net write-off for the nine months ended September 30, 2023 includes the write off of collateral-based reserves related to a loan held for investment.

	For the three months ended March 31,	
(in thousands)	2024	2023
Reconciliation of Net Income to Adjusted EBITDA		
Net Income	$ 43,283	$ 51,084
Income tax expense	11,153	13,104
Interest expense on corporate debt	11,191	9,582
Amortization and depreciation	53,071	54,010
Provision (benefit) for credit losses	524	(10,775)
Net write-offs	—	—
Stock-based compensation expense	436	390
Write off of unamortized premium from corporate debt repayment	—	(4,420)

Adjusted EBITDA	$ 119,658	$ 112,975

5846

Table of Contents

The following tables presenttable presents a period-to-period comparisonscomparison of the components of SAM adjusted EBITDA for the three and nine months ended September 30, 2023March 31, 2024 and 2022. 2023.

ADJUSTED EBITDA – THREE MONTHS
SERVICING & ASSET MANAGEMENT

	For the three months ended September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Origination fees	$ —	$ 1,106	$ (1,106)	(100)%
Servicing fees	79,200	75,975	3,225	4
Investment management fees	13,362	16,301	(2,939)	(18)
Net warehouse interest income (expense), loans held for investment	534	1,802	(1,268)	(70)
Placement fees and other interest income	39,475	17,760	21,715	122
Other revenues	15,966	16,829	(863)	(5)
Personnel	(16,641)	(18,255)	1,614	(9)
Net write-offs	(2,008)	—	(2,008)	N/A
Other operating expenses	(5,039)	(5,237)	198	(4)
Adjusted EBITDA	$ 124,849	$ 106,281	$ 18,568	17

ADJUSTED EBITDA – NINE MONTHS
SERVICING & ASSET MANAGEMENT

	For the nine months ended September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Origination fees	$ 522	$ 2,113	$ (1,591)	(75)%
Servicing fees	232,027	222,916	9,111	4
Investment management fees	44,844	47,345	(2,501)	(5)
Net warehouse interest income (expense), loans held for investment	3,450	4,606	(1,156)	(25)
Placement fees and other interest income	100,636	26,166	74,470	285
Other revenues	46,061	59,651	(13,590)	(23)
Personnel	(52,331)	(51,374)	(957)	2
Net write-offs(1)	(8,041)	—	(8,041)	N/A
Other operating expenses	(20,885)	(15,535)	(5,350)	34
Adjusted EBITDA	$ 346,283	$ 295,888	$ 50,395	17

(1) The net write-off for the nine months ended September 30, 2023 includes the write off of collateral-based reserves related to a loan held for investment.

Three and nine months ended September 30, 2023 compared to three and nine months ended September 30, 2022

	For the three months ended March 31,		Dollar	Percentage
(dollars in thousands)	2024	2023	Change	Change

Origination fees	$ 40	$ 128	$ (88)	(69)%
Servicing fees	80,043	75,766	4,277	6
Investment management fees	13,520	15,173	(1,653)	(11)
Net warehouse interest income (expense), loans held for investment	458	1,690	(1,232)	(73)
Placement fees and other interest income	35,603	28,824	6,779	24
Other revenues	12,736	12,245	491	4
Personnel	(17,619)	(14,951)	(2,668)	18
Net write-offs	—	—	—	N/A
Other operating expenses	(5,123)	(5,900)	777	(13)
Adjusted EBITDA	$ 119,658	$ 112,975	$ 6,683	6

Servicing fees increased due to growth in the average servicing portfolio period over period as a result of loan originations, partially offset by a decrease in the average servicing fee rate. Investment management fees decreased due to a decline in revenues from our LIHTC operations. Placement fees and other interest income increased primarily due to increases an increase in placement fee rates. Other revenues decreased primarily Personnel expense increased principally due to decreases an increase in prepayment fees.Net write-offs increased due to the write-off of a loan held for investment during the second quarter of 2023 and the settlement of a risk-sharing obligation in the third quarter of 2023, with no comparable activity in 2022. For the nine months ended September 30, 2023 only, other operating expenses increased largely due to professional fees and various other expense categories.average headcount.

Table of Contents

Corporate

FINANCIAL RESULTS – THREE MONTHS
CORPORATE

	For the three months ended September 30,		Dollar	Percentage
(dollars in thousands)	2023	2022	Change	Change
Revenues				
Other interest income	$ 3,525	$ 369	$ 3,156	855 %
Other revenues	(618)	(2,620)	2,002	(76)
Total revenues	$ 2,907	$ (2,251)	$ 5,158	(229)
Expenses				
Personnel	$ 21,395	$ 9,350	$ 12,045	129 %
Amortization and depreciation	1,967	1,655	312	19
Interest expense on corporate debt	1,624	552	1,072	194
Other operating expenses	19,297	21,885	(2,588)	(12)
Total expenses	$ 44,283	$ 33,442	$ 10,841	32
Income (loss) from operations	$ (41,376)	$ (35,693)	$ (5,683)	16
Income tax expense (benefit)	(10,357)	(15,140)	4,783	(32)
Net income (loss)	$ (31,019)	$ (20,553)	$ (10,466)	51
Adjusted EBITDA	$ (35,080)	$ (32,593)	$ (2,487)	8 %

FINANCIAL RESULTS – NINE MONTHS

CORPORATE

(dollars in thousands)	For the nine months ended September 30, 2023	2022	Dollar Change	Percentage Change	For the three months ended March 31, 2024	2023	Dollar Change	Percentage Change
Revenues								
Other interest income	$ 8,674	$ 517	$ 8,157	1,578 %	$ 3,799	$ 2,100	$1,699	81 %
Other revenues	(431)	41,641	(42,072)	(101)	1,128	(554)	1,682	(304)
Total revenues	$ 8,243	$ 42,158	$ (33,915)	(80)	$ 4,927	$ 1,546	$3,381	219
Expenses								
Personnel	$ 53,254	$ 43,741	$ 9,513	22 %	$ 14,221	$ 12,810	$1,411	11 %
Amortization and depreciation	5,390	4,409	981	22	1,683	1,770	(87)	(5)
Interest expense on corporate debt	4,623	1,247	3,376	271	1,617	1,423	194	14
Other operating expenses	51,820	66,922	(15,102)	(23)	18,668	16,939	1,729	10
Total expenses	$ 115,087	$ 116,319	$ (1,232)	(1)	$ 36,189	$ 32,942	$3,247	10
Income (loss) from operations	$ (106,844)	$ (74,161)	$ (32,683)	44	$ (31,262)	$ (31,396)	$ 134	—
Income tax expense (benefit)	(26,698)	(24,302)	(2,396)	10	(6,545)	(6,473)	(72)	1
Net income (loss)	$ (80,146)	$ (49,859)	$ (30,287)	61	$ (24,717)	$ (24,923)	$ 206	(1)
Adjusted EBITDA	$ (89,017)	$ (96,084)	$ 7,067	(7)%	$ (26,225)	$ (26,313)	$ 88	— %

Revenues

Other interest income. For the three and nine months ended September 30, 2023, the increases were The increase was due to increases an increase in the interest rates we earn on our cash deposits held by our corporate segment combined with an increase as interest rates continued to rise throughout 2023 and remained elevated in the average balance concentrated in interest-earning accounts. 2024.

Other revenues. For the three months ended September 30, 2023, the The increase was largely due increases to an increase in miscellaneous fees and income from equity-method investments.

For the nine months ended September 30, 2023, the decrease was primarily due to the $39.6 million gain from revaluation of previously held equity-method investment, which was a one-time transaction recognized in 2022, and a $5.2 million decrease in income from equity-method investments, partially offset by a $3.3 million increase in revenues from our deferred compensation plan.

Expenses

Personnel. For the three months ended September 30, 2023, the The increase was primarily due to a $9.6 million $2.2 million increase in the subjective bonus expense and a $1.8 million increase in stock compensation expense. The increases in subjective bonuses and stock compensation were due to a lower bonus and stock compensation expense in the third of quarter of 2022 compared to the third quarter of 2023, resulting from downward adjustments to the annual accruals made in the third quarter of 2022 due to our financial performance for the year-to-date period ended September 30, 2022 and the expected performance for the remainder of 2022.

For the nine months ended September 30, 2023, the increase was primarily the result of a $7.4 million increase in subjective bonuses, a $3.4 million increase in salaries, and a $3.3 million increase in deferred compensation costs, accrual, partially offset by a $4.2 million $1.3 million decrease in stock compensation expense as we are accruing performance-based stock compensation at an overall lower rate this year than last. An increase salaries and benefits. The decrease in the corporate average headcount during 2023 was the primary driver for the increased subjective bonus and salaries and benefits expenses. The corporate average was due to lower headcount for the nine months ended September 30, 2023 does not fully reflect the impact principally as a result of our workforce reduction that we announced implemented in April and that was effective at the beginning second quarter of May. 2023.

Interest expense on corporate debt. Interest expense on corporate debt is determined at a consolidated corporate level and allocated to each segment proportionally based on each segment's use of that corporate debt. The discussion of our consolidated results above has additional information related to the increase in interest expense on corporate debt.

Other operating expenses. For the three and nine months ended September 30, 2023, the decreases were The increase was primarily driven by decreases a $2.6 million increase in professional fees, travel and entertainment, and miscellaneous expense categories, office expenses, partially offset by a small increase in office expenses. Professional fees decreased $2.0 million and $8.2 million for the three and nine months ended September 30, 2023, respectively. The decreases $1.2 million decrease in professional fees were fees. Office expenses increased primarily due to elevated professional an increase in software costs and due to new office leases replacing older office leases and locations. Professional fees in 2022 related to acquisition costs. Travel and entertainment decreased $0.7 million and $2.4 million for the three and nine months ended September 30, 2023, respectively. Miscellaneous expenses for the three and nine-month periods decreased $1.1 million and $6.5 million, respectively. The decreases in travel and entertainment and miscellaneous expenses were primarily due to our continued cost-reduction initiatives. Office expenses increased $0.7 million and $2.3 million for the three and nine months ended September 30, 2023, respectively, due primarily to increases in software costs.

Income Tax Expense. tax expense (benefit). Income tax expense (benefit) is determined at a consolidated corporate level and allocated to each segment proportionally based on each segment's income from operations, except for significant, one-time tax activities, which are allocated entirely to the segment impacted by the tax activity.

