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DELTA REPORT

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WD - WALKER & DUNLOP, INC.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended **June** **September** 30, 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 **July 29, 2024** October 28, 2024, there were **33,748,696** **33,766,571** total shares of common stock outstanding.

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Walker & Dunlop, Inc.

Form 10-Q

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

Walker & Dunlop, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, except per share data)

(Unaudited)

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Assets				
Cash and cash equivalents	\$ 208,095	\$ 328,698	\$ 179,759	\$ 328,698
Restricted cash	35,460	21,422	39,827	21,422
Pledged securities, at fair value	197,936	184,081	203,945	184,081
Loans held for sale, at fair value	814,883	594,998	1,024,984	594,998
Mortgage servicing rights	850,831	907,415	836,896	907,415
Goodwill	901,710	901,710	901,710	901,710
Other intangible assets	174,467	181,975	170,713	181,975
Receivables, net	272,827	233,563	307,407	233,563
Committed investments in tax credit equity	151,674	154,028	333,713	154,028
Other assets	567,515	544,457	580,277	544,457
Total assets	\$ 4,175,398	\$ 4,052,347	\$ 4,579,231	\$ 4,052,347
Liabilities				
Warehouse notes payable	\$ 810,114	\$ 596,178	\$ 1,019,850	\$ 596,178
Notes payable	770,707	773,358	769,376	773,358
Allowance for risk-sharing obligations	30,477	31,601	29,859	31,601
Commitments to fund investments in tax credit equity	134,493	140,259	289,250	140,259
Other liabilities	695,813	764,822	724,543	764,822
Total liabilities	\$ 2,441,604	\$ 2,306,218	\$ 2,832,878	\$ 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 33,137 shares as of June 30, 2024 and 32,874 shares as of December 31, 2023)	331	329	332	329
Common stock (\$0.01 par value; authorized 200,000 shares; issued and outstanding 33,189 shares as of September 30, 2024 and 32,874 shares as of December 31, 2023)			332	329
Additional paid-in capital ("APIC")	407,426	425,488	412,570	425,488
Accumulated other comprehensive income (loss) ("AOCI")	415	(479)	1,466	(479)
Retained earnings	1,288,728	1,298,412	1,295,459	1,298,412
Total stockholders' equity	\$ 1,696,900	\$ 1,723,750	\$ 1,709,827	\$ 1,723,750
Noncontrolling interests	36,894	22,379	36,526	22,379
Total equity	\$ 1,733,794	\$ 1,746,129	\$ 1,746,353	\$ 1,746,129
Commitments and contingencies (NOTES 2 and 9)	—	—	—	—
Total liabilities and equity	\$ 4,175,398	\$ 4,052,347	\$ 4,579,231	\$ 4,052,347

See accompanying notes to condensed consolidated financial statements.

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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		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues				
Loan origination and debt brokerage fees, net	\$ 65,334	\$ 64,968	\$ 109,074	\$ 112,052
Fair value of expected net cash flows from servicing, net	33,349	42,058	54,247	72,071
Servicing fees	80,418	77,061	160,461	152,827
Property sales broker fees	11,265	10,345	20,086	21,969
Investment management fees	14,822	16,309	28,342	31,482
Net warehouse interest income (expense)	(1,584)	(1,526)	(2,700)	(1,525)
Placement fees and other interest income	41,040	35,386	80,442	66,310
Other revenues	26,032	28,014	48,783	56,175
Total revenues	\$ 270,676	\$ 272,615	\$ 498,735	\$ 511,361
Expenses				
Personnel	\$ 133,067	\$ 133,305	\$ 244,530	\$ 251,918
Amortization and depreciation	56,043	56,292	111,934	113,258
Provision (benefit) for credit losses	2,936	(734)	3,460	(11,509)
Interest expense on corporate debt	17,874	17,010	35,533	32,284
Other operating expenses	32,559	30,730	61,402	54,793
Total expenses	\$ 242,479	\$ 236,603	\$ 456,859	\$ 440,744
Income from operations				
Income tax expense	7,902	10,491	10,766	17,626
Net income before noncontrolling interests	\$ 20,295	\$ 25,521	\$ 31,110	\$ 52,991
Less: net income (loss) from noncontrolling interests	(2,368)	(2,114)	(3,419)	(1,309)
Walker & Dunlop net income	\$ 22,663	\$ 27,635	\$ 34,529	\$ 54,300
Net change in unrealized gains (losses) on pledged available-for-sale securities, net of taxes	907	156	894	103
Walker & Dunlop comprehensive income	\$ 23,570	\$ 27,791	\$ 35,423	\$ 54,403
Basic earnings per share (NOTE 10)	\$ 0.67	\$ 0.82	\$ 1.02	\$ 1.62
Diluted earnings per share (NOTE 10)	\$ 0.67	\$ 0.82	\$ 1.02	\$ 1.61
Basic weighted-average shares outstanding	33,121	32,695	33,050	32,612
Diluted weighted-average shares outstanding	33,154	32,851	33,101	32,834
For the three months ended		For the nine months ended		
September 30,		September 30,		
2024		2024	2023	
Revenues				
Loan origination and debt brokerage fees, net	\$ 73,546	\$ 56,149	\$ 182,620	\$ 168,201
Fair value of expected net cash flows from servicing, net	43,426	35,375	97,673	107,446
Servicing fees	82,222	79,200	242,683	232,027
Property sales broker fees	19,322	16,862	39,408	38,831
Investment management fees	11,744	13,362	40,086	44,844
Net warehouse interest income (expense)	(2,147)	(2,031)	(4,847)	(3,556)

Placement fees and other interest income	43,557	43,000	123,999	109,310
Other revenues	20,634	26,826	69,417	83,001
Total revenues	\$ 292,304	\$ 268,743	\$ 791,039	\$ 780,104
 Expenses				
Personnel	\$ 145,538	\$ 136,507	\$ 390,068	\$ 388,425
Amortization and depreciation	57,561	57,479	169,495	170,737
Provision (benefit) for credit losses	2,850	421	6,310	(11,088)
Interest expense on corporate debt	18,232	17,594	53,765	49,878
Goodwill impairment	—	14,000	—	14,000
Fair value adjustments to contingent consideration liabilities	(1,366)	(14,000)	(1,366)	(14,000)
Other operating expenses	31,984	28,529	93,386	83,322
Total expenses	\$ 254,799	\$ 240,530	\$ 711,658	\$ 681,274
 Income from operations				
Income tax expense	8,822	7,069	19,588	24,695
Net income before noncontrolling interests	\$ 28,683	\$ 21,144	\$ 59,793	\$ 74,135
Less: net income (loss) from noncontrolling interests	(119)	(314)	(3,538)	(1,623)
Walker & Dunlop net income	\$ 28,802	\$ 21,458	\$ 63,331	\$ 75,758
Net change in unrealized gains (losses) on pledged available-for-sale securities, net of taxes	1,051	(399)	1,945	(296)
Walker & Dunlop comprehensive income	\$ 29,853	\$ 21,059	\$ 65,276	\$ 75,462
 Basic earnings per share (NOTE 10)	\$ 0.85	\$ 0.64	\$ 1.87	\$ 2.26
Diluted earnings per share (NOTE 10)	\$ 0.85	\$ 0.64	\$ 1.87	\$ 2.25
 Basic weighted-average shares outstanding	33,169	32,737	33,090	32,654
Diluted weighted-average shares outstanding	33,203	32,895	33,135	32,853

See accompanying notes to condensed consolidated financial statements.

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Walker & Dunlop, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

(In thousands, except per share data)

(Unaudited)

	For the three and six months ended June 30, 2024								
	Stockholders' Equity								
	Common Stock		Retained			Noncontrolling		Total	
	Shares	Amount	APIC	AOCI	Earnings	Interests		Equity	
Balance as of December 31, 2023	32,874	\$ 329	\$ 425,488	\$ (479)	\$ 1,298,412	\$ 22,379	\$	1,746,129	
Walker & Dunlop net income	—	—	—	—	11,866	—	—	—	11,866
Net income (loss) from noncontrolling interests	—	—	—	—	—	—	(1,051)	—	(1,051)
Other comprehensive income (loss), net of tax	—	—	—	(13)	—	—	—	—	(13)
Stock-based compensation - equity classified	—	—	5,842	—	—	—	—	—	5,842
Issuance of common stock in connection with equity compensation plans	322	3	5,642	—	—	—	—	—	5,645
Repurchase and retirement of common stock	(101)	(1)	(9,788)	—	—	—	—	—	(9,789)

Distributions to noncontrolling interest holders	—	—	—	—	—	—	(500)	(500)
Cash dividends paid (\$0.65 per common share)	—	—	—	—	—	(21,965)	—	(21,965)
Other activity	—	—	—	—	—	—	(256)	(256)
Balance as of March 31, 2024	33,095	\$ 331	\$ 427,184	\$ (492)	\$ 1,288,313	\$ 20,572	\$ 1,735,908	
Walker & Dunlop net income	—	—	—	—	22,663	—	—	22,663
Net income (loss) from noncontrolling interests	—	—	—	—	—	—	(2,368)	(2,368)
Other comprehensive income (loss), net of tax	—	—	—	907	—	—	—	907
Stock-based compensation - equity classified	—	—	6,608	—	—	—	—	6,608
Issuance of common stock in connection with equity compensation plans	50	—	169	—	—	—	—	169
Repurchase and retirement of common stock	(8)	—	(809)	—	—	—	—	(809)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(36)	(36)
Purchase of noncontrolling interests	—	—	(25,726)	—	—	—	18,726	(7,000)
Cash dividends paid (\$0.65 per common share)	—	—	—	—	(22,248)	—	—	(22,248)
Balance as of June 30, 2024	33,137	\$ 331	\$ 407,426	\$ 415	\$ 1,288,728	\$ 36,894	\$ 1,733,794	
For the three and nine months ended September 30, 2024								
Stockholders' Equity								
Common Stock								
Shares	Amount	APIC	AOCI	Retained Earnings	Noncontrolling Interests	Total Equity		
Balance as of December 31, 2023	32,874	\$ 329	\$ 425,488	\$ (479)	\$ 1,298,412	\$ 22,379	\$ 1,746,129	
Walker & Dunlop net income	—	—	—	—	11,866	—	—	11,866
Net income (loss) from noncontrolling interests	—	—	—	—	—	—	(1,051)	(1,051)
Other comprehensive income (loss), net of tax	—	—	—	(13)	—	—	—	(13)
Stock-based compensation - equity classified	—	—	5,842	—	—	—	—	5,842
Issuance of common stock in connection with equity compensation plans	322	3	5,642	—	—	—	—	5,645
Repurchase and retirement of common stock	(101)	(1)	(9,788)	—	—	—	—	(9,789)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(500)	(500)
Cash dividends paid (\$0.65 per common share)	—	—	—	—	(21,965)	—	—	(21,965)
Other activity	—	—	—	—	—	—	(256)	(256)
Balance as of March 31, 2024	33,095	\$ 331	\$ 427,184	\$ (492)	\$ 1,288,313	\$ 20,572	\$ 1,735,908	
Walker & Dunlop net income	—	—	—	—	22,663	—	—	22,663
Net income (loss) from noncontrolling interests	—	—	—	—	—	—	(2,368)	(2,368)
Other comprehensive income (loss), net of tax	—	—	—	907	—	—	—	907
Stock-based compensation - equity classified	—	—	6,608	—	—	—	—	6,608
Issuance of common stock in connection with equity compensation plans	50	—	169	—	—	—	—	169
Repurchase and retirement of common stock	(8)	—	(809)	—	—	—	—	(809)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(36)	(36)
Purchase of noncontrolling interests	—	—	(25,726)	—	—	—	18,726	(7,000)
Cash dividends paid (\$0.65 per common share)	—	—	—	—	(22,248)	—	—	(22,248)
Balance as of June 30, 2024	33,137	\$ 331	\$ 407,426	\$ 415	\$ 1,288,728	\$ 36,894	\$ 1,733,794	
Walker & Dunlop net income	—	—	—	—	28,802	—	—	28,802
Net income (loss) from noncontrolling interests	—	—	—	—	—	—	(119)	(119)
Other comprehensive income (loss), net of tax	—	—	—	1,051	—	—	—	1,051
Stock-based compensation - equity classified	—	—	6,276	—	—	—	—	6,276
Issuance of common stock in connection with equity compensation plans	65	1	282	—	—	—	—	283
Repurchase and retirement of common stock	(13)	—	(1,414)	—	—	—	—	(1,414)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(249)	(249)
Cash dividends paid (\$0.65 per common share)	—	—	—	—	(22,071)	—	—	(22,071)
Balance as of September 30, 2024	33,189	\$ 332	\$ 412,570	\$ 1,466	\$ 1,295,459	\$ 36,526	\$ 1,746,353	

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Walker & Dunlop, Inc. and Subsidiaries
Consolidated Statements of Changes in Equity (CONTINUED)
(In thousands, except per share data)
(Unaudited)

	For the three and six months ended June 30, 2023							
	Stockholders' Equity							
	Common Stock				Retained		Noncontrolling	Total
	Shares	Amount	APIC	AOCI	Earnings		Interests	Equity
Balance as of 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 as of March 31, 2023	<u>32,679</u>	<u>\$ 327</u>	<u>\$ 405,303</u>	<u>\$ (1,621)</u>	<u>\$ 1,281,119</u>	<u>\$ 29,968</u>	<u>\$ 1,715,096</u>	
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 as of June 30, 2023	<u>32,703</u>	<u>\$ 327</u>	<u>\$ 412,182</u>	<u>\$ (1,465)</u>	<u>\$ 1,287,334</u>	<u>\$ 26,119</u>	<u>\$ 1,724,497</u>	
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 as of 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 as of March 31, 2023	<u>32,679</u>	<u>\$ 327</u>	<u>\$ 405,303</u>	<u>\$ (1,621)</u>	<u>\$ 1,281,119</u>	<u>\$ 29,968</u>	<u>\$ 1,715,096</u>	
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 as of 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 as of September 30, 2023	32,779	\$ 328	\$ 420,062	\$ (1,864)	\$ 1,287,653	\$ 24,812	\$ 1,730,991	

See accompanying notes to condensed consolidated financial statements.