Non-GAAP Financial Measure

A reconciliation of adjusted EBITDA for our Corporate segment is presented below. Our segment-level adjusted EBITDA represents the segment portion of consolidated adjusted EBITDA. A detailed description and reconciliation of consolidated adjusted EBITDA is provided above in our *Consolidated Results of Operations —Non-GAAP Financial Measure.* Corporate adjusted EBITDA is reconciled to net income as follows:

Table of Contents

ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP
CORPORATE

(in thousands)	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Reconciliation of Net Income (Loss) to Adjusted EBITDA						
Net Income (Loss)	$ (31,019)	$ (20,553)	$ (80,146)	$ (49,859)		
Income tax expense (benefit)	(10,357)	(15,140)	(26,698)	(24,302)		
Reconciliation of Net Loss to Adjusted EBITDA						
Net Loss					$ (24,717)	$ (24,923)
Income tax benefit					(6,545)	(6,473)
Interest expense on corporate debt	1,624	552	4,623	1,247	1,617	1,423
Amortization and depreciation	1,967	1,655	5,390	4,409	1,683	1,770
Share-based compensation expense	2,705	893	7,814	12,062		
Gain from revaluation of previously held equity-method investment	—	—	—	(39,641)		
Stock-based compensation expense					1,737	1,890
Adjusted EBITDA	$ (35,080)	$ (32,593)	$ (89,017)	$ (96,084)	$ (26,225)	$ (26,313)

The following tables present period-to-period comparisons of the components of Corporate adjusted EBITDA for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

ADJUSTED EBITDA – THREE MONTHS

CORPORATE

(dollars in thousands)	For the three months ended September 30, 2023	2022	Dollar Change	Percentage Change
Other interest income	$ 3,525	$ 369	$ 3,156	855 %
Other revenues	(618)	(2,620)	2,002	(76)
Personnel	(18,690)	(8,457)	(10,233)	121
Other operating expenses	(19,297)	(21,885)	2,588	(12)
Adjusted EBITDA	$ (35,080)	$ (32,593)	$ (2,487)	8

ADJUSTED EBITDA – NINE MONTHS

CORPORATE

(dollars in thousands)	For the nine months ended September 30, 2023	2022	Dollar Change	Percentage Change
Other interest income	8,674	517	8,157	1,578 %
Other revenues	(431)	2,000	(2,431)	(122)
Personnel	(45,440)	(31,679)	(13,761)	43
Other operating expenses	(51,820)	(66,922)	15,102	(23)
Adjusted EBITDA	$ (89,017)	$ (96,084)	$ 7,067	(7)

Three months ended September 30, 2023 compared to three months ended September 30, 2022

(dollars in thousands)	For the three months ended March 31, 2024	2023	Dollar Change	Percentage Change
Other interest income	$ 3,799	$ 2,100	$ 1,699	81 %
Other revenues	1,128	(554)	1,682	(304)
Personnel	(12,484)	(10,920)	(1,564)	14
Other operating expenses	(18,668)	(16,939)	(1,729)	10
Adjusted EBITDA	$ (26,225)	$ (26,313)	$ 88	—

Other interest income increased primarily due to an increase in the interest rates on our cash deposits and increased balances. deposits. Other revenues increased primarily due to increases an increase in miscellaneous fees and income from equity method investments. The increase in personnel expense was primarily due to lower a higher subjective bonus expense in the third quarter of 2022 than the third quarter of 2023 due to our expected financial performance for 2022.

Nine months ended September 30, 2023 compared to nine months ended September 30, 2022

Other interest income increased primarily due to an increase in interest earned on our cash deposits and increased balances. Other revenues decreased, largely due to a decline in income from equity-method investments. The increase in personnel expense was primarily due to increased

Table of Contents

subjective bonus and accrual, partially offset by a decrease in salaries and benefits expense due to benefits. The increase in other operating expenses was primarily driven by an increase in corporate average headcount during 2023. Other operating office expenses, decreased as partially offset by a result of a decline decrease in professional fees and other operating expenses as a result of cost-reduction initiatives. fees.

Liquidity and Capital Resources

Uses of Liquidity, Cash and Cash Equivalents

Our significant recurring cash flow requirements consist of liquidity to (i) fund loans held for sale; (ii) pay cash dividends; (iii) fund our portion of the equity necessary to support equity-method investments; (iv) fund investments in properties to be syndicated to LIHTC investment funds that we will asset-manage; (v) make payments related to earnouts from acquisitions, (vi) meet working capital needs to support our day-to-day operations, including debt service payments, joint venture development partnerships partnership contributions, advances for servicing and loan repurchases and payments for salaries, commissions, and income taxes, and (vii) meet working capital to satisfy collateral requirements for our Fannie Mae DUS risk-sharing obligations and to meet the operational liquidity requirements of Fannie Mae, Freddie Mac, HUD, Ginnie Mae, and our warehouse facility lenders.

Fannie Mae has established benchmark standards for capital adequacy and reserves the right to terminate our servicing authority for all or some of the portfolio if, at any time, it determines that our financial condition is not adequate to support our obligations under the DUS agreement. We are required to maintain acceptable net worth as defined in the standards, and we satisfied the requirements as of September 30, 2023 March 31, 2024. The net worth requirement is derived primarily from unpaid balances on Fannie Mae loans and the level of risk-sharing. As of September 30, 2023 March 31, 2024, the net worth requirement was $301.6 million $310.7 million, and our net worth was $1.0 billion, as measured at our wholly-owned operating subsidiary, Walker & Dunlop, LLC. As of September 30, 2023 March 31, 2024, we were required to maintain at least $60.0 million $61.8 million of liquid assets to meet our operational liquidity requirements for Fannie Mae, Freddie Mac, HUD, Ginnie Mae and our warehouse facility lenders. As of September 30, 2023 March 31, 2024, we had operational liquidity of $186.4 million $177.9 million, as measured at our wholly-owned operating subsidiary, Walker & Dunlop, LLC.

We paid a cash dividend of $0.63 $0.65 per share during the third first quarter of 2023, 2024, which is 5% 3% higher than the quarterly dividend paid in the third first quarter of 2022. 2023. On November 8, 2023 May 1, 2024, the Company's Board of Directors declared a dividend of $0.63 $0.65 per share for the fourth second quarter of 2023. 2024. The dividend will be paid on December 8, 2023 May 31, 2024 to all holders of record of our restricted and unrestricted common stock as of November 24, 2023 May 16, 2024. This is the sixth consecutive annual increase in the Company's dividend and represents 160% growth in the dividend since it was initiated in 2018.

On occasion, we may use cash to fully fund some loans held for investment or loans held for sale instead of using our warehouse lines. As of September 30, 2023 March 31, 2024, we did not fully fund any loans held for investment, and we funded a de minimis amount of loans held for sale. We continually seek opportunities to complete additional acquisitions if we believe the economics are favorable.

In February 2023, 2024, our Board of Directors approved a stock repurchase program that permits the repurchase of up to $75.0 million of shares of our common stock over a 12-month period beginning February 23, 2023 February 23, 2024. Through September 30, 2023 March 31, 2024, we have not repurchased any shares under the 2023 2024 stock repurchase program and have $75.0 million of remaining capacity under that program.

Historically, our cash flows from operations and warehouse facilities have been sufficient to enable us to meet our short-term liquidity needs and other funding requirements. We believe that cash flows from operations will continue to be sufficient for us to meet our current obligations for the foreseeable future.

Restricted Cash and Pledged Securities

Restricted cash consists primarily of good faith deposits held on behalf of borrowers between the time we enter into a loan commitment with the borrower and the investor purchases the loan. We are generally required to share the risk of any losses associated with loans sold under the Fannie Mae DUS program, our only off-balance sheet arrangement. We are required to secure this obligation by assigning collateral to Fannie Mae. We meet this obligation by assigning pledged securities to Fannie Mae. The amount of collateral required by Fannie Mae is a formulaic calculation at the loan level and considers the balance of the loan, the risk level of the loan, the age of the loan, and the level of risk-sharing. Fannie Mae requires collateral for Tier 2 loans of 75 basis points, which is funded over a 48-month period that begins upon delivery of the loan to Fannie Mae. Collateral held in the form of money market funds holding U.S. Treasuries is discounted 5%, and Agency MBS are discounted 4% for purposes of calculating compliance with the collateral requirements. As of September 30, 2023 March 31, 2024, we held substantially all of our restricted liquidity in Agency MBS in the aggregate amount of $131.0 million $147.7 million. Additionally, the majority of the loans for which we have risk-sharing are Tier 2 loans. We fund any growth in our Fannie Mae required operational liquidity and collateral requirements from our working capital.

Table of Contents

We are in compliance with the September 30, 2023 March 31, 2024 collateral requirements as outlined above. As of September 30, 2023 March 31, 2024, reserve requirements for the September 30, 2023 March 31, 2024 DUS loan portfolio will require us to fund $79.6 million $75.4 million in additional restricted liquidity over the next 48 months, assuming no further principal paydowns, prepayments, or defaults within our at-risk portfolio. Fannie Mae has assessed the DUS Capital Standards in the past and may make changes to these standards in the future. We generate sufficient cash flows from our operations to meet these capital standards and do not expect any future changes to have a material impact on our future operations; however, any future changes to collateral requirements may adversely impact our available cash.

Under the provisions of the DUS agreement, we must also maintain a certain level of liquid assets referred to as the operational and unrestricted portions of the required reserves each year. We satisfied these requirements as of September 30, 2023 March 31, 2024.

Sources of Liquidity: Warehouse Facilities and Notes Payable

Warehouse Facilities

We use a combination of warehouse facilities and notes payable to provide funding for our operations. We use warehouse facilities to fund our Agency Lending and Interim Loan Program. Our ability to originate Agency mortgage loans and loans held for investments depends upon our ability to secure and maintain these types of financing agreements on acceptable terms. For a detailed description of the terms of each warehouse agreement, refer to "Warehouse Facilities" in NOTE 6 in the consolidated financial statements in our 2022 2023 Form 10-K, as updated in NOTE 6 in the condensed consolidated financial statements in this Form 10-Q.

Notes Payable

We have a senior secured credit agreement (the "Credit Agreement") that provides for a $600 million term loan (the "Term Loan") that bears interest at Adjusted Term Secured Overnight Financing Rate ("SOFR") plus 225 basis points with a floor of 50 basis points and has a stated maturity date of December 16, 2028 (or, if earlier, the date of acceleration of the Term Loan pursuant to the term of the Credit Agreement).