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Walker & Dunlop, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	For the six months ended June 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Cash flows from operating activities				
Net income before noncontrolling interests	\$ 31,110	\$ 52,991	\$ 59,793	\$ 74,135
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	(54,247)	(72,071)	(97,673)	(107,446)
Change in the fair value of premiums and origination fees	2,947	1,812	(1,857)	6,634
Amortization and depreciation	111,934	113,258	169,495	170,737
Provision (benefit) for credit losses	3,460	(11,509)	6,310	(11,088)
Originations of loans held for sale	(3,192,112)	(5,406,027)	(6,807,180)	(8,402,185)
Proceeds from transfers of loans held for sale	2,959,268	4,504,278	6,365,406	8,023,294
Other operating activities, net	(61,809)	(63,763)	(95,752)	(86,493)
Net cash provided by (used in) operating activities	\$ (199,449)	\$ (881,031)	\$ (401,458)	\$ (332,412)
Cash flows from investing activities				
Capital expenditures	\$ (7,056)	\$ (9,501)	\$ (9,025)	\$ (13,880)
Purchases of equity-method investments	(11,537)	(15,231)	(14,503)	(15,062)
Purchases of pledged available-for-sale ("AFS") securities	(20,900)	—	(20,900)	—
Proceeds from prepayment and sale of pledged AFS securities	3,577	4,807	7,153	9,274
Repurchase of Agency loans	(13,469)	—	—	—

Originations and repurchase of loans held for investment				(25,619)	(366)
Principal collected on loans held for investment	16,580	129,260		17,659	161,167
Other investing activities, net	3,194	1,281		8,092	5,436
Net cash provided by (used in) investing activities	\$ (29,611)	\$ 110,616		\$ (37,143)	\$ 146,569
 Cash flows from financing activities					
Borrowings (repayments) of warehouse notes payable, net	\$ 222,197	\$ 902,144	\$ 452,497	\$ 387,109	
Repayments of interim warehouse notes payable	(13,884)	(91,586)	(13,884)	(119,835)	
Repayments of notes payable	(4,006)	(118,046)	(6,013)	(120,046)	
Borrowings of notes payable	—	196,000	—	196,000	
Repurchase of common stock	(10,598)	(18,057)	(12,012)	(18,928)	
Purchase of noncontrolling interests	(4,000)	—	(5,000)	—	
Cash dividends paid	(44,213)	(42,401)	(66,284)	(63,540)	
Payment of contingent consideration	(25,873)	(25,690)	(34,317)	(26,090)	
Other financing activities, net	(476)	(6,340)	(1,149)	(6,463)	
Net cash provided by (used in) financing activities	\$ 119,147	\$ 796,024	\$ 313,838	\$ 228,207	
 Net increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents (NOTE 2)					
Cash, cash equivalents, restricted cash, and restricted cash equivalents at beginning of period	\$ (109,913)	\$ 25,609	\$ (124,763)	\$ 42,364	
Total of cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period	\$ 391,403	\$ 258,283	\$ 391,403	\$ 258,283	
	\$ 281,490	\$ 283,892	\$ 266,640	\$ 300,647	
 Supplemental Disclosure of Cash Flow Information:					
Cash paid to third parties for interest	\$ 43,668	\$ 52,147	\$ 73,123	\$ 86,663	
Cash paid for income taxes	17,105	20,807	29,076	26,656	

See accompanying notes to condensed consolidated financial statements.

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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 "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, 2023 ("2023 (the "2023 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 **six** nine months ended **June 30, 2024** **September 30, 2024** are not necessarily indicative of the results that may be expected for the year ending December 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

Subsequent Events—The Company has evaluated the effects of all events that have occurred subsequent to **June 30, 2024** **September 30, 2024** and before the date of this filing. The Company has made certain disclosures in the notes to the condensed consolidated financial statements of events that have occurred subsequent to **June 30, 2024** **September 30, 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, the initial fair value assessment of goodwill, the periodic assessment of impairment of 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.

Provision (Benefit) for Credit Losses—The Company records the income statement impact of the changes in the allowance for loan losses, 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.

Components of Provision (Benefit) for Credit Losses (in thousands)	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Provision (benefit) for loan losses	\$ (17)	\$ (57)	\$ (16)	\$ 138
Provision (benefit) for risk-sharing obligations	353	(677)	(1,124)	(11,647)
Provision (benefit) for other credit losses	2,600	—	4,600	—
Provision (benefit) for credit losses	\$ 2,936	\$ (734)	\$ 3,460	\$ (11,509)

Components of Provision (Benefit) for Credit Losses (in thousands)	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Provision (benefit) for loan losses	\$ —	\$ (134)	\$ (16)	\$ 4
Provision (benefit) for risk-sharing obligations	(150)	555	(1,274)	(11,092)
Provision (benefit) for other credit losses	3,000	—	7,600	—
Provision (benefit) for credit losses	\$ 2,850	\$ 421	\$ 6,310	\$ (11,088)

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 a loan from the Agencies, the loan is 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. As of **June 30, 2024** **September 30, 2024**, the Company had an immaterial allowance for credit loss related to this loan, as the Company expects to liquidate the underlying collateral for **approximately** an amount slightly less than the Company's cost basis in the loan. During the fourth quarter of 2024, the Company received repurchase demand letters from Fannie Mae for two additional loans with a total unpaid principal balance (“UPB”) of \$25.6 million. The Company previously recorded collateral-based reserves for these two loans prior to receiving the repurchase demand letters that as of **September 30, 2024**, totaled \$2.0 million.

Freddie Mac—The Company received repurchase requests from Freddie Mac related to two loans with **unpaid principal balances (“UPB”)** UPBs of \$11.4 million (“First loan”) and \$34.8 million (“Second loan”). 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 for the First and Second loans, respectively, and transferred the risk of loss for both loans from Freddie Mac to the Company. During the third quarter of 2024, the Company received a six-month extension related to the First loan. The fair value of the indemnification related to the \$11.4 million First 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 Second loan, as of **June 30, 2024** **September 30, 2024**, the Company's best estimate of the fair value of the indemnification was **\$4.6 million** \$7.6 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 for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**.

Loans Held for Investment (“LHFI”), net—LHFI consist predominately of multifamily interim loans originated by the Company for properties that currently do not qualify for permanent 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 the 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. LHFI are included as a component of *Other assets* in the Condensed Consolidated Financial Statements.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the balance of the Interim Loan Program portfolio consisted of a small number of loans with a balance of \$25.9 million \$38.0 million and \$40.1 million, respectively, 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 both **June 30, 2024** **September 30, 2024** and December 31, 2023. The amortized cost basis of loans that were current was \$25.9 million \$38.0 million and \$40.1 million as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively. As of **June 30, 2024** **September 30, 2024**, all ILP loans were originated in 2019, 2019 and 2024.

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 **June 30, 2024** **September 30, 2024** and 2023, and December 31, 2023 and 2022.

(in thousands)	June 30,		December 31,		September 30,		December 31,	
	2024	2023	2023	2022	2024	2023	2023	2022
Cash and cash equivalents	\$ 208,095	\$ 228,091	\$ 328,698	\$ 225,949	\$ 179,759	\$ 236,321	\$ 328,698	\$ 225,949
Restricted cash	35,460	21,769	21,422	17,676	39,827	17,768	21,422	17,676
Pledged cash and cash equivalents (NOTE 9)	37,935	34,032	41,283	14,658	47,054	46,558	41,283	14,658
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	\$ 281,490	\$ 283,892	\$ 391,403	\$ 258,283	\$ 266,640	\$ 300,647	\$ 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 a \$0.4 million benefit and a \$0.1 million shortfall \$0.7 million for both the three months ended **June 30, 2024** **September 30, 2024** and 2023, respectively, and benefits of \$1.0 million \$1.7 million and \$1.5 million \$2.2 million for the **six** **nine** months ended **June 30, 2024** **September 30, 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. Occasionally, the Company also 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 **six** nine months ended **June 30, 2024** **September 30, 2024** and 2023 are the following components:

(in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Components of Net Warehouse Interest Income (Expense)								
Warehouse interest income	\$ 6,643	\$ 11,596	\$ 14,136	\$ 22,103	\$ 10,648	\$ 11,912	\$ 24,784	\$ 34,015
Warehouse interest expense	(8,227)	(13,122)	(16,836)	(23,628)	(12,795)	(13,943)	(29,631)	(37,571)
Net warehouse interest income (expense)	\$ (1,584)	\$ (1,526)	\$ (2,700)	\$ (1,525)	\$ (2,147)	\$ (2,031)	\$ (4,847)	\$ (3,556)

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 \$2.0 million and **\$3.5 million** **\$2.5 million** for the three months ended **June 30, 2024** **September 30, 2024** and 2023, respectively, and **\$4.6 million** **\$6.6 million** and **\$6.8 million** **\$9.3 million** for the **six** nine months ended **June 30, 2024** **September 30, 2024** and 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.

Other than LIHTC asset management fees as described in the 2023 Form 10-K 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 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 **six** nine months ended **June 30, 2024** **September 30, 2024** and 2023:

(in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Description								
(in thousands)								
Description								
Certain loan origination fees	\$ 25,621	\$ 20,694	\$ 43,408	\$ 34,723	Loan origination and debt brokerage fees, net	\$ 21,310	\$ 16,259	\$ 64,718
Property sales broker fees	11,265	10,345	20,086	21,969	Property sales broker fees	19,322	16,862	39,408
Investment management fees	14,822	16,309	28,342	31,482	Investment management fees	11,744	13,362	40,086

Application fees, appraisal revenues, subscription revenues, syndication fees, and other revenues	16,719	18,926	28,994	41,464	Other revenues	12,014	15,138	41,008	56,602	Other revenues
Total revenues derived from contracts with customers	\$ 68,427	\$ 66,274	\$ 120,830	\$ 129,638		\$ 64,390	\$ 61,621	\$ 185,220	\$ 191,259	
	<hr/>	<hr/>	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>	<hr/>	

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. The Company cannot predict the outcome of any pending litigation and may be subject to consequences that could include

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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.

Recently Adopted and Recently Announced Accounting Pronouncements—The Company is currently evaluating Accounting Standards Updates ("ASU") 2023-07, *Improvements to Reportable Segment Disclosures* and 2023-09, *Improvements to Income Tax Disclosures*. The

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annual disclosures required by ASU 2023-07 are effective for the Company's Annual Report on Form 10-K for the year ending December 31, 2024. The interim disclosures required by ASU 2023-07 are effective in 2025. The disclosures for ASU 2023-09 are effective for the Company's Annual Report on Form 10-K for the year ~~ended~~ ending December 31, 2025. The Company believes these ASUs will not materially impact the Company's consolidated financial statements or disclosures. There were no other recently announced but not yet effective accounting pronouncements issued that have the potential to impact the Company's condensed consolidated financial statements. The Company did not adopt any new accounting policies during the second quarter of 2024.

Reclassifications—The Company has made immaterial reclassifications to prior-year balances to conform to current-year presentation.

NOTE 3—MORTGAGE SERVICING RIGHTS

The fair value of the mortgage servicing rights ("MSRs") was \$1.4 billion as of both **June 30, 2024** **September 30, 2024** and 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 **June 30, 2024** as of **September 30, 2024** would be a decrease in the fair value of **\$42.7 million** **\$43.1 million** to the MSRs outstanding as of **June 30, 2024** **September 30, 2024**.

The impact of a 200-basis point increase in the discount rate at **June 30, 2024** as of **September 30, 2024** would be a decrease in the fair value of **\$82.5 million** **\$83.2 million** to the MSRs outstanding as of **June 30, 2024** **September 30, 2024**.

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

Activity related to MSRs for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 follows:

Roll Forward of MSRs (in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Beginning balance	\$ 881,834	\$ 946,406	\$ 907,415	\$ 975,226	\$ 850,831	\$ 932,131	\$ 907,415	\$ 975,226
Additions, following the sale of loan	21,172	38,119	47,582	62,149	39,806	42,495	87,388	104,644
Amortization	(50,495)	(49,467)	(101,026)	(98,909)	(50,871)	(50,276)	(151,897)	(149,185)
Pre-payments and write-offs	(1,680)	(2,927)	(3,140)	(6,335)	(2,870)	(2,604)	(6,010)	(8,939)
Ending balance	\$ 850,831	\$ 932,131	\$ 850,831	\$ 932,131	\$ 836,896	\$ 921,746	\$ 836,896	\$ 921,746

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

Components of MSRs (in thousands)	June 30, 2024	December 31, 2023	September 30, 2024	
			December 31, 2023	September 30, 2024
Gross value	\$ 1,755,179	\$ 1,733,844	\$ 1,771,026	\$ 1,733,844
Accumulated amortization	(904,348)	(826,429)	(934,130)	(826,429)
Net carrying value	\$ 850,831	\$ 907,415	\$ 836,896	\$ 907,415

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

(in thousands)	Expected	
	Amortization	
Six Months Ending December 31,		
2024	\$ 98,292	
Year Ending December 31,		
2025	\$ 178,735	
2026	153,112	
2027	131,461	
2028	103,041	

2029	78,048
Thereafter	108,142
Total	\$ 850,831

	<u>Expected</u>
	<u>Amortization</u>
<i>(in thousands)</i>	
Three Months Ending December 31,	
2024	\$ 49,924
Year Ending December 31,	
2025	\$ 184,542
2026	159,434
2027	137,779
2028	108,028
2029	80,845
Thereafter	116,344
Total	\$ 836,896

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** **full risk-sharing** guarantees 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** **portfolio**. Most loans are collectively evaluated while a small portion is individually evaluated. For loans that are individually evaluated, a reserve for estimated credit losses is recorded when it is probable that a risk-sharing loan will foreclose or has foreclosed and **also records** it is expected to result in a loss for the Company (“collateral-based reserves as necessary reserves”), and **presents this** a reserve for estimated credit losses is recorded for all other risk-sharing loans which are collectively evaluated (“CECL allowance”). The combined loss reserve is presented 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 **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 follows:

Roll Forward of Allowance for Risk-Sharing Obligations <i>(in thousands)</i>	For the three months ended				For the six months ended				For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,		2024	2023	2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023	\$ 30,124	\$ 33,087	\$ 31,601	\$ 44,057
Beginning balance	\$ 30,124	\$ 33,087	\$ 31,601	\$ 44,057	\$ 30,477	\$ 32,410	\$ 31,601	\$ 44,057				
Provision (benefit) for risk-sharing obligations	353	(677)	(1,124)	(11,647)	(150)	555	(1,274)	(11,092)				
Write-offs	—	—	—	—	(468)	(2,008)	(468)	(2,008)				
Ending balance	\$ 30,477	\$ 32,410	\$ 30,477	\$ 32,410	\$ 29,859	\$ 30,957	\$ 29,859	\$ 30,957	\$ 30,477	\$ 32,410	\$ 31,601	\$ 44,057

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 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 **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 follows.

CECL Calculation Inputs, Details, and Provision Impact	2024		
	Q1	Q2	Total
Forecast-period loss rate <i>(in basis points)</i>	2.3	2.3	N/A
Reversion-period loss rate <i>(in basis points)</i>	1.3	1.3	N/A
Historical loss rate <i>(in basis points)</i>	0.3	0.3	N/A

At-risk Fannie Mae servicing portfolio UPB (in billions)	\$ 59.2	\$ 59.5	N/A
CECL allowance (in millions)	\$ 25.0	\$ 24.9	N/A
Provision (benefit) for risk-sharing obligations (in millions)	\$ (1.5)	\$ 0.4	\$ (1.1)

CECL Allowance Calculation Inputs, Details, and Provision Impact	2024			
	Q1	Q2	Q3	Total
Forecast-period loss rate (in basis points)	2.3	2.3	2.1	N/A
Reversion-period loss rate (in basis points)	1.3	1.3	1.2	N/A
Historical loss rate (in basis points)	0.3	0.3	0.3	N/A
At-risk Fannie Mae servicing portfolio UPB (in billions)	\$ 59.2	\$ 59.5	\$ 60.6	N/A
CECL allowance (in millions)	\$ 25.0	\$ 24.9	\$ 23.4	N/A
Provision (benefit) for CECL allowance (in millions)	\$ (1.5)	\$ (0.1)	\$ (1.5)	\$ (3.1)

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CECL Calculation Inputs, Details, and Provision Impact	2023		
	Q1	Q2	Total
Forecast-period loss rate (in basis points)	2.3	2.3	N/A
Reversion-period loss rate (in basis points)	1.5	1.5	N/A
Historical loss rate (in basis points)	0.6	0.6	N/A
At-risk Fannie Mae servicing portfolio UPB (in billions)	\$ 54.5	\$ 55.7	N/A
CECL allowance (in millions)	\$ 28.7	\$ 28.9	N/A
Provision (benefit) for risk-sharing obligations (in millions)	\$ (10.9)	\$ (0.7)	\$ (11.6)

CECL Allowance Calculation Inputs, Details, and Provision Impact	2023			
	Q1	Q2	Q3	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 CECL allowance (in millions)	\$ (11.0)	\$ 0.2	\$ 0.5	\$ (10.3)

During the first quarters of both 2024 and 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 factors decreasing and the benefit for risk-sharing obligations, CECL allowance, 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, 2024, the ratio of the forecast-period loss rate to the historical loss rate increased, resulting in a much lower benefit for risk-sharing obligations, CECL allowance.

During the second quarters third quarter of both 2024, and the Company updated its forecast-period loss rate from 2.3 basis points to 2.1 basis points, leading to the benefit for CECL allowance shown above. During the third quarter of 2023, the activity in the risk-sharing obligations provision for CECL allowance shown above was primarily the result of updated collateral-based reserves, an increased at-risk UPB.

The weighted average remaining life of the at-risk Fannie Mae servicing portfolio as of June 30, 2024 September 30, 2024 was 6.0 5.8 years compared to 6.4 years as of December 31, 2023.

As of June 30, 2024 September 30, 2024, the Company had five seven loans with aggregate collateral-based reserves of \$5.6 million \$6.5 million compared to three loans with an aggregate collateral-based reserve reserves of \$2.8 million as of December 31, 2023.

As of **June 30, 2024** **September 30, 2024** and 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 **\$12.2 billion** **\$12.5 billion** and **\$11.3 billion** **\$11.8 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 **\$132.8 billion** **\$134.1 billion** as of **June 30, 2024** **September 30, 2024** compared to \$130.5 billion as of December 31, 2023.

As of **both June 30, 2024** **September 30, 2024** and December 31, 2023, custodial deposit accounts ("escrow deposits") relating to loans serviced by the Company totaled **\$3.1 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 at large national banks.

NOTE 6—DEBT

Warehouse Facilities

As of **June 30, 2024** **September 30, 2024**, to provide financing to borrowers under the Agencies' programs, the Company had committed and uncommitted warehouse lines of credit in the amount of \$3.8 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**

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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 **June 30, 2024** **September 30, 2024**, the Interim Warehouse Facilities had \$119.8 million of total facility capacity with an outstanding balance of \$11.7 million. The interest rate on the Interim Warehouse Facilities ranged from SOFR (defined below) plus 250 to 311 basis points.

The interest rate for all **our** **the Company's** 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 **June 30, 2024** **September 30, 2024** follows:

(in thousands)	June 30, 2024					September 30, 2024						
	Committed		Uncommitted Total Facility Outstanding			Interest rate ⁽¹⁾	Committed		Uncommitted Total Facility Outstanding			Interest rate ⁽¹⁾
	Amount	Amount	Capacity	Balance			Amount	Amount	Capacity	Balance		
Agency Warehouse Facility #1	\$ 325,000	250,000	575,000	\$ 161,970	SOFR plus 1.30%	\$ 325,000	250,000	575,000	\$ 161,956	SOFR plus 1.30%		
Agency Warehouse Facility #2	700,000	300,000	1,000,000	293,032	SOFR plus 1.30%	700,000	300,000	1,000,000	215,752	SOFR plus 1.30%		
Agency Warehouse Facility #3	425,000	425,000	850,000	36,094	SOFR plus 1.30%	425,000	425,000	850,000	214,877	SOFR plus 1.30%		

Agency											
Warehouse											
Facility #4	150,000	225,000	375,000	42,549	SOFR plus 1.30% to 1.35%	150,000	225,000	375,000	89,593	SOFR plus 1.30% to 1.35%	
Agency											
Warehouse											
Facility #5	—	1,000,000	1,000,000	139,471	SOFR plus 1.45%	50,000	950,000	1,000,000	269,375	SOFR plus 1.45%	
<i>Total National</i>											
Bank Agency											
Warehouse											
Facilities	\$1,600,000	2,200,000	3,800,000	\$ 673,116		\$1,650,000	2,150,000	3,800,000	\$ 951,553		
Fannie Mae repurchase agreement, uncommitted line and open maturity	—	1,500,000	1,500,000	125,548		—	1,500,000	1,500,000	56,981		
<i>Total Agency</i>											
Warehouse											
Facilities	\$1,600,000	3,700,000	5,300,000	\$ 798,664		\$1,650,000	3,650,000	5,300,000	\$ 1,008,534		

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

During 2024, the following amendments to the Company's Agency Warehouse Facilities were executed in the normal course of business to support the Company's business. No other material modifications have been made to the **other** Agency Warehouse Facilities during the year.

The maturity date of Agency Warehouse Facility #1 was extended to August 27, 2025.

The maturity date of Agency Warehouse Facility #2 was extended to April 11, 2025.

The committed borrowing capacity of Agency Warehouse Facility #3 was decreased from \$600.0 million to \$425.0 million, and the uncommitted borrowing capacity was increased from \$265.0 million to \$425.0 million. The maturity date was also extended to May 15, 2025, and the interest rate was decreased from SOFR plus 135 basis points to SOFR plus 130 basis points.

The committed borrowing capacity of Agency Warehouse Facility #4 was decreased from \$200.0 million to \$150.0 million. The maturity date was also extended to June 22, 2025.

The committed borrowing capacity of Agency Warehouse Facility #5 was increased to \$50.0 million, and the uncommitted borrowing capacity was decreased from \$1.0 billion to \$950.0 million. The maturity date was also extended to September 11, 2025.

Note Payable

The Company has a senior secured credit agreement (the "Credit Agreement") that provides for a \$600.0 million **initial** term loan. Additionally, in January 2023 the Company entered into a lender joinder agreement and amendment to the Credit Agreement that provided for additional borrowing 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.

During the second quarter of 2024, the Company entered into **another a second** amendment, that, among other things, decreased the interest rate of the additional borrowing **with an outstanding balance of \$198.0 million** from Adjusted Term SOFR plus 3.00% to Adjusted Term SOFR plus 2.25%, **made a small update to combined** the quarterly principal payment, and made other immaterial changes.

As of June 30, 2024, the \$600.0 million **additional** term loan **and additional borrowings of \$198.0 million** (together known as "Term Debt") had an outstanding principal balance of \$782.5 million. The Term Debt matures on December 16, 2028.

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with the initial term loan to create a single fungible senior secured borrowing (the "Term Debt"), and incorporated other immaterial changes, such as a de minimis update to the quarterly principal payment.

As of September 30, 2024, the Term Debt had an outstanding principal balance of \$780.5 million that matures on December 16, 2028.

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 **June 30, 2024** **September 30, 2024**.

NOTE 7—GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The Company's reportable segments are Capital Markets ("CM"), Servicing & Asset Management ("SAM"), and Corporate. A summary of the Company's goodwill by reportable segments for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 follows:

(in thousands)	For the six months ended						For the nine months ended					
	June 30,			September 30,			2024			2023		
	CM	SAM	Consolidated ⁽¹⁾	CM	SAM	Consolidated ⁽¹⁾	CM	SAM	Consolidated ⁽¹⁾	CM	SAM	Consolidated ⁽¹⁾
Roll Forward of Gross Goodwill												
Beginning balance	\$ 524,189	\$ 439,521	\$ 963,710	\$ 520,191	\$ 439,521	\$ 959,712	\$ 524,189	439,521	\$ 963,710	\$ 520,191	\$ 439,521	\$ 959,712
Additions from acquisitions	—	—	—	—	—	—	—	—	—	—	—	—
Measurement-period and other adjustments	—	—	—	3,998	—	3,998	—	—	—	3,998	—	3,998
Ending gross goodwill balance	\$ 524,189	\$ 439,521	\$ 963,710	\$ 524,189	\$ 439,521	\$ 963,710	\$ 524,189	\$ 439,521	\$ 963,710	\$ 524,189	\$ 439,521	\$ 963,710
Roll Forward of Accumulated Goodwill Impairment												
Beginning balance	\$ 62,000	\$ —	\$ 62,000	\$ —	\$ —	\$ —	\$ 62,000	\$ —	\$ 62,000	\$ —	\$ —	\$ —
Impairment	—	—	—	—	—	—	—	—	—	14,000	—	14,000
Ending accumulated goodwill impairment	\$ 62,000	\$ —	\$ 62,000	\$ —	\$ —	\$ —	\$ 62,000	\$ —	\$ 62,000	\$ 14,000	\$ —	\$ 14,000
Goodwill	\$ 462,189	\$ 439,521	\$ 901,710	\$ 524,189	\$ 439,521	\$ 963,710	\$ 462,189	\$ 439,521	\$ 901,710	\$ 510,189	\$ 439,521	\$ 949,710

(1) As of **June 30, 2024** **September 30, 2024** and 2023 and December 31, 2023 and 2022, no goodwill was allocated to the Corporate reportable segment.

Other Intangible Assets

Activity related to other intangible assets for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 follows:

Roll Forward of Other Intangible Assets (in thousands)	For the six months ended				For the nine months ended			
	June 30,		September 30,		2024		2023	
	2024	2023	2024	2023	2024	2023	2024	2023
Beginning balance	\$ 181,975	\$ 198,643	\$ 181,975	\$ 198,643	—	—	—	—
Additions from acquisitions	—	—	—	—	(7,508)	(8,724)	(11,262)	(12,716)
Amortization	—	—	—	—	\$ 174,467	\$ 189,919	\$ 170,713	\$ 185,927
Ending balance	\$ 174,467	\$ 189,919	\$ 170,713	\$ 185,927				

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

Components of Other Intangible Assets (in thousands)	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Gross value	\$ 220,682	\$ 220,682	\$ 220,682	\$ 220,682
Accumulated amortization	(46,215)	(38,707)	(49,969)	(38,707)
Net carrying value	\$ 174,467	\$ 181,975	\$ 170,713	\$ 181,975

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

(in thousands)	Expected Amortization	Expected Amortization
Six Months Ending December 31,		
Three Months Ending December 31,		
2024	\$ 8,179	\$ 4,101
Year Ending December 31,		
2025	\$ 16,357	\$ 16,404
2026	16,357	16,404
2027	16,357	16,404
2028	16,357	16,404
2029	16,293	16,340
Thereafter	84,567	84,656
Total	\$ 174,467	\$ 170,713

Contingent Consideration Liabilities

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

(in thousands)	For the six months ended		For the nine months ended	
	June 30,		September 30,	
	2024	2023	2024	2023
Roll Forward of Contingent Consideration Liabilities				
Beginning balance	\$ 113,546	\$ 200,346	\$ 113,546	\$ 200,346
Additions	—	—	—	—
Accretion	1,334	353	1,496	927
Fair value adjustments			(1,366)	(14,000)
Payments	(25,873)	(25,690)	(34,317)	(26,090)
Ending balance	\$ 89,007	\$ 175,009	\$ 79,359	\$ 161,183

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. 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.

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.

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- *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, volatilities, prepayment speeds, credit 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, 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, 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 participant would consider in valuing MSR assets.

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 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 Agency MBS using third-party broker estimates of fair 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 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.

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

(in thousands)	Balance as of				Balance as of			
	Level 1	Level 2	Level 3	Period End	Level 1	Level 2	Level 3	Period End
June 30, 2024								
September 30, 2024								
Assets								
Loans held for sale	\$ —	\$ 814,883	\$ —	\$ 814,883	\$ —	\$ 1,024,984	\$ —	\$ 1,024,984
Pledged securities	37,935	160,001	—	197,936	47,054	156,891	—	203,945
Derivative assets	—	—	26,456	26,456	—	—	33,699	33,699
Total	\$ 37,935	\$ 974,884	\$ 26,456	\$ 1,039,275	\$ 47,054	\$ 1,181,875	\$ 33,699	\$ 1,262,628
Liabilities								
Derivative liabilities	\$ —	\$ —	\$ 5,184	\$ 5,184	\$ —	\$ —	\$ 4,026	\$ 4,026
Contingent consideration liabilities	—	—	89,007	89,007	—	—	79,359	79,359
Total	\$ —	\$ —	\$ 94,191	\$ 94,191	\$ —	\$ —	\$ 83,385	\$ 83,385
December 31, 2023								
Assets								
Loans held for sale	\$ —	\$ 594,998	\$ —	\$ 594,998	\$ —	\$ 594,998	\$ —	\$ 594,998
Pledged securities	41,283	142,798	—	184,081	41,283	142,798	—	184,081
Derivative assets	—	—	31,451	31,451	—	—	31,451	31,451
Total	\$ 41,283	\$ 737,796	\$ 31,451	\$ 810,530	\$ 41,283	\$ 737,796	\$ 31,451	\$ 810,530
Liabilities								
Derivative liabilities	\$ —	\$ —	\$ 28,247	\$ 28,247	\$ —	\$ —	\$ 28,247	\$ 28,247
Contingent consideration liabilities	—	—	113,546	113,546	—	—	113,546	113,546
Total	\$ —	\$ —	\$ 141,793	\$ 141,793	\$ —	\$ —	\$ 141,793	\$ 141,793

There were no transfers between any of the levels within the fair value hierarchy during the **six** **nine** months ended **June 30, 2024** **September 30, 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 **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

(in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Derivative Assets and Liabilities, net								
Beginning balance	\$ 13,797	\$ (7,729)	\$ 3,204	\$ 15,560	\$ 21,272	\$ 20,241	\$ 3,204	\$ 15,560
Settlements	(91,209)	(79,056)	(145,254)	(179,442)	(108,571)	(80,213)	(253,824)	(259,655)
Realized gains (losses) recorded in earnings ⁽¹⁾	77,412	86,785	142,049	163,882	87,299	59,972	250,620	244,095
Unrealized gains (losses) recorded in earnings ⁽¹⁾	21,272	20,241	21,272	20,241	29,673	31,552	29,673	31,552

Ending balance	\$ 21,272	\$ 20,241	\$ 21,272	\$ 20,241	\$ 29,673	\$ 31,552	\$ 29,673	\$ 31,552
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(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.