On January 12, 2023, In addition to the Term Loan, we entered into have a lender joinder agreement and amendment to the Credit Agreement that provided provides for an incremental term loan ("Incremental Term Loan") with a an original principal amount of $200.0 million, modified the ratio thresholds related to mandatory prepayments, and included a provision that allows additional types of indebtedness. The Incremental Term Loan was issued at a 2.0% discount and contains similar repayment terms as the Term Loan. . The Incremental Term Loan bears interest at Adjusted Term SOFR plus 300 basis points and matures on December 16, 2028. We are obligated to make principal payments on the Incremental Term Loan in consecutive quarterly installments equal to 0.25% of the aggregate original principal amount of the Incremental Term Loan on the last business day of each March, June, September, and December, which began on June 30, 2023. We used approximately $115.9 million of the proceeds to pay off the Alliant note payable principal balance and related accrued interest and other fees of a subsidiary. As of September 30, 2023 March 31, 2024, the aggregate outstanding principal balance of the original Term Loan and Incremental Term Loan ("Corporate Debt") was $788.5 million $784.5 million.

For a detailed description of the terms of the Credit Agreement, refer to "Notes Payable – Term Loan Note Payable" in NOTE 6 in the consolidated financial statements in our 2022 2023 Form 10-K.

The note payable and the warehouse facilities are senior obligations of the Company. As of September 30, 2023 March 31, 2024, we were in compliance with all covenants related to the Credit Agreement.

Credit Quality and Allowance for Risk-Sharing Obligations

The following table sets forth certain information useful in evaluating our credit performance.

	September 30,		March 31,	
(dollars in thousands)	2023	2022	2024	2023
Key Credit Metrics				

Risk-sharing servicing portfolio:				
Fannie Mae Full Risk	$ 53,549,966	$ 49,241,243	$ 55,236,618	$ 50,713,349
Fannie Mae Modified Risk	9,295,368	9,177,094	9,113,268	9,170,127
Freddie Mac Modified Risk	23,415	23,615	69,510	23,515
Total risk-sharing servicing portfolio	$ 62,868,749	$ 58,441,952	$ 64,419,396	$ 59,906,991
Non-risk-sharing servicing portfolio:				
Fannie Mae No Risk	$ 5,519	$ 8,109	$ —	$ 6,968
Freddie Mac No Risk	38,632,721	37,217,856	39,595,876	38,161,283
GNMA - HUD No Risk	10,320,520	9,634,111	10,595,841	10,027,781
Brokered	17,091,925	15,224,581	17,312,513	16,285,391
Total non-risk-sharing servicing portfolio	$ 66,050,685	$ 62,084,657	$ 67,504,230	$ 64,481,423
Total loans serviced for others	$ 128,919,434	$ 120,526,609	$131,923,626	$124,388,414
Interim loans (full risk) servicing portfolio	40,000	251,815	40,139	187,505
Total servicing portfolio unpaid principal balance	$ 128,959,434	$ 120,778,424	$131,963,765	$124,575,919
Interim Program JV Managed Loans (1)	736,320	900,037	711,541	894,829
At risk servicing portfolio (2)	$ 57,857,659	$ 53,430,615	$ 59,498,851	$ 54,898,461
Maximum exposure to at risk portfolio (3)	11,750,068	10,826,654	12,088,698	11,132,473
Defaulted loans(4)	—	78,203	63,264	36,983
Defaulted loans as a percentage of the at-risk portfolio	0.00 %	0.15 %	0.11 %	0.07 %
Allowance for risk-sharing as a percentage of the at-risk portfolio	0.05	0.09	0.05	0.06
Allowance for risk-sharing as a percentage of maximum exposure	0.26	0.46	0.25	0.30

(1) As of September 30, 2023 March 31, 2024 and 2022, 2023, this balance consists consisted entirely of Interim Program JV managed loans. We indirectly share in a portion of the risk of loss associated with Interim Program JV managed loans through our 15% equity ownership in the Interim Program JV. We have no exposure to risk of loss for the loans serviced directly for the Interim Program JV partner. The balance of this line is included as a component of assets under management in the Supplemental Operating Data table above.

(2) At-risk servicing portfolio is defined as the balance of Fannie Mae DUS loans subject to the risk-sharing formula described below, as well as a small number of Freddie Mac loans on which we share in the risk of loss. Use of the at-risk portfolio provides for comparability of the full risk-sharing and modified risk-sharing loans because the provision and allowance for risk-sharing obligations are based on the at-risk balances of the associated loans. Accordingly, we have presented the key statistics as a percentage of the at-risk portfolio.

For example, a $15 million loan with 50% risk-sharing has the same potential risk exposure as a $7.5 million loan with full DUS risk sharing. Accordingly, if the $15 million loan with 50% risk-sharing were to default, we would view the overall loss as a percentage of the at-risk balance, or $7.5 million, to ensure comparability between all risk-sharing obligations. To date, substantially all of the risk-sharing obligations that we have settled have been from full risk-sharing loans.

(3) Represents the maximum loss we would incur under our risk-sharing obligations if all of the loans we service, for which we retain some risk of loss, were to default and all of the collateral underlying these loans was determined to be without value at the time of settlement. The maximum exposure is not representative of the actual loss we would incur.

(4) Defaulted loans represent loans in our Fannie Mae at-risk portfolio which are probable of foreclosure or that have foreclosed and for which the Company has recorded a collateral-based reserve (i.e., loans where we have assessed a probable loss). Other loans that have defaulted but not foreclosed or that are not probable of foreclosure are not included here. Additionally, loans that have foreclosed or are probable of foreclosure but are not expected to result in a loss to the Company are not included here.

Table of Contents

Fannie Mae DUS risk-sharing obligations are based on a tiered formula and represent substantially all of our risk-sharing activities. The risk-sharing tiers and the amount of the risk-sharing obligations we absorb under full risk-sharing are provided below. Except as described in the following paragraph, the maximum amount of risk-sharing obligations we absorb at the time of default is generally 20% of the origination unpaid principal balance ("UPB") of the loan.

Risk-Sharing Losses	Percentage Absorbed by Us

First 5% of UPB at the time of loss settlement	100%
Next 20% of UPB at the time of loss settlement	25%
Losses above 25% of UPB at the time of loss settlement	10%
Maximum loss	20% of origination UPB

Fannie Mae can double or triple our risk-sharing obligation if the loan does not meet specific underwriting criteria or if a loan defaults within 12 months of its sale to Fannie Mae. We may request modified risk-sharing at the time of origination, which reduces our potential risk-sharing obligation from the levels described above.

We use several techniques to manage our risk exposure under the Fannie Mae DUS risk-sharing program. These techniques include maintaining a strong underwriting and approval process, evaluating and modifying our underwriting criteria given the underlying multifamily housing market fundamentals, limiting our geographic market and borrower exposures, and electing the modified risk-sharing option under the Fannie Mae DUS program.

The *Segments* -– *Capital Markets* section of "Item 1. Business" in our 2022 2023 Form 10-K contains a discussion of the risk-sharing caps we have with Fannie Mae.

We regularly monitor the credit quality of all loans for which we have a risk-sharing obligation. Loans with indicators of underperforming credit are placed on a watch list, assigned a numerical risk rating based on our assessment of the relative credit weakness, and subjected to additional evaluation or loss mitigation. Indicators of underperforming credit include poor financial performance, poor physical condition, poor management, and delinquency. A collateral-based reserve is recorded when it is probable that a risk-sharing loan will foreclose or has foreclosed, and a reserve for estimated credit losses and a guaranty obligation are recorded for all other risk-sharing loans.

The calculated CECL reserve allowance for risk-sharing obligations for the Company's $57.4 billion $59.2 billion at-risk Fannie Mae servicing portfolio as of September 30, 2023 March 31, 2024 was $31.0 million $30.1 million compared to $39.7 million $31.6 million as of December 31, 2022 December 31, 2023. The significant decrease in the CECL reserve was principally related to a reduction in our historical loss rate factor, which decreased from 1.2 basis points as of December 31, 2022 to 0.6 basis points as of March 31, 2023 (with no change from March 31, 2023 to September 30, 2023), as a year with significant losses in our 10-year lookback period was replaced with a year with significantly fewer losses.

As of September 30, 2023 March 31, 2024, no at-risk loans were in default compared to three six at-risk loans with an aggregate UPB of $78.2 million $63.3 million were in default compared to two at-risk loans with an aggregate UPB of $37.0 million as of September 30, 2022 March 31, 2023. The collateral-based reserve on defaulted loans was zero $5.1 million and $10.8 million $4.4 million as of September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively. We had a provision for risk-sharing obligations of $0.6 million for the three months ended September 30, 2023 compared to a provision for risk-sharing obligations of $1.2 million for the three months ended September 30, 2022. We had a benefit for risk-sharing obligations of $11.1 million $1.5 million for the nine three months ended September 30, 2023, March 31, 2024 compared to a benefit for risk-sharing obligations of $13.0 million $11.0 million for the nine three months ended September 30, 2022 March 31, 2023.

We are obligated to repurchase loans that are originated for the Agencies' programs if certain representations and warranties that we provide in connection with such originations are breached. We have never been required to repurchase a loan; however, NOTE 2 in October 2023, we received a repurchase request from each of Freddie Mac and Fannie Mae relating to loans with an outstanding principal balance totaling $24.8 million. We appealed the condensed consolidated financial statements has additional details regarding our the repurchase request from Freddie Mac and are awaiting a final determination on the appeal. Our appeal request may not be honored, resulting in a repurchase activity during the fourth quarter of 2023. The repurchase request from Fannie Mae will result in the repurchase of the loan in the first quarter of 2024. Based on the value of the underlying collateral, we do not believe we will realize a material loss for the repurchase of either loan. three months ended March 31, 2024.

New/Recent Accounting Pronouncements

As seen in NOTE 2 in the condensed consolidated financial statements in Item 1 of Part I of this Quarterly Report on Form 10-Q, there are no accounting pronouncements that the Financial Accounting Standards Board has issued and that have the potential to impact us but have not yet been adopted by us as of September 30, 2023 March 31, 2024.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

For loans held for sale to Fannie Mae, Freddie Mac, and HUD, we are not currently exposed to unhedged interest rate risk during the loan commitment, closing, and delivery processes. The sale or placement of each loan to an investor is negotiated prior to closing on the loan with the borrower, and the sale or placement is typically effectuated within 60 days of closing. The coupon rate for the loan is set at the same time we establish the interest rate with the investor.

Table of Contents

Some of our assets and liabilities are subject to changes in interest rates. Placement fee revenue from escrow deposits generally track the effective Federal Funds Rate ("EFFR"). The EFFR was 533 basis points and 308 483 basis points as of September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The following table shows the impact on our placement fee revenue due to a 100-basis point increase and decrease in EFFR based on our escrow balances outstanding at each period end. A portion of these changes in earnings as a result of a 100-basis point increase in the EFFR would be delayed by several months due to the negotiated nature of some of our placement arrangements.