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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 **June 30** **September 30, 2024, 2024**:

(in thousands)	Quantitative Information about Level 3 Fair Value Measurements					Quantitative Information about Level 3 Fair Value Measurements		
	Fair Value	Valuation Technique	Unobservable Input ⁽¹⁾	Input Range ⁽¹⁾	Weighted Average ⁽²⁾	Fair Value	Valuation Technique	Unobservable Input ⁽¹⁾
Derivative assets	\$ 26,456	Discounted cash flow	Counterparty credit risk	—	—	\$ 33,699	Discounted cash flow	Counterparty credit risk
Derivative liabilities	\$ 5,184	Discounted cash flow	Counterparty credit risk	—	—	\$ 4,026	Discounted cash flow	Counterparty credit risk
Contingent consideration liabilities	\$ 89,007	Monte Carlo Simulation	Probability of earnout achievement	20% - 100%	48%	\$ 79,359	Monte Carlo Simulation	Probability of earnout achievement

(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 **June 30, 2024** **September 30, 2024** and December 31, 2023 are presented below:

(in thousands)	June 30, 2024				December 31, 2023				September 30, 2024				December 31, 2023			
	Carrying		Fair		Carrying		Fair		Carrying		Fair		Carrying		Fair	
	Amount	Value	Amount	Value	Amount	Value	Amount	Value	Amount	Value	Amount	Value	Amount	Value	Amount	Value
Financial Assets:																
Cash and cash equivalents	\$ 208,095	\$ 208,095	\$ 328,698	\$ 328,698	\$ 179,759	\$ 179,759	\$ 328,698	\$ 328,698								
Restricted cash	35,460	35,460	21,422	21,422	39,827	39,827	21,422	21,422								
Pledged securities	197,936	197,936	184,081	184,081	203,945	203,945	184,081	184,081								
Loans held for sale	814,883	814,883	594,998	594,998	1,024,984	1,024,984	594,998	594,998								
Loans held for investment, net ⁽¹⁾	42,952	41,995	40,056	40,139	52,767	52,767	40,056	40,139								
Derivative assets ⁽¹⁾	26,456	26,456	31,451	31,451	33,699	33,699	31,451	31,451								
Total financial assets	\$ 1,325,782	\$ 1,324,825	\$ 1,200,706	\$ 1,200,789	\$ 1,534,981	\$ 1,534,981	\$ 1,200,706	\$ 1,200,789								
Financial Liabilities:																
Derivative liabilities ⁽²⁾	\$ 5,184	\$ 5,184	\$ 28,247	\$ 28,247	\$ 4,026	\$ 4,026	\$ 28,247	\$ 28,247								
Contingent consideration liabilities ⁽²⁾	89,007	89,007	113,546	113,546	79,359	79,359	113,546	113,546								
Warehouse notes payable	810,114	810,336	596,178	596,428	1,019,850	1,020,236	596,178	596,428								
Notes payable	770,707	782,494	773,358	786,500	769,376	780,487	773,358	786,500								
Total financial liabilities	\$ 1,675,012	\$ 1,687,021	\$ 1,511,329	\$ 1,524,721	\$ 1,872,611	\$ 1,884,108	\$ 1,511,329	\$ 1,524,721								

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

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

The following methods and assumptions were used for recurring fair value measurements as of **June 30, 2024** **September 30, 2024** and 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 third-party broker estimates of 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.

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Contingent Consideration Liabilities—Consists of the estimated fair values of expected future earnout payments related to acquisitions completed 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~~ the Company's related commitments to the borrower to allow for, among other things, 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** the Company's 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).

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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 **June 30, 2024** **September 30, 2024** and December 31, 2023:

(in thousands)	Fair Value Adjustment Components							Balance Sheet Location							Fair Value Adjustment Components							Balance Sheet Location						
	Notional or Principal		Estimated on Sale		Total			Fair Value Adjustment		Notional or Principal		Estimated on Sale		Total			Fair Value Adjustment		Notional or Principal		Estimated on Sale		Total			Fair Value Adjustment		
	Amount	Gain	Interest Rate Movement	Fair Value Adjustment	Derivative Assets	Derivative Liabilities	to Loans Held for Sale	Amount	Gain	Interest Rate Movement	Fair Value Adjustment	Derivative Assets	Derivative Liabilities	to Loans Held for Sale	Amount	Gain	Interest Rate Movement	Fair Value Adjustment	Derivative Assets	Derivative Liabilities	to Loans Held for Sale	Amount	Gain	Interest Rate Movement	Fair Value Adjustment	Derivative Assets	Derivative Liabilities	to Loans Held for Sale
June 30, 2024																												
September 30, 2024																												
2024																												
Rate lock commitments	\$ 817,285	23,701	37	23,738	23,738	—	—	\$ 755,874	31,219	(3,865)	27,354	27,354	—															
Forward sale contracts	1,622,467	—	(2,466)	(2,466)	2,718	(5,184)	—	1,769,986	—	2,319	2,319	6,345	(4,026)															
Loans held for sale	805,182	7,272	2,429	9,701	—	—	9,701	1,014,112	9,326	1,546	10,872	—	—	—	10,872	—	—	—	—	—	—	—	—	—	—	—	—	
Total	\$ 30,973	\$ 0	\$ 30,973	\$ 26,456	\$ (5,184)	\$ 9,701	\$ 40,545	\$ 40,545	\$ 40,545	\$ 33,699	\$ (4,026)	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872	\$ 10,872		
December 31, 2023																												
Rate lock commitments	\$ 463,626	\$ 15,908	\$ 11,492	\$ 27,400	\$ 27,400	\$ —	\$ —	\$ 463,626	\$ 15,908	\$ 11,492	\$ 27,400	\$ 27,400	\$ —	\$ —														
Forward sale contracts	1,035,964	—	(24,196)	(24,196)	4,051	(28,247)	—	1,035,964	—	(24,196)	(24,196)	4,051	(28,247)															
Loans held for sale	572,338	9,956	12,704	22,660	—	—	22,660	572,338	9,956	12,704	22,660	—	—	—	22,660	—	—	—	—	—	—	—	—	—	—	—	—	
Total	\$ 25,864	\$ —	\$ 25,864	\$ 31,451	\$ (28,247)	\$ 22,660	\$ 25,864	\$ 25,864	\$ 25,864	\$ 31,451	\$ (28,247)	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660	\$ 22,660		

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 **June 30, 2024** **September 30, 2024**. The majority of the loans for which the Company has risk sharing are Tier 2 loans.

The Company is in compliance with the **June 30, 2024** **September 30, 2024** collateral requirements as outlined above. As of **June 30, 2024** **September 30, 2024**, reserve requirements for the DUS loan portfolio will require the Company to fund **\$70.4 million** **\$71.1 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 **June 30, 2024** **September 30, 2024**. The net worth requirement is derived primarily from unpaid principal balances on Fannie Mae loans and the level of risk sharing. As of **June 30, 2024** **September 30, 2024**, the net worth requirement was **\$313.5 million** **\$318.6 million**, and the Company's net worth, as defined in the requirements, was **\$980.0 million** **\$936.7 million**, as measured at **our** the Company's wholly-owned operating subsidiary, Walker & Dunlop, LLC. As of **June 30, 2024** **September 30, 2024**, the Company was required to maintain at least **\$62.4 million** **\$63.4 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 **\$183.1 million** **\$155.7 million** as of **June 30, 2024** **September 30, 2024**, as measured at **our** the Company's wholly-owned operating subsidiary, Walker & Dunlop, LLC.

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

Pledged Securities (in thousands)	June 30,		December 31,		September 30,		December 31,	
	2024		2023		2023		2022	
	(in thousands)							
Pledged Securities								
Restricted cash	\$ 3,663	\$ 3,047	\$ 2,727	\$ 5,788	\$ 10,708	\$ 10,523	\$ 2,727	\$ 5,788
Money market funds	34,272	30,985	38,556	8,870	36,346	36,035	38,556	8,870
Total pledged cash and cash equivalents	\$ 37,935	\$ 34,032	\$ 41,283	\$ 14,658	\$ 47,054	\$ 46,558	\$ 41,283	\$ 14,658
Agency MBS	160,001	136,634	142,798	142,624	156,891	130,951	142,798	142,624
Total pledged securities, at fair value	\$ 197,936	\$ 170,666	\$ 184,081	\$ 157,282	\$ 203,945	\$ 177,509	\$ 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. A detailed discussion of the Company's accounting policies regarding the allowance for credit losses for AFS securities is included in NOTE 2 of the Company's 2023 Form 10-K. The following table provides additional information related to the Agency MBS as of **June 30, 2024** **September 30, 2024** and December 31, 2023:

Fair Value and Amortized Cost of Agency MBS (in thousands)	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Fair value	\$ 160,001	\$ 142,798	\$ 156,891	\$ 142,798
Amortized cost	159,781	143,862	155,504	143,862
Total gains for securities with net gains in AOCI	1,483	1,036	2,557	1,036
Total losses for securities with net losses in AOCI	(1,263)	(2,100)	(1,170)	(2,100)
Fair value of securities with unrealized losses	101,118	103,003	97,834	103,003

Pledged securities with a fair value of **\$83.1 million** **\$77.7 million**, an amortized cost of **\$84.3 million** **\$78.8 million**, and a net unrealized loss of **\$1.2 million** **\$1.1 million** have been in a continuous unrealized loss position for more than 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 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.

Detail of Agency MBS Maturities (in thousands) (in thousands)	June 30, 2024			
	Fair Value		Amortized Cost	
			September 30, 2024	
Detail of Agency MBS Maturities				
Within one year	\$ —	\$ —	\$ 228	\$ 228
After one year through five years	69,000	69,199	70,035	69,994
After five years through ten years	73,656	73,128	69,219	68,332
After ten years	17,345	17,454	17,409	16,950
Total	\$ 160,001	\$ 159,781	\$ 156,891	\$ 155,504

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 Company's 2024 Equity Incentive Plan, which was approved by stockholders on May 2, 2024 and constitutes an amendment and restatement of the Company's 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.

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The following table presents the calculation of basic and diluted EPS for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 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.

EPS Calculations (in thousands, except per share amounts)	For the three months ended		For the six months ended June		For the three		For the nine	
	June 30,		30,		months ended		months ended	
	2024	2023	2024	2023	September 30,	September 30,	2024	2023
Calculation of basic EPS								

Walker & Dunlop net income	\$ 22,663	\$ 27,635	\$ 34,529	\$ 54,300	\$ 28,802	\$ 21,458	\$ 63,331	\$ 75,758
Less: dividends and undistributed earnings allocated to participating securities	514	703	810	1,410	626	534	1,449	1,942
Net income applicable to common stockholders	\$ 22,149	\$ 26,932	\$ 33,719	\$ 52,890	\$ 28,176	\$ 20,924	\$ 61,882	\$ 73,816
Weighted-average basic shares outstanding	33,121	32,695	33,050	32,612	33,169	32,737	33,090	32,654
Basic EPS	\$ 0.67	\$ 0.82	\$ 1.02	\$ 1.62	\$ 0.85	\$ 0.64	\$ 1.87	\$ 2.26
<i>Calculation of diluted EPS</i>								
Net income applicable to common stockholders	\$ 22,149	\$ 26,932	\$ 33,719	\$ 52,890	\$ 28,176	\$ 20,924	\$ 61,882	\$ 73,816
Add: reallocation of dividends and undistributed earnings based on assumed conversion	—	1	—	2	—	—	—	2
Net income allocated to common stockholders	\$ 22,149	\$ 26,933	\$ 33,719	\$ 52,892	\$ 28,176	\$ 20,924	\$ 61,882	\$ 73,818
Weighted-average basic shares outstanding	33,121	32,695	33,050	32,612	33,169	32,737	33,090	32,654
Add: weighted-average diluted non-participating securities	33	156	51	222	34	158	45	199
Weighted-average diluted shares outstanding	33,154	32,851	33,101	32,834	33,203	32,895	33,135	32,853
Diluted EPS	\$ 0.67	\$ 0.82	\$ 1.02	\$ 1.61	\$ 0.85	\$ 0.64	\$ 1.87	\$ 2.25

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 **six** **nine** months ended **June 30, 2024** **September 30, 2024**, **127** **78** thousand average restricted shares and **128** **81** thousand average restricted shares, respectively, were excluded from the computation of diluted EPS under the treasury-stock method. For the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, **456** **169** thousand average restricted shares and **442** **343** 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 (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).

In February 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, 2024. During the first **six** **nine** months of 2024, the Company did not repurchase any shares of its common stock under the share repurchase program. As of **June 30, 2024** **September 30, 2024**, the Company had \$75.0 million of authorized share repurchase capacity remaining under the 2024 share repurchase program.

During each of the first **and second** **three** quarters of 2024, the Company paid a dividend of \$0.65 per share. On **August 7, 2024** **November 6, 2024**, the Company's Board of Directors declared a dividend of \$0.65 per share for the **third** **fourth** quarter of 2024. The dividend will be paid on **September 6, 2024** **December 6, 2024** to all holders of record of the Company's restricted and unrestricted common stock as of **August 22, 2024** **November 22, 2024**.

The Company awarded \$4.4 million and \$3.0 million of stock to settle compensation liabilities, a non-cash transaction, for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, respectively.

The Company's note payable 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.

During the second quarter of 2024, the Company purchased a noncontrolling interest for cash consideration of \$7.0 million, of which \$4.0 million was paid at the time of closing, with an additional \$1.0 million to be paid in each of the next three quarters. The purchase of the noncontrolling interest resulted in a reduction to APIC of \$25.7 million (a non-cash transaction) for the excess of the purchase price over the noncontrolling interest balance.

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During the fourth quarter of 2024, the Company purchased the remaining noncontrolling interest of Zelman Holdings, LLC for cash consideration of \$11.9 million, all of which was paid at the time of closing. The purchase of the noncontrolling interest is expected to result in an increase to APIC of \$9.8 million (a non-cash transaction) for the excess of the noncontrolling interest balance over the purchase price.

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 LIHTC sector and other commercial real estate.

SAM earns revenue mainly through fees for servicing and asset-managing the loans in the Company's servicing portfolio and asset management fees for managing third-party capital. 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.

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The following tables provide a summary and reconciliation of each segment's results *of for* the three months ended **June 30, 2024** **September 30, 2024** and 2023.