	As of September 30,		As of March 31,	
Change in annual placement fee revenue due to: *(in thousands)*	**2023**	**2022**	**2024**	**2023**
100 basis point *increase* in EFFR	$ 28,164	$ 30,790	$ 23,055	$ 22,069
100 basis point *decrease* in EFFR	(28,164)	(30,628)	(23,055)	(22,009)

The borrowing cost of our warehouse facilities used to fund loans held for sale and investments in tax credit equity is based on SOFR. The base SOFR was 531 534 basis points and 298 487 basis points as of September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The interest income on our loans held for investment is based on SOFR. The SOFR reset date for loans held for investment is the same date as the SOFR reset date for the corresponding warehouse facility. The following table shows the impact on our annual net warehouse interest income due to a 100-basis point increase and decrease in Adjusted Term SOFR, based on our warehouse borrowings outstanding at each period end. In the table below, the large decrease in absolute value for 2023 is due to a significant decline in the outstanding Agency Warehouse balances as of September 30, 2023. The changes shown below do not reflect an increase or decrease in the interest rate earned on our loans held for sale.

	As of September 30,		As of March 31,	
Change in annual net warehouse interest income due to: *(in thousands)*	**2023**	**2022**	**2024**	**2023**
100 basis point *increase* in SOFR	$ (7,822)	$ (23,630)	$(5,109)	$(9,110)
100 basis point *decrease* in SOFR	7,822	23,630	5,109	9,110

Our Corporate Debt is based on Adjusted Term SOFR as of September 30, 2023. In January 2023, our Corporate Debt increased by $200 million. SOFR. The following table shows the impact on our annual earnings due to a 100-basis point increase and decrease in SOFR as of September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively, based on the note payable balance outstanding at each period end. The Alliant note payable as of September 30, 2022 was a fixed-rate note; therefore, there was no impact to our earnings related to this debt when interest rates change as of September 30, 2022.

	As of September 30,		As of March 31,	
Change in annual income from operations due to: *(in thousands)*	**2023**	**2022**	**2024**	**2023**
100 basis point *increase* in SOFR	$ (7,885)	$ (5,955)	$(7,845)	$(7,925)
100 basis point *decrease* in SOFR	7,885	5,955	7,845	7,925

Market Value Risk

The fair value of our MSRs is subject to market-value risk. A 100-basis point increase or decrease in the weighted average discount rate would decrease or increase, respectively, the fair value of our MSRs by approximately $43.2 million $44.3 million as of September 30, 2023 March 31, 2024 compared to $40.6 million $43.4 million as of September 30, 2022 March 31, 2023. Our Fannie Mae and Freddie Mac loans include economic deterrents that reduce the risk of loan prepayment prior to the expiration of the prepayment protection period, including prepayment premiums, loan defeasance, or yield maintenance fees. These prepayment protections generally extend the duration of a the loan compared to a loan without similar protections. If a loan is prepaid prior to the expiration of the prepayment protection period, and the customer is obligated to incur a prepayment premium, our servicing contacts with Fannie Mae and Freddie Mac allow us to receive a portion of the prepayment premium. Our servicing contract with institutional investors

Table of Contents

and HUD do not require them to provide us with prepayment fees. As of September 30, 2023 both March 31, 2024 and 2022, 2023, 90% and 89% of the loans for which we earn servicing fees are protected from the risk of prepayment through prepayment provisions, respectively. Given provisions; given this significant level of prepayment protection, we do not hedge our servicing portfolio for prepayment risk. As interest rates have risen rapidly over the past 18 months, we have experienced a significant reduction in prepayment activity within our loan servicing portfolio, which in turn has significantly reduced the volume and amount of prepayment premium revenues we receive.

London Interbank Offered Rate ("LIBOR") Transition

On June 30, 2023, the United Kingdom's Financial Conduct Authority, the regulator for the administration of LIBOR, stopped publishing LIBOR rates, including the 30-day LIBOR (previously our primary reference rate). All of our legacy GSE LIBOR-based loans transitioned to SOFR effective July 1, 2023, after providing formal notice to all impacted borrowers. All of our debt agreements with our warehouse facilities have transitioned to SOFR as of June 30, 2023.

Item 4. Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including the principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. 1934, as amended (the "Exchange Act").

Based on that evaluation, the principal executive officer and principal financial officer concluded that the design and operation of these disclosure controls and procedures as of the end of the period covered by this report were effective to provide reasonable assurance that information required to be disclosed in our reports under the Securities and Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and that such information is

Table of Contents

accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we may be party to various claims and litigation, none of which we believe is material. We cannot predict the outcome of any pending litigation and may be subject to consequences that could include fines, penalties, and other costs, and our reputation and business may be impacted. Our management believes that any liability that could be imposed on us in connection with the disposition of any pending lawsuits would not have a material adverse effect on our business, results of operations, liquidity, or financial condition.

Item 1A. Risk Factors

We have included in Part I, Item 1A of our 2022 2023 Form 10-K descriptions of certain risks and uncertainties that could affect our business, future performance, or financial condition (the "Risk Factors"). There have been no material changes from the disclosures provided in our 2022 2023 Form 10-K, except as provided in Part

II, Item 1A of our quarterly report on Form 10-Q for the quarterly period ended March 31, 2023. 10-K. Investors should consider the Risk Factors prior to making an investment decision with respect to the Company's stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Under the 2020 Equity Incentive Plan, subject to the Company's approval, grantees have the option of electing to satisfy minimum tax withholding obligations at the time of vesting or exercise by allowing the Company to withhold and purchase the shares of stock otherwise

issuable to the grantee. During the quarter ended September 30, 2023 March 31, 2024, we purchased ten 101 thousand shares to satisfy grantee tax withholding obligations on share-vesting events. During the first quarter of 2023, 2024, the Company's Board of Directors approved a share repurchase program that permits the repurchase of up to $75.0 million of the Company's common stock over a 12-month period beginning on February 23, 2023 February 23, 2024. During the quarter ended September 30, 2023 March 31, 2024, we did not repurchase any shares under this share repurchase program. The Company had $75.0 million of authorized share repurchase capacity remaining as of September 30, 2023 March 31, 2024. The following table provides information regarding common stock repurchases for the quarter ended September 30, 2023 March 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
July 1-31, 2023	923	$ 79.09	—	75,000,000				
August 1-31, 2023	4,872	90.53	—	75,000,000				
September 1-30, 2023	4,205	84.87	—	75,000,000				
3rd Quarter	**10,000**	**$ 87.09**	**—**					
January 1-31, 2024					11,110	$ 104.09	—	$ 75,000,000
February 1-29, 2024					53,763	98.77	—	75,000,000
March 1-31, 2024					36,521	90.10	—	$ 75,000,000
1st Quarter					**101,394**	**$ 96.23**	**—**	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

During the quarter ended September 30, 2023 March 31, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a “Rule 10b5-1 trading agreement” or “non-Rule 10b5-1 trading agreement,” as each term is defined in Item 408 of Regulation S-K.

Table of Contents

Item 6. Exhibits

(a) Exhibits:

2.1	Contribution Agreement, dated as of October 29, 2010, by and among Mallory Walker, Howard W. Smith, William M. Walker, Taylor Walker, Richard C. Warner, Donna Mighty, Michael Alinksy, Edward B. Hermes, Deborah A. Wilson and Walker & Dunlop, Inc. (incorporated by reference to Exhibit 2.1 to Amendment No. 4 to the Company’s Registration Statement on Form S-1 (File No. 333-168535) filed on December 1, 2010)
2.2	Contribution Agreement, dated as of October 29, 2010, between Column Guaranteed LLC and Walker & Dunlop, Inc. (incorporated by reference to Exhibit 2.2 to Amendment No. 4 to the Company’s Registration Statement on Form S-1 (File No. 333-168535) filed on December 1, 2010)
2.3	Amendment No. 1 to Contribution Agreement, dated as of December 13, 2010, by and between Walker & Dunlop, Inc. and Column Guaranteed LLC (incorporated by reference to Exhibit 2.3 to Amendment No. 6 to the Company’s Registration Statement on Form S-1 (File No. 333-168535) filed on December 13, 2010)
2.4	Purchase Agreement, dated June 7, 2012, by and among Walker & Dunlop, Inc., Walker & Dunlop, LLC, CW Financial Services LLC and CWCapital LLC (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K/A filed on June 15, 2012)
2.5	Purchase Agreement, dated as of August 30, 2021, by and among Walker & Dunlop, Inc., WDAAC, LLC, Alliant Company, LLC, Alliant Capital, Ltd., Alliant Fund Asset Holdings, LLC, Alliant Asset Management Company, LLC, Alliant Strategic Investments II, LLC, ADC Communities, LLC, ADC Communities II, LLC, AFAH Finance, LLC, Alliant Fund Acquisitions, LLC, Vista Ridge 1, LLC, Alliant, Inc., Alliant ADC, Inc., Palm Drive Associates, LLC, and Shawn Horwitz (incorporated by reference to Exhibit 2.5 of the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021)

Table of Contents

2.6	Share Purchase Agreement dated February 4, 2022 by and among Walker & Dunlop, Inc., WD-GTE, LLC, GeoPhy B.V. (“GeoPhy”), the several persons and entities constituting the holders of all of GeoPhy’s issued and outstanding shares of capital stock, and Shareholder Representative Services LLC, as representative of the Shareholders (incorporated by reference to Exhibit 2.6 of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021)
3.1	Articles of Amendment and Restatement of Walker & Dunlop, Inc. (incorporated by reference to Exhibit 3.1 to Amendment No. 4 to the Company’s Registration Statement on Form S-1 (File No. 333-168535) filed on December 1, 2010)
3.2	Amended and Restated Bylaws of Walker & Dunlop, Inc. (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed on February 10, 2023)
4.1	Specimen Common Stock Certificate of Walker & Dunlop, Inc. (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Company’s Registration Statement on Form S-1 (File No. 333-168535) filed on September 30, 2010)
4.2	Registration Rights Agreement, dated December 20, 2010, by and among Walker & Dunlop, Inc. and Mallory Walker, Taylor Walker, William M. Walker, Howard W. Smith, III, Richard C. Warner, Donna Mighty, Michael Yavinsky, Ted Hermes, Deborah A. Wilson and Column Guaranteed LLC (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on December 27, 2010)