Segment Results (in thousands)	For the three months ended June 30, 2024				For the three months ended September 30, 2024			
	CM	SAM	Corporate	Consolidated	CM	SAM	Corporate	Consolidated
Revenues								
Loan origination and debt brokerage fees, net	\$ 63,841	1,493	—	\$ 65,334	\$ 72,723	823	—	\$ 73,546
Fair value of expected net cash flows from servicing, net	33,349	—	—	33,349	43,426	—	—	43,426
Servicing fees	—	80,418	—	80,418	—	82,222	—	82,222
Property sales broker fees	11,265	—	—	11,265	19,322	—	—	19,322
Investment management fees	—	14,822	—	14,822	—	11,744	—	11,744
Net warehouse interest income (expense)	(1,950)	366	—	(1,584)	(2,798)	651	—	(2,147)
Placement fees and other interest income	—	37,170	3,870	41,040	—	40,299	3,258	43,557
Other revenues	11,665	13,963	404	26,032	11,039	9,145	450	20,634

Total revenues	\$ 118,170	\$ 148,232	\$ 4,274	\$ 270,676	\$ 143,712	\$ 144,884	\$ 3,708	\$ 292,304
Expenses								
Personnel	\$ 92,480	20,077	20,510	\$ 133,067	\$ 104,987	20,951	19,600	\$ 145,538
Amortization and depreciation	1,138	53,173	1,732	56,043	1,137	54,668	1,756	57,561
Provision (benefit) for credit losses	—	2,936	—	2,936	—	2,850	—	2,850
Interest expense on corporate debt	5,299	10,946	1,629	17,874	4,888	11,711	1,633	18,232
Goodwill impairment					—	—	—	—
Fair value adjustments to contingent consideration liabilities					(1,366)	—	—	(1,366)
Other operating expenses	4,642	6,728	21,189	32,559	5,137	6,611	20,236	31,984
Total expenses	\$ 103,559	\$ 93,860	\$ 45,060	\$ 242,479	\$ 114,783	\$ 96,791	\$ 43,225	\$ 254,799
Income (loss) from operations	\$ 14,611	\$ 54,372	\$ (40,786)	\$ 28,197	\$ 28,929	\$ 48,093	\$ (39,517)	\$ 37,505
Income tax expense (benefit)	3,359	16,521	(11,978)	7,902	7,073	10,756	(9,007)	8,822
Net income (loss) before noncontrolling interests	\$ 11,252	\$ 37,851	\$ (28,808)	\$ 20,295	\$ 21,856	\$ 37,337	\$ (30,510)	\$ 28,683
Less: net income (loss) from noncontrolling interests	213	(2,581)	—	(2,368)	26	(145)	—	(119)
Walker & Dunlop net income (loss)	\$ 11,039	\$ 40,432	\$ (28,808)	\$ 22,663	\$ 21,830	\$ 37,482	\$ (30,510)	\$ 28,802

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Segment Results (in thousands)		For the three months ended June 30, 2023			
		CM	SAM	Corporate	Consolidated
Revenues					
Loan origination and debt brokerage fees, net	\$ 64,574	\$ 394	\$ —	\$ 64,968	
Fair value of expected net cash flows from servicing, net	42,058	—	—	42,058	
Servicing fees	—	77,061	—	77,061	
Property sales broker fees	10,345	—	—	10,345	
Investment management fees	—	16,309	—	16,309	
Net warehouse interest income (expense)	(2,752)	1,226	—	(1,526)	
Placement fees and other interest income	—	32,337	3,049	35,386	
Other revenues	11,760	15,513	741	28,014	
Total revenues	\$ 125,985	\$ 142,840	\$ 3,790	\$ 272,615	
Expenses					
Personnel	\$ 93,067	\$ 21,189	\$ 19,049	\$ 133,305	
Amortization and depreciation	1,089	53,550	1,653	56,292	
Provision (benefit) for credit losses	—	(734)	—	(734)	
Interest expense on corporate debt	4,727	10,707	1,576	17,010	
Other operating expenses	5,200	9,946	15,584	30,730	
Total expenses	\$ 104,083	\$ 94,658	\$ 37,862	\$ 236,603	
Income (loss) from operations	\$ 21,902	\$ 48,182	\$ (34,072)	\$ 36,012	
Income tax expense (benefit)	5,572	14,787	(9,868)	10,491	
Net income (loss) before noncontrolling interests	\$ 16,330	\$ 33,395	\$ (24,204)	\$ 25,521	
Less: net income (loss) from noncontrolling interests	223	(2,337)	—	(2,114)	
Walker & Dunlop net income (loss)	\$ 16,107	\$ 35,732	\$ (24,204)	\$ 27,635	

Segment Results (in thousands)	For the three months ended September 30, 2023			
	CM	SAM	Corporate	Consolidated
Revenues				
Loan origination and debt brokerage fees, net	\$ 56,149	\$ —	\$ —	\$ 56,149
Fair value of expected net cash flows from servicing, net	35,375	—	—	35,375
Servicing fees	—	79,200	—	79,200
Property sales broker fees	16,862	—	—	16,862
Investment management fees	—	13,362	—	13,362
Net warehouse interest income (expense)	(2,565)	534	—	(2,031)
Placement fees and other interest income	—	39,475	3,525	43,000
Other revenues	11,875	15,569	(618)	26,826
Total revenues	\$ 117,696	\$ 148,140	\$ 2,907	\$ 268,743
Expenses				
Personnel	\$ 97,973	\$ 17,139	\$ 21,395	\$ 136,507
Amortization and depreciation	1,137	54,375	1,967	57,479
Provision (benefit) for credit losses	—	421	—	421
Interest expense on corporate debt	4,874	11,096	1,624	17,594
Goodwill impairment	14,000	—	—	14,000
Fair value adjustments to contingent consideration liabilities	(14,000)	—	—	(14,000)
Other operating expenses	4,193	5,039	19,297	28,529
Total expenses	\$ 108,177	\$ 88,070	\$ 44,283	\$ 240,530
Income (loss) from operations	\$ 9,519	\$ 60,070	\$ (41,376)	\$ 28,213
Income tax expense (benefit)	2,386	15,040	(10,357)	7,069
Net income (loss) before noncontrolling interests	\$ 7,133	\$ 45,030	\$ (31,019)	\$ 21,144
Less: net income (loss) from noncontrolling interests	83	(397)	—	(314)
Walker & Dunlop net income (loss)	\$ 7,050	\$ 45,427	\$ (31,019)	\$ 21,458

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The following tables provide a summary and reconciliation of each segment's results for the **six** months ended **June 30, 2024** **September 30, 2024** and 2023 and total assets as of **June 30, 2024** **September 30, 2024** and 2023.

Segment Results and Total Assets (in thousands)	As of and for the six months ended June 30, 2024				As of and for the nine months ended September 30, 2024			
	CM	SAM	Corporate	Consolidated	CM	SAM	Corporate	Consolidated
Revenues								
Loan origination and debt brokerage fees, net	\$ 107,541	\$ 1,533	\$ —	\$ 109,074	\$ 180,264	\$ 2,356	\$ —	\$ 182,620
Fair value of expected net cash flows from servicing, net	54,247	—	—	54,247	97,673	—	—	97,673
Servicing fees	—	160,461	—	160,461	—	242,683	—	242,683
Property sales broker fees	20,086	—	—	20,086	39,408	—	—	39,408
Investment management fees	—	28,342	—	28,342	—	40,086	—	40,086
Net warehouse interest income (expense)	(3,524)	824	—	(2,700)	(6,322)	1,475	—	(4,847)
Placement fees and other interest income	—	72,773	7,669	80,442	—	113,072	10,927	123,999
Other revenues	21,717	25,534	1,532	48,783	32,756	34,679	1,982	69,417
Total revenues	\$ 200,067	\$ 289,467	\$ 9,201	\$ 498,735	\$ 343,779	\$ 434,351	\$ 12,909	\$ 791,039
Expenses								
Personnel	\$ 171,667	\$ 38,132	\$ 34,731	\$ 244,530	\$ 276,655	\$ 59,083	\$ 54,330	\$ 390,068

Amortization and depreciation	2,275	106,244	3,415	111,934	3,412	160,912	5,171	169,495
Provision (benefit) for credit losses	—	3,460	—	3,460	—	6,310	—	6,310
Interest expense on corporate debt	10,150	22,137	3,246	35,533	15,038	33,848	4,879	53,765
Goodwill impairment					—	—	—	—
Fair value adjustments to contingent consideration liabilities					(1,366)	—	—	(1,366)
Other operating expenses	9,694	11,851	39,857	61,402	14,831	18,462	60,093	93,386
Total expenses	\$ 193,786	\$ 181,824	\$ 81,249	\$ 456,859	\$ 308,570	\$ 278,615	\$ 124,473	\$ 711,658
Income (loss) from operations	\$ 6,281	\$ 107,643	\$ (72,048)	\$ 41,876	\$ 35,209	\$ 155,736	\$ (111,564)	\$ 79,381
Income tax expense (benefit)	1,615	27,674	(18,523)	10,766	8,689	38,430	(27,531)	19,588
Net income (loss) before noncontrolling interests	\$ 4,666	\$ 79,969	\$ (53,525)	\$ 31,110	\$ 26,520	\$ 117,306	\$ (84,033)	\$ 59,793
Less: net income (loss) from noncontrolling interests	327	(3,746)	—	(3,419)	353	(3,891)	—	(3,538)
Walker & Dunlop net income (loss)	\$ 4,339	\$ 83,715	\$ (53,525)	\$ 34,529	\$ 26,167	\$ 121,197	\$ (84,033)	\$ 63,331
Total assets	\$ 1,491,821	\$ 2,283,259	\$ 400,318	\$ 4,175,398	\$ 1,711,722	\$ 2,495,600	\$ 371,909	\$ 4,579,231

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Segment Results and Total Assets (in thousands)		As of and for the six months ended June 30, 2023			
		CM	SAM	Corporate	Consolidated
Revenues					
Loan origination and debt brokerage fees, net		\$ 111,530	\$ 522	\$ —	\$ 112,052
Fair value of expected net cash flows from servicing, net		72,071	—	—	72,071
Servicing fees		—	152,827	—	152,827
Property sales broker fees		21,969	—	—	21,969
Investment management fees		—	31,482	—	31,482
Net warehouse interest income (expense)		(4,441)	2,916	—	(1,525)
Placement fees and other interest income		—	61,161	5,149	66,310
Other revenues		28,860	27,128	187	56,175
Total revenues		\$ 229,989	\$ 276,036	\$ 5,336	\$ 511,361
Expenses					
Personnel		\$ 183,529	\$ 36,530	\$ 31,859	\$ 251,918
Amortization and depreciation		2,275	107,560	3,423	113,258
Provision (benefit) for credit losses		—	(11,509)	—	(11,509)
Interest expense on corporate debt		8,996	20,289	2,999	32,284
Other operating expenses		10,844	11,426	32,523	54,793
Total expenses		\$ 205,644	\$ 164,296	\$ 70,804	\$ 440,744
Income (loss) from operations		\$ 24,345	\$ 111,740	\$ (65,468)	\$ 70,617
Income tax expense (benefit)		6,076	27,891	(16,341)	17,626
Net income (loss) before noncontrolling interests		\$ 18,269	\$ 83,849	\$ (49,127)	\$ 52,991
Less: net income (loss) from noncontrolling interests		1,658	(2,967)	—	(1,309)
Walker & Dunlop net income (loss)		\$ 16,611	\$ 86,816	\$ (49,127)	\$ 54,300
Total assets		\$ 1,988,392	\$ 2,340,147	\$ 478,885	\$ 4,807,424
Segment Results and Total Assets (in thousands)		As of and for the nine months ended September 30, 2023			
		CM	SAM	Corporate	Consolidated
Revenues					
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
Goodwill impairment	14,000	—	—	14,000
Fair value adjustments to contingent consideration liabilities	(14,000)	—	—	(14,000)
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

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NOTE 12—VARIABLE INTEREST ENTITIES

The Company provides alternative investment management services through the syndication of tax credit funds and 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 variable interest entities ("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 2023 Form 10-K.

As of **June 30, 2024** **September 30, 2024** and 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 venture development VIEs included in the Condensed Consolidated Balance Sheets:

Consolidated VIEs (in thousands)	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
	Assets:		Assets:		Assets:		Assets:	
Cash and cash equivalents	\$ 299		\$ 2,841		\$ 630		\$ 2,841	
Restricted cash		4,438		2,811		4,163		2,811
Receivables, net		27,728		28,256		27,707		28,256

Other Assets	47,301	47,249	48,246	47,249
Total assets of consolidated VIEs	\$ 79,766	\$ 81,157	\$ 80,746	\$ 81,157
Liabilities:				
Other liabilities	55,901	53,526	57,578	53,526
Total liabilities of consolidated VIEs	\$ 55,901	\$ 53,526	\$ 57,578	\$ 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)	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Assets				
Committed investments in tax credit equity	\$ 151,674	\$ 154,028	\$ 333,713	\$ 154,028
Other assets: Equity-method investments	61,299	60,195	62,365	60,195
Total interests in nonconsolidated VIEs	\$ 212,973	\$ 214,223	\$ 396,078	\$ 214,223
Liabilities				
Commitments to fund investments in tax credit equity	\$ 134,493	\$ 140,259	\$ 289,250	\$ 140,259
Total commitments to fund nonconsolidated VIEs	\$ 134,493	\$ 140,259	\$ 289,250	\$ 140,259
Maximum exposure to losses⁽¹⁾⁽²⁾	\$ 212,973	\$ 214,223	\$ 396,078	\$ 214,223

(1) Maximum exposure determined as "Total interests in nonconsolidated 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.

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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, 2023 **"2023 ("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 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."

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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, property sales, 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 78% 68% of refinancing volumes coming from new loans to us and 20% 19% of total transaction volumes coming from new customers for the six nine months ended June 30, 2024 September 30, 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. We also underwrite, service, and asset-manage shorter-term loans on transitional 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"). In the past, some of these interim loans were closed and retained by us through our 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, (ii) allow us to drive efficiencies across our internal processes, and (iii) allow us to accelerate growth of our small-balance lending business and our appraisal platform, **Apprise**. **Apprise by Walker & Dunlop ("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, (ii) Servicing & Asset Management, 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")

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.

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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 2023 Form 10-K.

We recognize *Loan origination and debt brokerage fees, net* and the *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. 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 after 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.

We may be 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.

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. 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 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 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

Through our subsidiary Walker & Dunlop Investment Sales ("WDIS"), we offer property sales brokerage services to owners and developers of multifamily and hospitality properties that are seeking to sell these properties. 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 for the purchaser of the properties through our Agency or debt brokerage teams. 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, geographical reach, and service offerings. Our geographical reach now covers many major markets in the United States, and our service offerings now include sales of land, student, senior housing, hospitality, and affordable properties.

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Housing Market Research and Real Estate Investment Banking Services

We own a 75% interest in a Our subsidiary doing business as Zelman & Associates ("Zelman"). Zelman, is a nationally recognized housing market research and investment banking firm that enhances the information we provide to our clients and increase increases our access to high-quality market insights in many areas of the housing market, including construction trends, demographics, housing demand and mortgage finance.

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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. Prior to the fourth quarter of 2024, we owned a 75% controlling interest in Zelman. During the fourth quarter of 2024, we purchased the remaining 25% interest in Zelman.

Appraisal and Valuation Services

We offer multifamily appraisal and valuation services through 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. 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. The growth strategy has resulted in an increase in our market share of the appraisal market over the past several years. Additionally, these valuation specialists provide support for and insight to our Agency lending and property sales professionals.

Servicing & Asset Management ("SAM")

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).

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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 has varied over time. Accordingly, loans originated in prior periods may have been subject to modified risk-sharing at much lower levels.

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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, WDIP, we function as the operator of a private commercial real estate investment 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 **\$1.8 billion** **\$2.0 billion** primarily consist of six investment vehicles: Fund III, Fund IV, Fund V, Fund VI, 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. We have steadily reduced interim loan originations in order to focus on raising third-party capital solutions to meet market demand and pursue our investment management growth strategy.

In the fourth quarter of 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 and Interim Program JV as a result of launching this credit fund. The Company underwrites, services, and asset manages all loans originated for the credit fund and has a 5% co-investment obligation. WDIP also receives a percentage of the return above the fund return hurdle rate specified in the fund operating agreements.

Affordable Housing Real Estate Services

We provide affordable housing investment management and real estate services through our subsidiaries, collectively known as Walker & Dunlop Affordable Equity programs ("WDAE"). 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.

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We invest, as the managing or non-managing member of joint ventures, with developers of affordable housing projects that are partially funded through LIHTCs. When possible, WDAE syndicates the LIHTC investment necessary to build properties through these joint venture partnerships. The joint ventures earn developer fees, and we receive the portion of the economic benefits commensurate with **its** **our** investment in the joint ventures, including cash flows from operations and sale/refinance.

Additionally, WDAE invests with third-party investors (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.

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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 Other 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 2023 Form 10-K.

Mortgage Servicing Rights ("MSRs"). MSRs are recorded at fair value at loan sale. The fair value at loan sale 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 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. Subsequent to loan origination, the carrying value of the MSR is amortized over the expected life of the loan. We engage a third party on a semi-annual basis to assist with performing a fair value assessment of our servicing portfolio, 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).

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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 portfolio. For those loans that are collectively evaluated, we use the weighted-average remaining maturity method ("WARM") to calculate an estimated loss ("CECL allowance"). 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 allowance. 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 allowance for the entire current portion of the portfolio collectively evaluated as described further below.

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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 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 declining from 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 as of December 31, 2023 to 0.3 basis points as of March 31, 2024, our 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 same reflects our relatively unchanged view of the 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 allowance.

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 (or has foreclosed), 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.

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Contingent Consideration Liabilities. The Company often includes an earnout as part of the consideration paid for acquisitions to align the long-term interests of the acquiree with those of 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.

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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 2023, we recorded a \$62.5 million reduction 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 **June 30, 2024** **September 30, 2024** was **\$89.0 million** **\$79.4 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 **June 30, 2024** **September 30, 2024** was **\$267.0 million** **\$258.5 million**. In prior years, we made two large acquisitions that included significant amounts of contingent consideration to maximize alignment of the key principals and management teams.

Goodwill. As of both **June 30, 2024** **September 30, 2024** and December 31, 2023, we reported goodwill of \$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. Due to the challenging macroeconomic conditions in 2023, the projected cash flows for some of our reporting units declined, resulting in goodwill impairment in 2023 of \$62.0 million that was attributed to reporting units within the Capital Markets segment. Due to improving macroeconomic conditions, as of September 30, 2024, there are no indicators of goodwill impairment; however, improvements in the macroeconomic conditions remain slow and may indicate additional goodwill impairment as we perform our annual goodwill impairment analysis.

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Overview of Current Business Environment

Throughout In 2022 and 2023, inflation significantly outpaced surged past historical norms. In response, norms, prompting the Federal Open Market Committee ("FOMC") ("FOMC") to aggressively increased its raise the target Federal Funds Rate ("Fed Funds") from near zero in March 2022 to a target range of 5.25% to 5.50% following its by July 2023 meeting. The significant 2023. This rapid increase, to Fed Funds during such a short period of time, coupled with alongside high inflation and an uncertain economic outlook, caused significant led to substantial volatility in the capital markets, including, resulting in higher interest rates and a decrease in the reduced capital supply, of capital, trends that continued persisted into the first quarter half of 2024. The commercial real estate sector relies is dependent on a stable cost capital costs and supply of available capital to operate effectively, and the industry has experienced a significant slowdown notable decline in overall transaction activity, as a result, a significant driver of our business and overall financial performance. Fed Funds remaining at elevated levels does benefit our placement fee revenue on escrow deposits and cash and cash equivalents, though, and we expect to earn elevated placement fees and other interest income for the remainder of the year on those deposits. Higher short-term interest rates have a negative impact on our business by increasing borrowing costs for both our warehouse lines and corporate debt, offsetting some of the benefit to our placement fee revenue.

During the first half of 2024, the overall economy remains robust, as measured by GDP and jobs data, while the pace of inflation has shown a significant slowdown. In response the FOMC began signaling they may be nearing the end of the highly restrictive monetary policy that has marked the last two years, and rate cuts could be on the horizon for Fed Funds. As that outlook was communicated to the capital markets during the early part of this year, volatility began to subside, interest rates stabilized and the supply of capital began to increase in the second quarter 2024. As a result, impacting our overall transaction activity increased 32% from the first quarter 2024 to the second quarter 2024, and we are beginning to see signs of the market slowly recovering. Despite those signs for optimism, our financial business performance in the first half of 2024 2024.

The economy remains robust, with GDP and employment data showing resilience, while inflation has slowed considerably this year. In light of these conditions, the FOMC signaled it was considerably slower than nearing the first end of its restrictive monetary policy throughout the second quarter of 2024. The shift in policy helped reduce market volatility, stabilize interest rates, and improve capital supply entering the second half of 2023. 2024. Consequently, our transaction activity rose by 37% quarter on quarter, signaling signs of a market recovery. In September 2024, the FOMC reduced the Fed Funds Rate by 0.50%, to 4.75% to 5.00%, further solidifying the near-term path for interest rates.

The largest impact Improved macroeconomic conditions led to increased transaction volumes for our business during the third quarter of 2024, which surged to \$11.6 billion, our highest quarterly total in nearly two years, with notable increases in property sales (44%), Brokered (28%) and GSE (26%) transaction volumes compared to the slower market was in our third quarter last year. The multifamily property sales business, as overall multifamily acquisitions activity fell to its lowest quarterly level market was significantly disrupted by rapidly rising rates and a tighter supply of capital during the past two years. With supportive conditions in nearly four years, according to Real Capital Analytics. As a result, the third quarter 2024, our property sales volume in the first half of 2024 declined 21% compared surged to the first half of 2023. Several of our debt executions were also negatively impacted \$3.6 billion, more than we closed for the first half two quarters of 2024 compared the year combined. Increased transactions in the multifamily property sales sector provided a boost to the first half of 2023, with debt financing market as many acquisitions rely on debt financing. Consequently, we experienced a significant increase in GSE lending volumes this quarter to \$3.5 billion, up 33% from the largest decreases in our Fannie Mae (33%) and HUD (27%) executions. second quarter 2024. As the supply of third-party capital from third parties steadily increased so far this year many to commercial real estate continues to improve, life insurance companies, banks, and CMBS lenders transacted at increased their transaction activity, contributing to a higher level 5% rise in our debt brokerage volumes compared to the second quarter 2024.

We anticipate long-term interest rates will remain stable, encouraging further adjustments in capital flow and gradually boosting transaction activity in the first half coming quarters. The Mortgage Bankers Association (MBA) forecasts multifamily lending will rise to \$339 billion in 2024, a 25% increase from \$271 billion in 2023. For this forecast to hold true, liquidity and interest rates must remain stable, promoting continued growth in the property sales sector and underlying debt financing markets, particularly our GSE lending executions, both of which we expect to remain elevated in the fourth quarter.

The Federal Housing Finance Agency (FHFA) set the 2024 loan origination caps for Fannie Mae and Freddie Mac at \$70 billion each, a 7% decrease from 2023 but a 38% increase over actual 2023 lending volumes. For the year to date period ended September 30, 2024, Fannie Mae and Freddie Mac reported multifamily origination volumes of \$32.5 billion and \$35.1 billion, respectively, reflecting a 22% decrease and an 8% increase, respectively, compared to the same period last year, as evidenced by in 2023, but leaving \$72.4 billion in combined available lending capacity for the 26% fourth quarter of 2024.

A large number of new multifamily properties were completed in 2023, primarily in sunbelt markets, and a near record 600,000 units are expected to be delivered this year. The increase in completions this year has presented an opportunity for our debt brokerage volumes. As a result multifamily property sales team, as many builders look to sell stabilized assets. We are actively competing for market share, as customers increasingly seek experienced brokers to maximize value.

Macroeconomic conditions for multifamily properties remain stable. The national unemployment rate remains low at 4.1% in September 2024. According to RealPage, vacancies stabilized around 5.6% as of September 2024, down from 5.8% in December 2023 and consistent with September 2023. Despite the large supply of new units this year, many properties and regions across the U.S. continue growing rents with Zelman, our total debt financing volumes housing research arm, predicting national rent growth of approximately 2% this year. Beyond 2024, multifamily completions are anticipated to decrease significantly due to stalled new construction starts in 2023 and 2024, largely driven by tighter liquidity and the aforementioned macroeconomic challenges during the last two years. Long term, we believe the fundamentals for multifamily properties will trend positively due to constrained supply resulting from reduced construction starts, recent negative trends in household formation and a lack of entry-level single-family homes driving strong demand for rental housing in many areas. That will continue to position multifamily assets as an attractive investment option, benefitting our property sales, GSE lending and HUD lending operations.

We initiated the Interim Program Joint Venture to enhance our capacity for originating Interim Program loans beyond our own balance sheet. Over the past two years, we have shifted our transitional lending strategy towards our investment management platform and our registered investment adviser, WDIP. In light of increased distress in the transitional lending market, especially within CLOs, we are actively raising capital to address market demand as these loans mature in 2024 and 2025. Our first half credit fund, launched in the fourth quarter of 2024 increased 2% when compared to the same period last year. 2023,

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We expect long-term interest rates to remain stable, and for capital and our customers to continue adjusting which will in turn will slowly increase transaction activity in the second half of 2024. 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 also benefit our GSE lending executions. Although our GSE lending volumes declined 21%, we expect the GSEs' lending terms to be more competitive in the latter half of 2024, and for GSE transaction activity to increase throughout the year in a similar manner to 2023.

The Federal Housing Finance Agency ("FHFA") establishes loan origination caps for both Fannie Mae and Freddie Mac each year. In November 2023, the FHFA established Fannie Mae's and Freddie Mac's 2024 loan origination caps at \$70 billion each for all multifamily business, a 7% decrease from the 2023 caps, but a 38% increase over actual combined 2023 lending volumes for the GSEs. During the three months ended June 30, 2024, Fannie Mae and Freddie Mac had multifamily origination volumes of \$9.2 billion and \$11.0 billion, respectively, down 39% and 14%, from the same period in 2023. During the six months ended June 30, 2024, Fannie Mae and Freddie Mac had multifamily origination volumes of \$19.4 billion and \$20.2 billion, respectively, down 24% and up 6%, from the first half of 2023, respectively, leaving a combined \$100.4 billion of available lending capacity for the remainder of 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 the second quarter of 2024, with the national unemployment rate remaining low at 4.1% as of June 2024. According to RealPage, a provider of commercial real estate data and analytics, vacancies have stabilized around 5.8% as of June 2024 from 5.8% as of December 2023 and 5.3% as of June 2023. A record number of new multifamily properties were completed in 2023, with the majority of those completions concentrated in sunbelt markets, with an even greater number expected to be completed in 2024. Beyond 2024, multifamily completions are expected to decrease significantly, as new starts stalled in 2023 and throughout this year, largely as a result of the liquidity and macroeconomic challenges already outlined. In the short-term, rent growth is expected to face downward pressure in those highly developed sunbelt markets, while occupancy will face upward pressure as the new supply is absorbed. Despite the headwinds in the sunbelt markets, national rent growth remains flat to slightly positive indicating continued healthy demand for multifamily units nationally.

The increase in completions in 2024 will present an opportunity for our multifamily property sales team, as many merchant builders will look to sell completed assets once stabilized. We continue to compete for market share in a challenging multifamily property sales sector, as customers increasingly look to experienced brokers to maximize value. Long term, we believe the market fundamentals will trend more positive for multifamily properties due to constrained supply resulting from the decline in new construction starts over 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 multifamily assets remain healthy, and we expect that market demand for multifamily assets in the long-term will return, as this asset class remains an attractive investment option.

As noted above, our debt financing operations with HUD declined compared to the first half of 2023. The decline in HUD volumes was due to the ongoing volatile interest-rate environment discussed above, which more acutely impacted our HUD product given the longer lead times associated with HUD executions. As interest rates stabilize, we expect our HUD volume to improve.

We entered into the Interim Program JV to expand our capacity to originate Interim Program loans beyond the use of our own balance sheet. Over the past two years, we reduced our reliance on our balance sheet and the Interim Program JV, 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 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 successfully raised \$150 million of capital from a large prominent life insurance company, which we have subsequently levered, allowing enabling WDIP to supply over deploy nearly half a billion dollars of leveraged capital to the transitional multifamily lending market this year. We are continuing to raise additional capital to fuel support this strategy, with WDIP underwrites, services underwriting, servicing and asset manages managing all loans originated for the credit fund, and the Company has while maintaining only a 5% co-investment obligation from the Company.

We Through our subsidiary, WDAE, we provide alternative investment management services focused on the affordable housing, sector through including LIHTC syndication, joint venture development, and community preservation fund management through our subsidiary, WDAE. management. We were ranked as the eighth largest LIHTC syndicator in 2023. We 2023 and continue to approach the affordable housing space with a pursue combined LIHTC syndication and affordable housing service offering that we believe will services to generate significant long-term financing, property sales, and syndication opportunities. Additionally, as part of the FHFA's 2024 loan origination caps of \$140 billion announced in November 2023, require that at least 50% of the GSEs' multifamily business is required to be targeted towards target affordable housing. We expect anticipate these initiatives, when coupled combined with the continued ongoing demand for affordable housing, to will create growth opportunities for both WDAE and our debt financing and property sales teams focused on affordable housing, this sector.

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Consolidated Results of Operations

The following is a discussion of our consolidated results of operations for the three- and six- month nine-month periods ended June 30, 2024 September 30, 2024 and 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

(in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Transaction Volume:								
Debt Financing Volume	\$ 6,917,718	\$ 6,907,835	\$ 12,145,026	\$ 11,733,633	\$ 8,013,432	\$ 6,047,394	\$ 20,158,458	\$ 17,781,027
Property Sales Volume	1,530,783	1,504,383	2,697,934	3,399,065	3,602,675	2,508,073	6,300,609	5,907,138
Total Transaction Volume	\$ 8,448,501	\$ 8,412,218	\$ 14,842,960	\$ 15,132,698	\$11,616,107	\$8,555,467	\$26,459,067	\$23,688,165
<i>(in thousands, except per share data)</i>								
Key Performance Metrics								
Operating margin	10 %	13 %	8 %	14 %	13 %	10 %	10 %	13 %
Return on equity	5	7	4	6	7	5	5	6
Walker & Dunlop net income	\$ 22,663	\$ 27,635	\$ 34,529	\$ 54,300	\$ 28,802	\$ 21,458	\$ 63,331	\$ 75,758
Adjusted EBITDA(I)	80,931	70,501	155,067	138,476	78,905	74,065	233,972	212,541
Diluted EPS	0.67	0.82	1.02	1.61	0.85	0.64	1.87	2.25
Key Expense Metrics (as a percentage of total revenues):								

Personnel expenses	49 %	49 %	49 %	49 %	50 %	51 %	49 %	50 %
Other operating expenses	12	11	12	11	11	11	12	11

(in thousands)	As of June 30,				As of September 30,			
	2024		2023		2024		2023	
	\$	132,777,911	\$	126,646,181	\$	134,080,546	\$	128,959,434
Servicing Portfolio		17,566,666		16,903,055		18,210,452		17,334,877
Assets under management								
Total Managed Portfolio	\$	150,344,577	\$	143,549,236	\$	152,290,998	\$	146,294,311

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

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The following tables present **a** period-to-period comparisons of our financial results for the three- and **six- month****nine-month** periods ended **June 30, 2024** **September 30, 2024** and 2023.