4.3		Stockholders Agreement, dated December 20, 2010, by and among William M. Walker, Mallory Walker, Column Guaranteed LLC and Walker & Dunlop, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 27, 2010)
4.4		Piggy-Back Registration Rights Agreement, dated June 7, 2012, by and among Column Guaranteed, LLC, William M. Walker, Mallory Walker, Howard W. Smith, III, Deborah A. Wilson, Richard C. Warner, CW Financial Services LLC and Walker & Dunlop, Inc. (incorporated by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 filed on August 9, 2012)
4.5		Voting Agreement, dated as of June 7, 2012, by and among Walker & Dunlop, Inc., Walker & Dunlop, LLC, Mallory Walker, William M. Walker, Richard Warner, Deborah Wilson, Richard M. Lucas, and Howard W. Smith, III, and CW Financial Services LLC (incorporated by reference to Annex C of the Company's proxy statement filed on July 26, 2012)
4.6		Voting Agreement, dated as of June 7, 2012, by and among Walker & Dunlop, Inc., Walker & Dunlop, LLC, Column Guaranteed, LLC and CW Financial Services LLC (incorporated by reference to Annex D of the Company's proxy statement filed on July 26, 2012)
10.1		Amendment No. 6 to Master Repurchase Agreement, dated as of September 12, 2023, by and among Walker & Dunlop, LLC, Walker & Dunlop, Inc. and JPMorgan Chase bank, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 15, 2023)
10.2		Amendment No. 2 to Amended and Restated Letter, dated as of September 12, 2023, by and among Walker & Dunlop, LLC, Walker & Dunlop, Inc., and JPMorgan Chase Bank, N.A. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 15, 2023)
10.3	*†	Amendment One to the Walker & Dunlop, Inc. Inc. Management Deferred Compensation Plan
10.4	*	Form of Trust Agreement Stock Unit Purchase Matching Program
31.1	*	Certification of Walker & Dunlop, Inc.'s Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	*	Certification of Walker & Dunlop, Inc.'s Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	**	Certification of Walker & Dunlop, Inc.'s Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS		Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	*	Inline XBRL Taxonomy Extension Schema Document
101.CAL	*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	*	Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE	*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104		Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

†: Denotes a management contract or compensation plan, contract or arrangement.

*: Filed herewith.

**: **: Furnished herewith. Information in this Quarterly Report on Form 10-Q furnished herewith shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that Section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Walker & Dunlop, Inc.

Date: November 9, 2023 May 2, 2024

By: /s/ William M. Walker
William M. Walker
Chairman and Chief Executive Officer

Date: November 9, 2023 May 2, 2024

By: /s/ Gregory A. Florkowski
Gregory A. Florkowski
Executive Vice President and Chief Financial Officer

Exhibit 10.3 10.1

AMENDMENT ONE TO THE
WALKER & DUNLOP, INC.
MANAGEMENT DEFERRED COMPENSATION PLAN STOCK UNIT PURCHASE MATCHING PROGRAM

THIS AMENDMENT TO THE WALKER & DUNLOP, INC. MANAGEMENT DEFERRED STOCK UNIT PURCHASE MATCHING PROGRAM (this "**Amendment**") was made and adopted on February 14, 2024 by the Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Walker & Dunlop, Inc., a Maryland corporation (the "**Company**"), to be subject to and effective upon the approval of the Walker & Dunlop, Inc. 2024 Equity Incentive Plan (as amended and/or restated from time to time, the "**2024 Plan**") by the stockholders of the Company. Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Walker & Dunlop, Inc. Management Deferred Stock Unit Purchase Matching Program (as amended and/or restated from time to time, the "**Program**").

WHEREAS, pursuant to the terms of Section 2 of the Walker & Dunlop, Inc. Management Deferred Stock Unit Purchase Matching Program (as amended and/or restated from time to time, the "**Program**"), the Committee may amend the Program at any time; and

WHEREAS, the Committee desires to amend the Program as set forth herein.

NOW, THEREFORE, BE IT RESOLVED, that, subject to and effective upon the approval of January 1, 2020) the 2024 Plan by the stockholders of the Company, the Program be and hereby is amended as follows:

WHEREAS, 1. Section 1(a) of the Program shall be amended and restated in its entirety to read as follows:

The Compensation Committee (the "***Committee***") of the Board of Directors (the "***Board***") of Walker & Dunlop, Inc. (the "Company" "***Company***") maintains adopted the Company's Management Deferred Stock Unit Purchase Matching Program (the "***Program***"), effective January 10, 2013 (the "***Effective Date***") to make matching awards covering shares of common stock, par value $0.01 per share (the "***Stock***"), in connection with Stock purchases made by eligible executives and its Affiliates under the Walker & Dunlop, Inc. Deferred Compensation Plan, (the "Plan"), which was originally effective as of January 1, 2020;

WHEREAS, the Company desires to amend the Plan to make certain changes related to the definition of Compensation, time and form of distribution elections and payment of installments; and

WHEREAS, the Company reserves the right pursuant to Section 10.2 of the Plan to amend the Plan.

NOW, THEREFORE, the Company hereby amends the Plan, effective as of December 1, 2023, as follows:

1. Subsection 1.15 of the Plan shall be amended and restated in its entirety to read as follows:

"Reserved."

2. Subsection 1.16 of the Plan shall be amended and restated in its entirety to read as follows:

"Reserved."

3. Subsection 1.19 of the Plan shall be amended and restated in its entirety to read as follows:

"**"Eligible Executive"** shall mean a highly compensated or management-level employee of an Employer selected by the Committee to be eligible to participate in the Plan."

4. Subsection1.29(a) of the Plan shall be amended and restated in its entirety to read as follows:

"(a) For benefits triggered by the Participant's Separation from Service, the Payment Date shall be the first day of the seventh month directly following the month in which the

Separation from Service occurs (the "Payment Anniversary Date"), and the applicable amount shall be calculated as of the last business day of the sixth month in which the Separation from Service occurs. Subsequent installments, if any, shall be made on the annual Payment Anniversary Date, and the applicable amount of such installment shall be calculated as of the last business day of the immediately preceding month."

5. Section 3.1 of the Plan shall be amended and restated in its entirety to read as follows:

"3.1 Elections to Defer Compensation. Elections to defer Compensation shall take the form of a whole percentage (which amounts shall be reduced for applicable payroll withholding requirements for Social Security and income taxes and employee benefit plans, as determined in the sole and absolute discretion of the Committee) of up to a maximum of:

(a) 75% of Base Salary,

(b) 100% of Bonuses,

(c) 100% of LTIP Amounts, and

(d) 100% of Commissions.

To the extent applicable, deferrals under this Plan shall be calculated after reduction for any deferrals under the Company's Management Deferral Stock Unit Purchase Plan.

The Committee may, in its sole discretion, adjust for subsequent Plan Years on a prospective basis the maximum deferral percentages described in this Section for one or more types of Compensation (including, without limitation, for particular types of Bonuses) and for one or more subsequent Plan Years, such revised deferral percentages shall be indicated on a Participant Election form approved by the Committee. Notwithstanding the foregoing, in no event shall the maximum deferral percentages be adjusted after the last date on which deferral elections for the applicable type(s) of Compensation must be submitted and become irrevocable in accordance with Section 3.2 below and the requirements of Code Section 409A.

In the event that, after taking into account a Participant's deferral elections under the Company's Management Deferred Stock Unit Purchase Plan (the "***Purchase Plan***"). The Program was originally established under a predecessor equity incentive plan to the amount Walker & Dunlop, Inc. 2024 Equity Incentive Plan (as may be amended and/or restated from time to time, the "***2024 Plan***") and shall continue under the 2024 Plan. Unless otherwise defined in the Program, capitalized terms will have the meanings set forth in the 2024 Plan.

2. All other references to the “2020 Plan” in the Program shall become, and shall hereafter be, references to the “2024 Plan.”

3. This Amendment shall be and is hereby incorporated in and forms a part of Bonuses or Commissions, the Program. Except as applicable, deferred under this Plan exceeds 100% of such Participant’s Bonuses or Commissions, as applicable, set forth herein, the Committee Program shall reduce each such deferral election under this Plan so that the total amount deferred under all such plans equals 100%. remain in full force and effect.

The Committee may determine that one or more types of Compensation shall not be made available for deferral for one or more subsequent Plan Years and, consistent with such determination, the impacted types of Compensation shall not appear on a Participant Election form.”[*Signature Page Follows*]

---

7. A new Section 6.1(c) of the plan shall be added to read as follows:

“(c) Specified Date Election. Notwithstanding any other provision IN WITNESS WHEREOF, and as evidence of the Plan to the contrary, in addition to the election provided for in Section 6.1(a), a Participant may elect to receive the amount credited to the Participant’s Deferral Account and Company Contributions Account for a given Plan Year in the form of a lump sum on a specified date which date shall be at least two years following the end adoption of the Plan Year for which amounts are credited to the Participant’s Deferral Account and Company Contributions Account. Such elections shall be made pursuant to the provisions of Section 3.5(c). If any distributable events provided for in Sections 6.1, 6.2, 6.3 or 6.4 are triggered prior to the specified date election provided for in this Section 6.1(c), such event shall take precedence.”

IN WITNESS WHEREOF, foregoing, the Company has caused this Amendment One to be executed this 3rd, day of November, 2023.

Walker WALKER & Dunlop, Inc. DUNLOP, INC.

By:	/s/ Richard M. Lucas
Name:	Richard M. Lucas
Its: Title:	EVP, General Counsel & Secretary

Exhibit 10.4

Exhibit A - Trust Agreement (Nonqualified Trust)

*This Trust Agreement, dated as of the first day of November, 2023 (“**Effective Date**”), is between Walker & Dunlop, LLC, a Maryland limited liability company, having an office at 7272 Wisconsin Avenue, Suite 1300, Bethesda, MD 20814 (“**Sponsor**”), and Fidelity Management Trust Company, a Massachusetts trust company, having an office at 245 Summer Street, Boston, Massachusetts 02210 (“**Trustee**”).*

1. ***Overview; Roles.*** *Sponsor is the sponsor of the Walker & Dunlop, Inc. Deferred Compensation to Plan (the “**Plan**”). The term “Sponsor” shall also refer to any successor to all or substantially all of Sponsor’s businesses which, by agreement, operation of law or otherwise, assumes the responsibility of Sponsor hereunder.*

*By entering into this trust agreement, which includes any Schedules, Exhibits and Attachments hereto, as the same may be amended and in effect from time to time (the “**Trust Agreement**”), Sponsor wishes to establish an irrevocable trust (the “**Trust**”) and to contribute to the Trust* *assets that shall be held therein, subject to the claims of Sponsor's creditors in the event of Sponsor's Insolvency, until paid to Participants and their beneficiaries in such manner and at such times as specified in the Plan.*

Sponsor intends to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan.

Trustee is willing to (i) hold and invest the aforesaid assets in trust among several investment options selected by Sponsor, and (ii) perform the services described herein on the terms and conditions hereof.

The Parties intend that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of ERISA.

*Sponsor also wishes to have an affiliate of Trustee perform certain ministerial recordkeeping and related functions with respect to the Plan pursuant to a separate Main Services Agreement (the "**MSA**").*

Each capitalized term in this Trust Agreement has the meaning ascribed to such term under the MSA unless specifically defined otherwise herein or in the event the context clearly indicates otherwise.

2. ***Trust***.

a. ***Establishment.*** *The Trust shall consist of (i) an initial contribution of money or other property acceptable to Trustee in its sole discretion made by Sponsor or transferred from a previous trustee, (ii) such additional sums of money as shall from time to time be delivered to Trustee, (iii) all investments made therewith and proceeds thereof, and (iv) all earnings and profits thereon, less payments made by Trustee as provided herein, without distinction between principal and income. Trustee accepts the Trust and shall be accountable for the assets received by it, subject to the terms and conditions of this Trust Agreement. The term "Trustee" shall also refer to any successor to all or substantially all of the Trustee's trust business and any successor trustee appointed pursuant to the provisions of Resignation or Removal of Trustee. Amendment]*

b. ***Trust Assets.*** *The principal of the Trust and any earnings thereon shall be held separate and apart from other funds of Sponsor and shall be used exclusively for the uses and purposes of Participants and general creditors as herein set forth. Participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of Participants and their beneficiaries against Sponsor. Any assets held by the Trust will be subject to the claims of Sponsor's general creditors under federal and state law in the event of Insolvency. For federal tax purposes, Sponsor is the owner of the Trust assets.*

3. ***Non-Assignment; Payments to Sponsor.*** *Benefit payments to Participants and their beneficiaries under this Trust may not be anticipated, assigned (at law or in equity), alienated, pledged, encumbered, or subjected to attachment, garnishment, levy, execution, or other legal or equitable process. Notwithstanding anything in this Trust Agreement to the contrary, Sponsor can direct Trustee to disburse monies pursuant to a DRO in accordance with the provisions hereof. Except as provided under this Trust Agreement, Sponsor shall have no right to retain or divert to others any Trust assets before all payments of benefits have been made to Participants pursuant to the terms of the Plan. Sponsor may direct Trustee in writing to pay over to Sponsor or to direct Trustee to pay expenses of Plan administration with any amount in excess of the amount needed to pay all of the benefits accrued under the Plan as of the date of such payment.*

4. ***Investment of Trust.*** *Trustee shall be responsible for providing services under this Trust Agreement solely with respect to those investment options set forth in Attachment A to the DC Terms Schedule, which have been designated by Sponsor in its sole discretion. Although Sponsor retains sole discretion as to the notional investment options available to Participants under the Plan, Trustee shall not, absent its written consent, be required to provide services with respect to other investment options that Sponsor seeks to add to the Trust. All obligations of Trustee hereunder (including all services to be performed by Trustee)*

---

shall be performed solely with respect to the investment options set forth herein, and no other investments that may be held under a separate trust or insurance product with respect to the Plan shall be considered by Trustee in its performance of such obligations. Sponsor shall direct Trustee as to how to invest the Trust assets. In order to provide for the accumulation of assets comparable to the contractual liabilities accruing under the Plan, Sponsor may direct Trustee in writing to invest the assets held in the Trust to correspond to the Participants' notional investment directions under the Plan, subject to the limitations provided in this Article 4.

5. ***Sponsor Direction; Trustee Powers.*** *Sponsor hereby directs Trustee to exercise the following powers and authority in Trustee's role as directed trustee as necessary to carry out its responsibilities under this Trust Agreement:*

a. *Subject to the ongoing direction of Sponsor (as described herein), sell, exchange, convey, transfer, or otherwise dispose of any property held in the Trust, by private contract or at public auction.*

b. *Cause securities or other property held as part of the Trust to be (i) registered in Trustee's own name, in the name of one or more of its nominees, or in Trustee's account with the Depository Trust Company of New York, or (ii) held in bearer form, but the books and records of Trustee shall at all times show that all such investments are part of the Trust.*

c. *Keep that portion of the Trust in cash or cash balances as the Named Fiduciary or Administrator may, from time to time, deem to be in the best interest of the Trust.*

d. *Make, execute, acknowledge, and deliver any and all documents of transfer or conveyance in order to carry out the powers herein granted.*

e. *Borrow funds from a bank not affiliated with Trustee in order to provide sufficient liquidity to process Plan transactions in a timely fashion where Sponsor or Named Fiduciary directs that investments requiring such liquidity be held in the Trust; provided that the cost of such borrowing shall be allocated in a reasonable fashion to the investment fund(s) in need of liquidity. Sponsor acknowledges that it has received the disclosure on Trustee's line of credit program and credit allocation policy prior to executing this Trust Agreement if applicable.*

f. *In accordance with this paragraph, (i) settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Trust, (ii) commence or defend suits or legal or administrative proceedings, (iii) represent the Trust in all suits and legal and administrative hearings, and (iv) pay all reasonable expenses arising from any such action from the Trust if not paid by Sponsor. Trustee shall take action on behalf of the Trust with respect to any claim or dispute relating to the Trust only upon the written Direction of the relevant fiduciary (which, for this purpose, shall be the fiduciary designated in writing by the Named Fiduciary for such purpose, and in the absence of such designation, shall be the Named Fiduciary). In the absence of such a Direction, Trustee shall have (i) no authority to take action with respect to such claim or dispute even as to ministerial, nondiscretionary acts (for example, without limitation, the execution and delivery on behalf of the Trust of forms, pleadings, agreements, or other documents in connection with (A) the commencement, prosecution, or defense of a claim or dispute in litigation, arbitration, or other proceedings, (B) the settlement or compromise of a claim or dispute, or (C) the joining or opting out from a class action), (ii) no duty to request that Sponsor provide a Direction or to question any Direction of Sponsor in connection with any such claim or dispute, and (iii) no duty to act upon, consider, or respond to demands by Participants or anyone other than the Sponsor in connection with any claim or dispute.*

g. *Employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Trust Agreement and pay their reasonable expenses and compensation from the Trust if not paid by Sponsor.*

h. *Do all other acts, although not specifically mentioned herein, as Trustee may deem necessary to carry out any of the foregoing Directions or responsibilities under this Trust Agreement seeking further Direction or instruction from Sponsor or other appropriate fiduciary where, and to the extent, Trustee is required as a directed trustee to do so.*

Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Code.

6. ***Services to Be Performed***.

a. ***Accounts.*** *Trustee shall keep accurate accounts of all investments, receipts, disbursements, and other transactions hereunder, and shall report the value of the assets held in the Trust as of each Reporting Date. Within 30 days following each Reporting Date or within 60 days in the case of a Reporting Date caused by the resignation or removal of Trustee, or the termination of this Trust Agreement, Trustee shall file with the Administrator a written account setting forth (i) all investments, receipts, disbursements, and other transactions effected by Trustee between the Reporting Date and the prior Reporting Date, and (ii) the value of the Trust as of the Reporting Date. Except as otherwise required under applicable law, upon the expiration of 6 months from the date of filing such account, Trustee shall have no liability or further accountability with respect to the propriety of its acts or transactions shown in such account, except with respect to such acts or transactions* *as to which a written objection shall have been filed with Trustee within such 6-month period. Trustee shall not be responsible to monitor, recommend or compel Sponsor to make contributions to the Trust on behalf of any Participant, nor shall Trustee have any duty to question the directions of Sponsor regarding the designation of the type of contribution or determine whether such type is appropriate.*

7. ***Expenses.*** *All expenses of Trustee relating directly to the acquisition and disposition of investments constituting part of the Trust, and all taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust or the income thereof, shall be a charge against and paid from the Trust assets.*

8. ***Resignation or Removal of Trustee****.*

a. ***Duration.*** *This Trust shall continue in effect without limit as to time, subject, however, to the provisions hereof relating to amendment, modification, and termination of this Trust Agreement.*

b. ***Resignation and Removal.*** *Trustee may resign, and Sponsor may remove Trustee, in either case by terminating this Trust Agreement upon at least 180 days' prior written notice to the other; provided, however, that the receiving party may agree, in writing, to a shorter notice period. If, by the termination date, Sponsor has not notified Trustee in writing as to the individual or entity to which the assets and cash are to be transferred and delivered, Trustee may bring an appropriate action or proceeding for leave to deposit the assets and cash in a court of competent jurisdiction. Sponsor shall reimburse Trustee for all costs and expenses of the action or proceeding including, without limitation, reasonable attorneys' fees and disbursements.*

c. ***Successor Trustee.*** *Any successor to Trustee, either through sale or transfer of the business or trust department of Trustee, or through reorganization, consolidation, or merger, or any similar transaction of Trustee, shall, upon consummation of the transaction, become the successor trustee under this Trust Agreement.*

9. ***Insolvency of Sponsor.*** *Trustee shall cease disbursing funds for benefit payments to Participants if it becomes aware that Sponsor is Insolvent. At all times during the continuance of this Trust, the principal and income of the Trust shall be subject to claims of general creditors of Sponsor under federal and state law as set forth below. The board of directors and the chief executive officer of Sponsor shall have the duty to inform Trustee in writing of Sponsor's Insolvency. If a person claiming to be a creditor of Sponsor alleges in writing to Trustee that Sponsor has become Insolvent, Trustee shall determine whether Sponsor is Insolvent and, pending such determination, Trustee shall discontinue disbursements for payment of benefits to Participants. Unless Trustee has actual knowledge of Sponsor's Insolvency, or has received notice from Sponsor or a person claiming to be a creditor alleging that Sponsor is Insolvent, Trustee shall have no duty to inquire whether Sponsor is Insolvent. Trustee may in all events rely on such evidence concerning Sponsor's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Sponsor's solvency.*

If at any time Trustee has determined that Sponsor is Insolvent, Trustee shall discontinue disbursements for payments to Participants and shall hold the assets of the Trust for the benefit of Sponsor's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Participants to pursue their rights as general creditors of Sponsor with respect to benefits due under the Plan or otherwise. Trustee shall resume disbursing benefit payments to Participants in accordance with this Trust Agreement only after Trustee has determined that Sponsor is not Insolvent (or is no longer Insolvent).

Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to the above and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Participants under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any payments made to Participants by Sponsor in lieu of the payments provided for hereunder during any such period of discontinuance.