FINANCIAL RESULTS – THREE MONTHS
CONSOLIDATED

(in thousands)	For the three months ended				For the three months ended			
	June 30,		Dollar	Percentage	September 30,		Dollar	Percentage
	2024	2023	Change	Change	2024	2023	Change	Change
Revenues								
Loan origination and debt brokerage fees, net	\$ 65,334	\$ 64,968	\$ 366	1 %	\$ 73,546	\$ 56,149	\$ 17,397	31 %
Fair value of expected net cash flows from servicing, net	33,349	42,058	(8,709)	(21)	43,426	35,375	8,051	23
Servicing fees	80,418	77,061	3,357	4	82,222	79,200	3,022	4
Property sales broker fees	11,265	10,345	920	9	19,322	16,862	2,460	15
Investment management fees	14,822	16,309	(1,487)	(9)	11,744	13,362	(1,618)	(12)
Net warehouse interest income (expense)	(1,584)	(1,526)	(58)	4	(2,147)	(2,031)	(116)	(6)
Placement fees and other interest income	41,040	35,386	5,654	16	43,557	43,000	557	1
Other revenues	26,032	28,014	(1,982)	(7)	20,634	26,826	(6,192)	(23)
Total revenues	\$ 270,676	\$ 272,615	\$ (1,939)	(1)	\$ 292,304	\$ 268,743	\$ 23,561	9
Expenses								
Personnel	\$ 133,067	\$ 133,305	\$ (238)	— %	\$ 145,538	\$ 136,507	\$ 9,031	7 %
Amortization and depreciation	56,043	56,292	(249)	—	57,561	57,479	82	0
Provision (benefit) for credit losses	2,936	(734)	3,670	(500)	2,850	421	2,429	577
Interest expense on corporate debt	17,874	17,010	864	5	18,232	17,594	638	4
Goodwill impairment					-	14,000	(14,000)	(100)
Fair value adjustments to contingent consideration								
liabilities					(1,366)	(14,000)	12,634	90
Other operating expenses	32,559	30,730	1,829	6	31,984	28,529	3,455	12
Total expenses	\$ 242,479	\$ 236,603	\$ 5,876	2	\$ 254,799	\$ 240,530	\$ 14,269	6
Income from operations								
Income tax expense	7,902	10,491	(2,589)	(25)	8,822	7,069	1,753	25
Net income before noncontrolling interests	\$ 20,295	\$ 25,521	\$ (5,226)	(20)	\$ 28,683	\$ 21,144	\$ 7,539	36
Less: net income (loss) from noncontrolling interests	(2,368)	(2,114)	(254)	12	(119)	(314)	195	62

Walker & Dunlop net income	\$ 22,663	\$ 27,635	\$ (4,972)	(18)	\$ 28,802	\$ 21,458	\$ 7,344	34
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FINANCIAL RESULTS – SIX MONTHS
CONSOLIDATED

(in thousands)	For the six months ended			
	June 30,		Dollar Change	Percentage Change
	2024	2023		
Revenues				
Loan origination and debt brokerage fees, net	\$ 109,074	\$ 112,052	\$ (2,978)	(3)%
Fair value of expected net cash flows from servicing, net	54,247	72,071	(17,824)	(25)
Servicing fees	160,461	152,827	7,634	5
Property sales broker fees	20,086	21,969	(1,883)	(9)
Investment management fees	28,342	31,482	(3,140)	(10)
Net warehouse interest income (expense)	(2,700)	(1,525)	(1,175)	77
Placement fees and other interest income	80,442	66,310	14,132	21
Other revenues	48,783	56,175	(7,392)	(13)
Total revenues	\$ 498,735	\$ 511,361	\$ (12,626)	(2)
Expenses				
Personnel	\$ 244,530	\$ 251,918	\$ (7,388)	(3)%
Amortization and depreciation	111,934	113,258	(1,324)	(1)
Provision (benefit) for credit losses	3,460	(11,509)	14,969	(130)
Interest expense on corporate debt	35,533	32,284	3,249	10
Other operating expenses	61,402	54,793	6,609	12
Total expenses	\$ 456,859	\$ 440,744	\$ 16,115	4
Income from operations	\$ 41,876	\$ 70,617	\$ (28,741)	(41)
Income tax expense	10,766	17,626	(6,860)	(39)
Net income before noncontrolling interests	\$ 31,110	\$ 52,991	\$ (21,881)	(41)
Less: net income (loss) from noncontrolling interests	(3,419)	(1,309)	(2,110)	161
Walker & Dunlop net income	\$ 34,529	\$ 54,300	\$ (19,771)	(36)

Overview

Three months ended **June 30, 2024** September 30, 2024 compared to three months ended **June 30, 2023** September 30, 2023

The **decrease** **increase** in revenues was primarily driven by **decreases** **increases** in loan origination and debt brokerage fees, net ("Origination fees"), the fair value of expected net cash flows from servicing, net ("MSR income"), servicing fees, and property sales broker fees, partially offset by decreases in investment management fees and other **revenues**. **Origination fees** increased primarily due to the increase in our debt financing volumes. **MSR income** **increased** **mostly** due to an increase in our Agency debt financing volume. **Servicing fees** increased primarily due to the increase in the size of our GSE servicing portfolio. The increase in property sales broker fees was largely driven by an increase in property sales volume. **Investment management fees** decreased largely as a result of a decline in asset management fees from our LIHTC operations. **Other revenues** **decreased** primarily due to lower syndication and other revenues from our LIHTC operations.

The **increase** in expenses was primarily due to increases in personnel expense, provision (benefit) for credit losses, fair value adjustments to contingent consideration, and other operating expenses, partially offset by a decrease in goodwill impairment. **Personnel expense** increased primarily due to

an increase in commission costs due to the aforementioned increase in debt financing volume and origination fees. The increase in provision for credit losses was mainly attributable to an increase in the estimated fair value of the liability associated with a loan forbearance and indemnification agreement with Freddie Mac entered into during the first quarter of 2024. The period-over-period change in fair value adjustments to contingent consideration liabilities increased expenses as the fair value adjustments made to contingent consideration liabilities in the third quarter of 2024 were associated with a much smaller acquisition than those made in the prior year. Other operating expenses increased due to increases in professional fees, office expenses, and miscellaneous expenses. Goodwill impairment decreased due to a goodwill impairment triggering event that occurred in the third quarter of 2023, with no similar event in occurring in the third quarter of 2024.

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The increase in income tax expense was primarily by the 33% increase in income from operations. Partially, offsetting the increase in income tax expense was a lower estimated annual effective tax rate for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 due to a \$1.1 million tax adjustment to our international tax accruals due to a lower than estimated amount of taxes in our 2022 return, which was recently filed timely.

FINANCIAL RESULTS – NINE MONTHS
CONSOLIDATED

(in thousands)	For the nine months ended			
	September 30,		Dollar	Percentage
	2024	2023	Change	Change
Revenues				
Loan origination and debt brokerage fees, net	\$ 182,620	\$ 168,201	\$ 14,419	9 %
Fair value of expected net cash flows from servicing, net	97,673	107,446	(9,773)	(9)
Servicing fees	242,683	232,027	10,656	5
Property sales broker fees	39,408	38,831	577	1
Investment management fees	40,086	44,844	(4,758)	(11)
Net warehouse interest income (expense)	(4,847)	(3,556)	(1,291)	(36)
Placement fees and other interest income	123,999	109,310	14,689	13
Other revenues	69,417	83,001	(13,584)	(16)
Total revenues	\$ 791,039	\$ 780,104	\$ 10,935	1
Expenses				
Personnel	\$ 390,068	\$ 388,425	\$ 1,643	0 %
Amortization and depreciation	169,495	170,737	(1,242)	(1)
Provision (benefit) for credit losses	6,310	(11,088)	17,398	157
Interest expense on corporate debt	53,765	49,878	3,887	8
Goodwill impairment	—	14,000	(14,000)	(100)
Fair value adjustments to contingent consideration liabilities	(1,366)	(14,000)	12,634	90
Other operating expenses	93,386	83,322	10,064	12
Total expenses	\$ 711,658	\$ 681,274	\$ 30,384	4
Income from operations				
Income tax expense	19,588	24,695	(5,107)	(21)
Net income before noncontrolling interests	\$ 59,793	\$ 74,135	\$ (14,342)	(19)
Less: net income (loss) from noncontrolling interests	(3,538)	(1,623)	(1,915)	(118)
Walker & Dunlop net income	\$ 63,331	\$ 75,758	\$ (12,427)	(16)

Nine months ended September 30, 2024 compared to nine months ended September 30, 2023

The increase in revenues was largely driven by increases in origination fees, servicing fees, and placement fees and other interest income, partially offset by decreases in MSR income, decreased largely as a result of a 32% decline in Fannie Mae debt financing volume. Investment management fees, declined principally due to a decrease in revenue from our Principal Investing funds due to lower asset sales. Other revenues decreased and other revenues. Origination fees increased primarily due to lower syndication revenues due to lower equity syndication volume year over year, the increase in debt financing volumes. Servicing fees increased largely from primarily due to the increase in the average size of our GSE servicing portfolio outstanding, portfolio. Placement fees and other interest income increased primarily as a result of a higher placement fee rate due to a higher short-term interest rate environment.

The increase in expenses was primarily due to a change in the provision (benefit) for credit losses combined with an increase in other operating expenses. The provision for credit losses in 2024 was primarily attributable to an increase in the estimated fair value of the liability associated with a forbearance and indemnification agreement with Freddie Mac entered into during the first quarter 2024. The benefit for credit losses in 2023 was primarily due to a reduction of collateral based reserves as actual outcomes outperformed our initial estimates. The increase in other operating expenses was largely related to expenses incurred for our all-company meeting for the three months ended June 30, 2024, with no comparable activity during the three months ended June 30, 2023.

The decrease in income tax expense was primarily by the 22% decrease in income from operations. Additionally, we had a lower estimated annual effective tax rate for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 due to the timing of executive bonus compensation expense. The deductibility of executive compensation is limited for income tax purposes.

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Six months ended June 30, 2024 compared to six months ended June 30, 2023

The decrease in revenues was largely driven by decreases in loan origination and debt brokerage fees, net ("origination fees"), MSR income, investment management fees, and other revenues, partially offset by increases in servicing fees and placement fees and other interest income. Origination fees, debt brokerage fees, net and MSR income decreased largely as due to a result of a 33% decline decrease in Fannie Mae debt financing volume. Investment management fees decreased largely as a result of a decline in asset management fees from our LIHTC operations due to the interest rate environment, operations. Other revenues declined mostly primarily due to a decrease decline in investment banking revenues as we closed the largest investment banking deal and a decrease in the Company's history, a \$7.5 million transaction, in 2023 with no comparable activity in 2024. Servicing fees increased largely from an increase in the average servicing portfolio outstanding. Placement fees syndication and other interest income increased primarily as a result of a higher placement fee rate due to a higher short-term interest rate environment. revenues from our LIHTC operations.

The increase in expenses was primarily due to a significant change in the provision (benefit) for credit losses combined with and increases in fair value adjustments to contingent consideration liabilities, interest expense on corporate debt, and other operating expenses, partially offset by a decrease in personnel expense, goodwill impairment. Provision (benefit) for credit losses switched from a large benefit in 2023 to a provision in 2024. The provision for credit losses in 2024 was primarily attributable to losses related to the forbearance and indemnification agreements with Freddie Mac discussed in NOTE 2, partially offset by a small benefit for risk-sharing obligations resulting from an update to our historical loss rate and forecast-period loss rate. 2. The benefit for credit losses in 2023 was primarily due to the annual update of our historical loss rate and forecast-period loss rates that resulted in a large decrease to the calculated expected credit losses. The period-over-period change in fair value adjustments to contingent consideration liabilities increased expenses as the fair value adjustments made to contingent consideration liabilities in 2024 were associated with a much

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smaller acquisition than those made in the prior year. Interest expense on corporate debt increased largely 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 overall in 2024 than 2023. Other operating expenses increased largely as a result of increased (i)

travel and entertainment mostly related to our all-company meeting, with no comparable activity in 2023, (ii) software costs associated with automation efforts, and (iii) miscellaneous expenses. Personnel expense Goodwill impairment decreased largely due to decreases a goodwill impairment triggering event that occurred in commission costs as a result of lower origination fees and property sales broker fees and stock compensation expense as the all-company stock grant fully vested at the end third quarter of 2023, with no replacement award issued similar event in occurring in the third quarter of 2024.

The decrease in income tax expense was principally driven by the 41% 20% decrease in income from operations partially offset by and a reduction \$1.1 million tax adjustment to our international tax accruals due to a lower than estimated amount of taxes in realizable excess tax benefits, our 2022 return, which was recently filed timely.

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 fair value adjustment is a triggering event for a goodwill impairment assessment. In cases where the fair value adjustment of contingent consideration liabilities is a trigger for goodwill impairment, the goodwill impairment is netted against the fair value adjustment of contingent consideration liabilities and included as a net 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.

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.

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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:

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ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP

CONSOLIDATED

(in thousands)	For the three months ended				For the six months ended				For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,					
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Reconciliation of Walker & Dunlop Net Income to Adjusted EBITDA												
Reconciliation of Walker & Dunlop Net Income to Adjusted EBITDA												
Walker & Dunlop Net Income	\$ 22,663	\$ 27,635	\$ 34,529	\$ 54,300	\$ 28,802	\$ 21,458	\$ 63,331	\$ 75,758				
Income tax expense	7,902	10,491	10,766	17,626	8,822	7,069	19,588	24,695				
Interest expense on corporate debt	17,874	17,010	35,533	32,284	18,232	17,594	53,765	49,878				
Amortization and depreciation	56,043	56,292	111,934	113,258	57,561	57,479	169,495	170,737				
Provision (benefit) for credit losses	2,936	(734)	3,460	(11,509)	2,850	421	6,310	(11,088)				
Net write-offs ⁽¹⁾	—	(6,033)	—	(6,033)	(468)	(2,008)	(468)	(8,041)				
Stock-based compensation expense	6,862	7,898	13,092	15,041	6,532	7,427	19,624	22,468				
Fair value of expected net cash flows from servicing, net	(33,349)	(42,058)	(54,247)	(72,071)								
MSR income					(43,426)	(35,375)	(97,673)	(107,446)				
Write off of unamortized premium from corporate debt repayment	—	—	—	(4,420)	—	—	—	(4,420)				
Goodwill impairment, net of contingent consideration liability fair value adjustments ⁽²⁾					—	—	—	—				
Adjusted EBITDA	\$ 80,931	\$ 70,501	\$ 155,067	\$ 138,476	\$ 78,905	\$ 74,065	\$ 233,972	\$ 212,541				

⁽¹⁾The net write-off was related to the write-off of a collateral-based reserve during the second quarter of 2023 related to a loan held for investment.