10. ***Inclusion of Additional Terms.*** *Both Trustee and Sponsor agree to the Sections of the MSA pertinent to the Plan that are (i) under the headings of "Directions", "Fees", "Confidentiality", "Data Conditions", "Electronic Services", "Disabling Codes", "Intellectual Property", "Audits", "Indemnification", "Warranties", "General Compliance", "Disputes", "Modifications" "Mutuality of Drafting", "Fidelity Not Insurer, Guarantor", "Duty to Mitigate", "No Waiver", "Relationship of Parties", "Notice", "Severability", "Entire Agreement", "Taxes", "Rules of Construction; Conflicts", "Survival", and "Force Majeure" in the body of the MSA, or (ii) included in the DC Terms Schedule to the MSA, as though such provisions were contained in this Trust Agreement, mutatis mutandis (including, without limitation, revising where appropriate references to "Fidelity" to refer to "Trustee", references to "Client" to refer to "Sponsor", and references to the MSA to refer to this Trust Agreement) except to the extent this Trust Agreement clearly provides otherwise. For purposes of clarity, where a particular provision (i) assigns to Fidelity a general obligation (such as the duty to protect Client's Confidential Information), or (ii) limits or disclaims responsibility on the part of Fidelity, such duty, limitation or disclaimer shall be similarly applied to Trustee whereas the inclusion of any provision describing Fidelity's responsibility for performing a particular service under the MSA should not be read as imposing a duplicative requirement that Trustee provide, or be responsible for, that same service. Similarly, duties and responsibilities assigned or reserved to Client under such sections shall be deemed to apply to Sponsor hereunder.*

11. ***Situs of Trust Assets.*** *No assets of the Trust shall be located or transferred outside of the United States.*

12. ***Governing Law/Document.*** *This Trust Agreement is being made in the Commonwealth of Massachusetts, and the Trust shall be administered as a Massachusetts trust. The validity, construction, and effect of this Trust Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions). Trustee is not a party to the Plan.*

13. ***Electronic Signatures.*** *In the event the Parties have agreed to utilize an electronic signature process, each Party represents that its electronic signature below is intended to authenticate this writing and to have the same force and effect as a manual signature.*

14. ***Counterparts.*** *This Trust Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one agreement binding on the Parties.*

By signing below, the parties agree to the terms of this Trust Agreement and the undersigned represent that they are authorized to execute this Trust Agreement on behalf of the respective parties.

Sponsor		**Fidelity Management Trust Company**	
By:		**By:**	
Name:		**Name:**	
Title:		**Title:**	
Date:		**Date:**	

Glossary

Core

"***Affiliate***" *means any other person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a referenced party.*

"***Assumptions***" *means the assumptions specified in the Fee Schedule.*

"***Auditors***" *means a third-party auditor either from a certified public accounting firm or as otherwise mutually agreed.*

"***Business Day***" *means each day the applicable stock exchange is open.*

"***Change Control Request***" *means a notice from a Party to the other Party that sets forth, in reasonable detail, a proposed change to this MSA (either for ongoing Services or for special projects).*

"***Confidential Information***" *means (i) all information (including Personal Data) that is identified as confidential or proprietary or reasonably should have been understood to be proprietary or confidential, and (ii) either Party's technical, trade secret or business information, financial information, business or marketing strategies or plans, product development or customer information, including the terms of this MSA; in each case, disclosed by a Party or its representatives to the other Party before or after the Effective Date in connection with this MSA. "Confidential Information" does not include particular information the receiving Party can demonstrate (a) was, at the time of disclosure either already known to the receiving Party (and not subject to a pre-existing confidentiality agreement) or publicly known; (b) after disclosure, becomes publicly known through no fault of the receiving Party; (c) was separately received from a third party without confidentiality restrictions, (d) was* *independently developed by the receiving Party without use of the disclosing Party's Confidential Information, or (e) is data (or a derivative thereof) in a form that is aggregated, de-identified, anonymized, encrypted or otherwise rendered unreadable or unrecognizable as Client's, Plan's, or Participants' information.*

*"**Content**" means text, graphics, video, audio, or other materials, including Client's Name, that Client provides to Fidelity.*

***"Contract Year"** means the 12-month period beginning on the Effective Date and each subsequent 12-month period thereafter during the Term that commences on an anniversary of the Effective Date.*

*"**Credentials**" means sign-on data that authenticate an End User's identity (for example, an account number and password).*

*"**Directing Party**" means any individual Client authorizes to act on its behalf in giving certain forms of Direction under the MSA. Client may specify different individuals authorized to give Directions on Client's behalf versus other named entities, or for different Service Lines.*

*"**Direction**" means a Directing Party's written instruction for Fidelity to act, or refrain from acting, in a particular manner in providing Services or special projects and shall include for this purpose the terms of the MSA.*

*"**Direction Document**" means a document, the terms of which are agreed to by the Parties, that sets forth ongoing Directions with respect to servicing of any Plan(s).*

*"**Electronic Services**" means communication and services Fidelity makes available to Client in connection with this MSA via electronic media.*

*"**End User**" means an individual who presents Credentials to sign-on to a website, system, or application.*

*"**Fees**" means fees payable to Fidelity specified in the Fee Schedule or elsewhere for Services and special projects.*

*"**Force Majeure Events**" means acts of God, civil or military authority, acts of terrorism, whether actual or threatened, quarantines, epidemics, acts of public enemy, war, natural disasters or catastrophes, strikes or other work stoppages, interruption of utilities or other necessary services or supplies or any other cause beyond the reasonable control of the Party.*

*"**Information Systems**" means Fidelity recordkeeping systems used to provide the Services specified under the MSA.*

*"**Intellectual Property**" means patents, trademarks, service marks, copyrights, trade secrets, systems, procedures, methods, know-how, materials, content, tools, hardware, software, documents, scripts, or code associated with the Services, or any portion thereof, Electronic Services, and Content; in each case provided by one Party (and each of their respective Affiliates, agents, subcontractors, vendors, assignees or delegees) to the other Party in connection with the provision of Services.*

*"**IP Infringement Claim**" means any third-party claim alleging any unmodified product or Service Fidelity provides and Client uses in a manner consistent with the terms of this MSA infringes any patent, trademark, copyright, trade secret, or other proprietary right of that third party.*

*"**Name**" means a Party's name, trade names, trademarks, logos, service marks or trade dress.*

---

*"**NetBenefits®**" means Fidelity NetBenefits® or its successor, the graphical windows-based application Fidelity makes available for Participant use that provides current Plan and Participant information including indicative data, account balances, activity, and history.*

*"**PAM**" or "**Plan Administration Manual**" means the document that sets forth in greater detail than this MSA the recordkeeping and related duties and procedures to be followed by Fidelity in providing Services to a Plan. The PAM is a form of Direction Document. This definition includes the Plan Administrative Discovery and Design Document from the implementation process until the full PAM can be generated and approved.*

*"**Participant**" means any employee, former employee or other individual specifically designated as, or otherwise fitting within the classification of, a "participant" as detailed by the Plan terms and included on the participant list Client provides to Fidelity.*

*"**Personal Data**" means an individual's first and last name when coupled with other personal data, including compensation, benefits, tax, marital/family status and other similar information about Participants, that Fidelity may receive in performing Services.*

*"**Plan**" For the DC and DB Service Lines, "Plan" means each Plan separately identified in the List of Plans Schedule. For all other Service Lines (e.g., the HSA Service Line and H&W Service Line), "Plan" refers to the respective program selected on the Coversheet. Each reference to **"Plan"** applies to the Plan(s) to which the particular provision of this MSA is being applied or to all Plans as the context requires.*

"***Privacy Policy***" *means Fidelity's privacy policy applicable to individuals, made available via Fidelity's public website.*

"***PSW®***" *means Fidelity Plan Sponsor Webstation® or its successor, the graphical windows-based application Fidelity makes available for Client's use that provides current Plan and Participant information including indicative data, account balances, activity, and history.*

"***Service Line***" *means each group of Services in a separate Services Schedule as of the Effective Date or by amendment. Each reference to "Service Line" applies to the Service Line(s) to which the particular provision of this MSA is being applied or to all Service Lines as the context requires (e.g., "DC Service Line," "DB Service Line," "H&W Service Line," "HSA Service Line").*

"***Services***" *means those services listed under all Services Schedules. Each reference to "Services" applies to the Service(s) to which the particular provision of this MSA is being applied or to all Services as the context requires (e.g., "DC Services," "DB Services," "H&W Services," and "HSA Services").*

Defined Contribution

"Account" *means an account established and maintained hereunder at a Client's direction for receiving contributions under a Plan for the benefit of Participants, and any income, expenses, gains, or losses incurred thereon. If used in connection with any Plan listed on the List of Plans Schedule as a nonqualified defined contribution plan, this definition shall be read as referring to notional contributions, income, expense, gains and losses, as appropriate.*

"Administrator" *means the entity named on Schedule A as the administrator of a Plan (in accordance with section 3(16)(A) of ERISA, for any Plan subject to ERISA). Absent such designation, the Client shall be deemed to be the Administrator for all purposes hereof.*

"***Available Liquidity"*** *means the amount of short-term investments held in a Stock Fund with respect to a DC Plan decreased by any outgoing cash for expenses then due including payables for loan principals and obligations for pending stock purchases, and increased by incoming cash (such as contributions, exchanges in) and to the extent credit is available and allocable to the Stock Fund, receivables for pending stock sales. (Not applicable for TEM)*

"BrokerageLink" *means Fidelity BrokerageLink®, a Participant-directed brokerage option offered under a DC Plan.*

"BrokerageLink Core Position" *means the money market fund, currently Fidelity Government Cash Reserves, that serves as a settlement vehicle for the purchases and sales of securities via BrokerageLink. All contributions directed to BrokerageLink and all additional BrokerageLink investments are first deposited in the BrokerageLink Core Position.*

"BrokerageLink Default Fund" *means the SPO investment option into which the transferred assets will be placed when Participants transfer assets from BrokerageLink to the SPO.*

"Closed-End Fund ("CEF")" *shall mean an exchange-traded product that issues a fixed number of shares through an initial public offering ("IPO"), whose shares are traded intraday at either a discount or premium to the net asset value of the underlying portfolio, or any other investment with similar attributes that is classified as such on Fidelity's platform.*

"***Closing***" *means the New York Stock Exchange's (NYSE) normal closing time of 4:00 p.m. (ET), however, in the event the*

NYSE closes before such time or alters its closing time, all references to the NYSE closing time shall mean the actual or altered closing time of the NYSE.

"Closing Price" *means either (1) the closing price of the stock on the principal national securities exchange on which the stock is traded or, in the case of stocks traded over the counter, the last sale price of the day; or (2) if (1) is unavailable, the latest available price as reported by the principal national securities exchange on which the stock is traded or, for an "over the counter" stock, the last bid price prior to the close of the NYSE.*

"Code" *means the Internal Revenue Code of 1986, as it has been or may be amended.*

"Declaration of Separate Fund" *means the declaration of separate fund for each fund of a Group Trust.*

"Edelman Financial Engines" *means Financial Engines Advisors LLC, a registered investment adviser, or its successors or assigns.*

"Eligible Individual Account Plan" *has the meaning set forth under Section 407(d)(3) of ERISA. (Not applicable for TEM)*

"ERISA" *means the Employee Retirement Income Security Act of 1974, as it has been or may be amended.*

"Existing Investment Contracts" *means each investment contract entered into before the Effective Date by a Sponsor (or any of its subsidiaries or affiliates) or any Plan trustee and specified on an Attachment to Schedule B (DC Terms).*

"Fidelity Mutual Fund" *means any investment company advised by Fidelity Management & Research Company or any of its affiliates.*

"Fidelity Pre-Approved 401(a) Document" *shall mean the pre-approved retirement plan document or documents filed by Fidelity with the IRS pursuant to Revenue Procedure 2017-41 and subsequent guidance and offered to Client solely in support of providing services to Client's 401(a)/(k) Plan(s) under this MSA. Certain terms utilized within the MSA in describing services provided to the Client when the Client's Plan is utilizing the Fidelity Pre-Approved 401(a) Document (such as Basic Plan Document, Adoption Agreement, Plan Superseding Provisions Addendum, Trust Superseding Provisions Addendum and Pre-Approved Plan Provider) shall have the same definition as provided in the Fidelity Pre-Approved 401(a) Document. With regard to any Plan indicated on the Schedule of Plans as utilizing the Fidelity Pre-Approved 401(a) Document, this MSA shall be considered for such Plan to be the Service Agreement described in the Fidelity Pre-Approved 401(a) Document.*

"FIFO" *means first in, first out. (Not applicable for TEM)*

"Fixed Annuity Contract" *means a group annuity contract issued by an insurance carrier. The investment generally guarantees principal and accumulated interest, based on either a fixed rate of return established by the insurance company or the investment returns of a portfolio of fixed-income products managed by the insurance company.*

"FPRS" *means the Fidelity Participant Recordkeeping System.*

"Good Order" *shall mean a state or condition acceptable to Fidelity in its sole discretion that Fidelity determines is reasonably necessary for accurate execution of the intended transaction or activity.*

"Group Trust" *means a group trust for retirement plans that is established and maintained pursuant to IRS Revenue Ruling 81-100 and subsequent IRS guidance.*

"Ineligible Securities" *shall mean any security or security type that Fidelity or the Client has identified as being restricted from purchase or holding in BrokerageLink.*

"Insolvency" or "Insolvent" *with respect to a party means that the party (i) is unable to pay its debts as they become due, or (ii) is subject to a pending proceeding as a debtor under the United States Bankruptcy Code (or if not subject to the United States Bankruptcy Code, the entity is placed into receivership, conservatorship or similar status by its chartering or primary regulatory agency).*

"Investment Contracts" *means guaranteed investment contracts, structured or synthetic investment contracts, or any similar stable value products.*

"Investment Management Agreement" *means the investment management agreement executed by and between the Client, Strategic Advisers LLC, and Fidelity Personal and Workplace Advisors LLC in connection with Personalized Planning & Advice.*

"Investment Manager" *has the meaning set forth under Section 3(38) of ERISA.*

*"**Investment Services**" means any guidance or assistance provided by Fidelity to the Client through any medium and that includes any analysis recommendation or ranking of investment options or that in any way discusses the attributes of investments for use in a defined contribution retirement plan.*

"LIFO" *means last in, first out.*

*"**Losses**" means any and all loss, damage, penalty, liability, cost and expense, including without limitation, reasonable attorney's fees and disbursements.*

"Managed Assets" *means those assets held in or contributed to the individual Plan Accounts of: (i) with respect to Personalized Planning & Advice, eligible Participants from whom Fidelity or its agent has received in Good Order an election to participate in the Personalized Planning &*

Advice, and whose participation has not been terminated in accordance with the rules thereof (excluding Sponsor Stock), (ii) with respect to Professional Management services, eligible Participants with respect to whom Fidelity or its agent has received notice from Edelman Financial Engines of the Participant's election to participate in the Professional Management service (or, in the case of auto enrollment those enrolled who have not opted out of the service), and whose participation has not been terminated in accordance with the rules thereof, or (iii) with respect to Model Portfolio Recordkeeping Services, Participants who have enrolled in the Model Portfolio Service but not including Participant assets invested in Sponsor Stock, self-directed brokerage, any Sponsor-directed source, or FMTC or Fidelity Advisor stable value commingled pools. If used in connection with any Plan listed on Schedule A as a nonqualified defined contribution plan, this definition shall be read as referring to notional assets, as appropriate.

"Market Close" *means the New York Stock Exchange's (NYSE) normal closing time of 4:00 p.m. (ET), however, in the event the NYSE closes before such time or alters its closing time, all references to the NYSE closing time shall mean the actual or altered closing time of the NYSE.*

"MP Service" *means the Model Portfolio Recordkeeping Service offered under the Plan.*

"Mutual Fund" *refers both to Fidelity Mutual Funds and Non-Fidelity Mutual Funds.*

"Named Fiduciary" *(i) with respect to any Plan subject to the fiduciary duty provisions of ERISA, shall mean a fiduciary who is named in the Plan document, or who, pursuant to a procedure specified in the Plan, is identified as a fiduciary (A) by a person who is an employer or employee organization with respect to the Plan, or (B) by such an employer and such an employee organization acting jointly, and (ii) with respect to any Plan not subject to the fiduciary duty provisions of ERISA, shall mean the Client, Sponsor or the Employer, as applicable, for the purpose of assuming the responsibilities reserved to the Named Fiduciary under this MSA.*

"NAV" *means Net Asset Value.*

"Non-Fidelity Mutual Fund" *means certain investment companies not advised by Fidelity Management & Research Company or any of its affiliates.*

"Participant BrokerageLink Account" *means a Participant BrokerageLink Account established in connection with self-directed brokerage services under a DC Plan.*

"Participant Recordkeeping Reconciliation Period" *means the period beginning on the date of a transfer of the Plan's records (and, if applicable, assets) to Fidelity and ending on the date of the completion of the reconciliation of Participant records.*

"Participation Agreement" *means the participation agreement for a Group Trust.*

"Permissible Investment Options" *means those investment options that are available for investment through the MP Service.*

"Personalized Planning & Advice" *Personalized Planning & Advice means Fidelity® Personalized Planning & Advice at Work, an investment management service provided by Fidelity Personal and Workplace Advisors LLC ("FPWA") and Strategic Advisers LLC ("Strategic Advisers"), each affiliates of Fidelity, and registered investment advisers, in accordance with the Investment Management Agreement, to eligible Participants who elect Personalized Planning & Advice.*

"Phantom Funds" *means the hypothetical investment option(s) described in an Attachment to Schedule B (DC Terms and Conditions) with respect to any Plan.*

"Professional Management Service" *means a discretionary investment management service provided by Edelman Financial Engines, in accordance with a financial services agreement between the Named Fiduciary and Edelman Financial Engines, to eligible Participants who elect to participate in the service.*

"Qualified Domestic Relations Order" (*or* ***"QDRO"****) has the meaning ascribed to such term under Section 414(p) of the Code and, if applicable, under Section 206(d) of ERISA.*

"Qualifying Employer Securities" *has the meaning set forth under Section 407(d)(5) of ERISA. (Not applicable for TEM)*

"Reporting Date" *means the last day of each fiscal quarter of a Plan and, if not on the last day of a fiscal quarter, the date as of which the trustee or custodian, as applicable, resigns or is removed pursuant to the terms of the Trust Agreement or the Group Custodial Account Agreement, as applicable.*

"Rollover Contribution" *means the rollover of all or any portion of an eligible rollover distribution from an Eligible Retirement Plan to an Account pursuant to the rollover provisions of the Code, regulations and IRS guidance and subject to the provisions of the Client's Plan, if any.*

"SAR" *means Summary Annual Report.*

"Specified Hierarchy" *means the Stock Fund processing order in Schedule B (DC Terms) that gives precedence to distributions, loans (if applicable) and withdrawals, and otherwise on a FIFO basis. (Not applicable for TEM)*

"SPO" *means the Standard Plan Options that are the basic non-brokerage investment options available in a DC Plan.*

"Sponsor" *shall mean, with respect to any Plan, the entity that has assumed the responsibility of the Sponsor under this MSA and which has been designated as such on the List of Plans Schedule (or, absent such designation, the Client). With respect to any ERISA Plan, Fidelity shall be entitled to rely on such Client representation that such entity is the Sponsor of such Plan as defined under Section 3(16)(B) of ERISA.*

"Sponsor Stock" *means the common stock of the Sponsor of a Plan, such other publicly-traded stock of the Sponsor, or such other publicly-traded stock of the Sponsor's affiliates and meets the requirements of Section 407(d)(5) of ERISA, if applicable, with respect to the Plan. (Not applicable for TEM)*

"Stock Fund" *means the investment option consisting of Sponsor Stock and, if applicable, cash or short-term liquid investments. (Not applicable for TEM)*

"Strategic Advisers" *means Strategic Advisers, LLC, an affiliate of Fidelity, and a registered investment adviser, or its successors or assigns.*

"Variable Annuity Contract" *means a group annuity contract issued by an insurance carrier. The rate(s) of return for the investment will vary based on the performance of the investment choice(s) available through the variable annuity and could lose value.*

"VRS" *means Voice Response System.*

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William M. Walker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Walker & Dunlop, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 2, 2024

By: /s/ William M. Walker
William M. Walker
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory A. Florkowski, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Walker & Dunlop, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 2, 2024

By: /s/ Gregory A. Florkowski
Gregory A. Florkowski
Executive Vice President and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Walker & Dunlop, Inc. for the quarterly period ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of Walker & Dunlop, Inc., hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Walker & Dunlop, Inc.

Date: November 9, 2023 May 2, 2024	By:	/s/ William M. Walker
		William M. Walker
		Chairman and Chief Executive Officer
Date: November 9, 2023 May 2, 2024	By:	/s/ Gregory A. Florkowski
		Gregory A. Florkowski
		Executive Vice President and Chief Financial Officer

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.