⁽²⁾ The net write-offs for the nine months ended September 30, 2023 includes the \$6.0 million write-off of a collateral-based reserve related to a loan held for investment during the second quarter of 2023.

⁽²⁾ For the three and nine months ended September 30, 2023, includes goodwill impairment of \$14.0 million and contingent consideration liability fair value adjustments of \$14.0 million. For the three and nine months ended September 30, 2024, there was no goodwill impairment or contingent consideration liability fair value adjustments that resulted in a triggering event for a goodwill impairment assessment.

The following tables present period-to-period comparisons of the components of adjusted EBITDA for the three- and six- months nine-month periods ended **June 30, 2024** **September 30, 2024** and 2023.

ADJUSTED EBITDA – THREE MONTHS
CONSOLIDATED

(in thousands)	For the three months ended			
	June 30,		Dollar	Percentage
	2024	2023	Change	Change
Loan origination and debt brokerage fees, net	\$ 65,334	\$ 64,968	\$ 366	1 %
Servicing fees	80,418	77,061	3,357	4
Property sales broker fees	11,265	10,345	920	9
Investment management fees	14,822	16,309	(1,487)	(9)
Net warehouse interest income (expense)	(1,584)	(1,526)	(58)	4
Placement fees and other interest income	41,040	35,386	5,654	16
Other revenues	28,400	30,128	(1,728)	(6)
Personnel	(126,205)	(125,407)	(798)	1
Net write-offs ⁽¹⁾	—	(6,033)	6,033	N/A
Other operating expenses	(32,559)	(30,730)	(1,829)	6
Adjusted EBITDA	\$ 80,931	\$ 70,501	\$ 10,430	15

⁽¹⁾The net write-off was related to the write-off of a collateral-based reserve during the second quarter of 2023 related to a loan held for investment.

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(in thousands)	For the six months ended			
	June 30,		Dollar	Percentage
	2024	2023	Change	Change
Loan origination and debt brokerage fees, net	\$ 109,074	\$ 112,052	\$ (2,978)	(3)%
Servicing fees	160,461	152,827	7,634	5
Property sales broker fees	20,086	21,969	(1,883)	(9)
Investment management fees	28,342	31,482	(3,140)	(10)
Net warehouse interest income (expense)	(2,700)	(1,525)	(1,175)	77
Placement fees and other interest income	80,442	66,310	14,132	21
Other revenues	52,202	57,484	(5,282)	(9)
Personnel	(231,438)	(236,877)	5,439	(2)
Net write-offs ⁽¹⁾	—	(6,033)	6,033	(100)
Other operating expenses	(61,402)	(59,213)	(2,189)	4
Adjusted EBITDA	\$ 155,067	\$ 138,476	\$ 16,591	12

⁽¹⁾The net write-off was related to the write-off of a collateral-based reserve during the second quarter of 2023 related to a loan held for investment.

(in thousands)	For the three months ended			
	September 30,		Dollar	Percentage
	2024	2023	Change	Change
Loan origination and debt brokerage fees, net	\$ 73,546	\$ 56,149	\$ 17,397	31 %
Servicing fees	82,222	79,200	3,022	4
Property sales broker fees	19,322	16,862	2,460	15
Investment management fees	11,744	13,362	(1,618)	(12)
Net warehouse interest income (expense)	(2,147)	(2,031)	(116)	(6)
Placement fees and other interest income	43,557	43,000	557	1
Other revenues	20,753	27,140	(6,387)	(24)
Personnel	(139,006)	(129,080)	(9,926)	8
Net write-offs	(468)	(2,008)	1,540	(77)
Other operating expenses	(30,618)	(28,529)	(2,089)	7
Adjusted EBITDA	\$ 78,905	\$ 74,065	\$ 4,840	7

Three months ended June 30, 2024 September 30, 2024 compared to three months ended June 30, 2023 September 30, 2023

Origination fees increased due to the increase in debt financing volume. Servicing fees increased largely due to growth in the average servicing portfolio period over period. Investment management fees declined principally due to a decrease in revenue from our Principal Investing funds due to lower asset sales. Placement fees and other interest income increased largely as a result of higher placement fee rates the growth in property sales volume. Investment management fees decreased due to a higher short-term interest rate environment. decline in asset management fees from our LIHTC operations. Other revenues decreased primarily due to lower syndication and other revenues from our LIHTC operations. Net write-offs decreased due to lower equity syndication volume year over year. Net write-offs decreased the size of loss settlement, as we had a larger loss settlement on a loan in our at-risk portfolio during the third quarter of 2023 compared to the third quarter of 2024. Other operating expenses increased due to increases in professional fees, office expenses, and miscellaneous expenses.

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ADJUSTED EBITDA – NINE MONTHS
CONSOLIDATED

(in thousands)	For the nine months ended			
	September 30,		Dollar	Percentage
	2024	2023	Change	Change
Loan origination and debt brokerage fees, net	\$ 182,620	\$ 168,201	\$ 14,419	9 %
Servicing fees	242,683	232,027	10,656	5
Property sales broker fees	39,408	38,831	577	1
Investment management fees	40,086	44,844	(4,758)	(11)
Net warehouse interest income (expense)	(4,847)	(3,556)	(1,291)	(36)
Placement fees and other interest income	123,999	109,310	14,689	13
Other revenues	72,955	84,624	(11,669)	(14)
Personnel	(370,444)	(365,957)	(4,487)	1
Net write-offs ⁽¹⁾	(468)	(8,041)	7,573	(94)
Other operating expenses	(92,020)	(87,742)	(4,278)	5
Adjusted EBITDA	\$ 233,972	\$ 212,541	\$ 21,431	10

(1) The net write-offs for the nine months ended September 30, 2023 includes the \$6.0 million write-off of a collateral-based reserve related to a loan held for investment in 2023, with no comparable activity in 2024. The during the second quarter of 2023.

Nine months ended September 30, 2024 compared to nine months ended September 30, 2023

Origination fees increased due to the increase in other operating expenses was largely related to expenses incurred for our all-company meeting for the three months ended June 30, 2024, with no comparable activity during the three months ended June 30, 2023.

Six months ended June 30, 2024 compared to six months ended June 30, 2023

Origination fees decreased primarily due to a decline in Fannie Mae debt financing volumes. Servicing fees increased largely due to growth in the average servicing portfolio period over period. Investment management fees decreased as a result of a decline in asset management fees from our LIHTC operations. Placement fees and other interest income increased largely as result of higher placement fee rates due to a higher short-term interest rate environment. Other revenues declined mostly due to a decrease in investment banking revenues due to a large investment banking transaction in the first quarter of 2023 with no comparable activity in 2024 combined with lower and syndication and other revenues from our LIHTC syndication fees due to a decrease in equity syndication volume. The decrease in personnel operations. Personnel expenses was increased primarily due to decreases an increase in commission costs due to our lower origination fees. Net write-offs decreased due to the size and number of loss settlements, as we had a write-off of a loan held for investment two loss settlements with larger losses in 2023 with no comparable activity compared to one small loss settlement in 2024. Other operating expenses increased largely as a result of increased (i) travel and entertainment mostly related to our all-company meeting, with no comparable activity in 2023, (ii) software costs associated with automation efforts, and (iii) miscellaneous expenses.

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Cash Flows from Operating Activities

Our cash flows from operating activities are generated from loan sales, servicing fees, placement fees, 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

Our cash flows from investing activities include capital expenditures, the funding and repayment of loans held for investment, contributions to and distributions from joint ventures, purchases of equity-method investments, cash paid for acquisitions, and the purchase of available-for-sale ("AFS") securities pledged to Fannie Mae.

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 believe that our current warehouse loan facilities are adequate to meet our loan origination needs. Historically, we have used a combination of long-term debt and cash 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 occasionally for acquisitions (non-cash transactions).

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Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

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

SIGNIFICANT COMPONENTS OF CASH FLOWS

(in thousands)	For the six months ended June 30,		Dollar Change	Percentage Change	For the nine months ended September 30,		Dollar Change	Percentage Change
	2024	2023			2024	2023		
Net cash provided by (used in) operating activities	\$ (199,449)	\$ (881,031)	\$ 681,582	(77)%	\$ (401,458)	\$ (332,412)	\$ (69,046)	21 %
Net cash provided by (used in) investing activities	(29,611)	110,616	(140,227)	(127)	(37,143)	146,569	(183,712)	(125)
Net cash provided by (used in) financing activities	119,147	796,024	(676,877)	(85)	313,838	228,207	85,631	38
Total of cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period ("Total cash")	281,490	283,892	(2,402)	(1)				
Total of cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period					266,640	300,647	(34,007)	(11)
Cash flows from (used in) operating activities								
Cash provided by (used in) operating activities								
Net receipt (use) of cash for loan origination activity	\$ (232,844)	\$ (901,749)	\$ 668,905	(74)%	\$ (441,774)	\$ (378,891)	\$ (62,883)	17 %

Net cash provided by (used in) operating activities, excluding loan origination activity	33,395	20,718	12,677	61	40,316	46,479	(6,163)	(13)
Cash flows from (used in) investing activities								
Cash provided by (used in) investing activities								
Purchases of pledged AFS securities								
	\$ (20,900)	\$ —	\$ (20,900)	N/A %	\$ (20,900)	\$ —	\$ (20,900)	N/A %
Purchases of equity-method investments								
	(11,537)	(15,231)	3,694	(24)				
Originations and repurchase of loans held for investment								
					(25,619)	(366)	(25,253)	6,900
Principal collected on loans held for investment								
	16,580	129,260	(112,680)	(87)	17,659	161,167	(143,508)	(89)
Repurchase of Agency loans								
	(13,469)	—	(13,469)	N/A				
Cash flows from (used in) financing activities								
Cash provided by from (used in) financing activities								
Borrowings (repayments) of warehouse notes payable, net								
	\$ 222,197	\$ 902,144	\$ (679,947)	(75)%	\$ 452,497	\$ 387,109	\$ 65,388	17 %
Repayments of interim warehouse notes payable								
	(13,884)	(91,586)	77,702	(85)	(13,884)	(119,835)	105,951	(88)
Repayments of notes payable								
	(4,006)	(118,046)	114,040	(97)	(6,013)	(120,046)	114,033	(95)
Repurchase of common stock								
					(12,012)	(18,928)	6,916	(37)
Borrowings of note payable								
	—	196,000	(196,000)	(100)	—	196,000	(196,000)	(100)
Repurchase of common stock								
	(10,598)	(18,057)	7,459	(41)				
Payment of contingent consideration								
					(34,317)	(26,090)	(8,227)	32
Purchase of noncontrolling interest								
	(4,000)	—	(4,000)	N/A	(5,000)	—	(5,000)	N/A

Operating Activities

Cash provided by (used in) operating activities changed due to:

- (i) *Loan origination activity.* Agency loans originated 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 increase in net cash used in loan origination activities is primarily attributable to originations outpacing sales by \$441.8 million in 2024 compared to \$378.9 million in 2023.
- (ii) *Other activities.* Cash flows provided by other operating activities were \$40.3 million in 2024, down from \$46.5 million in 2023. The primary reason for the change was a change in the adjustment for credit losses. The provision (benefit) for credit losses was a \$6.3 million positive adjustment for the nine months ended September 30, 2024 compared to an \$11.1 million negative adjustment for the nine months ended September 30, 2023. This positive benefit to cash from operating activities was partially offset by a \$9.2 million increase in other operating activities, net and a \$14.3 million decrease in net income.

Investing Activities

Cash provided by (used in) investing activities changed due to:

- (i) *AFS securities.* Purchases of AFS securities increased during 2024 as we reinvested proceeds from the prepayment of AFS securities.

The decrease in cash used in operating activities was driven primarily by (ii) *Principal collected on 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.* *investment.* The decrease in net cash used in loan origination activities is primarily attributable to originations outpacing sales by \$232.8 million in 2024 compared to \$901.8 million in 2023. Excluding cash flow provided by origination and sale of loans, cash flows provided by operating activities were \$33.4 million in 2024, up from \$20.7 million in 2023. The primary reason for the change was a change in the adjustment for credit losses. The provision (benefit) for credit losses was a \$3.5 million positive adjustment for the six months ended June 30, 2024 compared to an \$11.5 million negative adjustment for the six months ended June 30, 2023.

The change to net cash used in investing activities in 2024 from net cash provided by investing activities in 2023 was due to (i) an increase in the purchase of AFS securities, (ii) a decrease of the principal collected on loans held for investment and (iii) the repurchase of an Agency loan during the first quarter 2024 with no comparable activity in 2023. We decreased, as we have been winding down our Interim Loan Program ("ILP") loans over the past several years. As of the beginning of 2024, we only had two ILP loans compared to nine loans as of the beginning of 2023. The changes were partially offset by a decrease in purchases of equity-method investments, as we made fewer capital contributions in our equity-method investments.

(ii) *Originations and repurchase of loans held for investment.* The increase was due to an Agency loan repurchase during 2024 with no comparable activity in 2023 and the origination of a short-term bridge loan during 2024 compared to minimal originations in 2023.

Financing Activities

The decrease in the cash provided by (used in) financing activities was largely attributable to the decrease in net cash used due to:

(i) *Net borrowings of warehouse notes payable.* The increase was due to the aforementioned increase in cash used in loan origination activity.

(ii) *Repayments of interim warehouse notes payable.* The decrease was due to the aforementioned decrease in loan origination activity, a decrease in borrowings of note payable, and payments net principal collected on loans held for the purchase of noncontrolling interest, partially offset by decreases in repayments of interim warehouse notes payable due to the aforementioned decrease in payoffs of ILP loans, repayments of notes payable, and the repurchase of common stock. *investment.*

(iii) *Repayments of notes payable.* In 2023, we had an additional borrowing under our Term Loan (as defined in Liquidity and Capital Resources below), a portion of which was used to repay a note payable at one of our subsidiaries, with no comparable activity in 2024. The activity in 2024 represents routine quarterly principal payments on our Term Loan.

(iv) *Repurchase of common stock.* The decrease in repurchases of common stock was related 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.

Partially offsetting the aforementioned changes that increased cash were the following activities that decreased cash:

(i) *Borrowings of note payable.* The decrease was attributable to an additional borrowing under our Term Loan (as defined in Liquidity and Capital Resources below), a portion of which was used to repay a note payable at one of our subsidiaries, in 2023, with no comparable activity in 2024. This unique transaction resulted

(ii) *Payment of contingent consideration.* The increase was due to earnout targets being met by one of our larger contingent consideration liabilities at a higher rate in 2024 than in 2023. The decrease in repurchases of common stock was related 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. The purchase 2023.

(iii) *Purchase of noncontrolling interest in 2024.* This was a unique transaction in 2024 with no comparable activity in 2023.

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.

SUPPLEMENTAL OPERATING DATA
CAPITAL MARKETS

(in thousands)	For the three months ended				For the three months ended							
	June 30,		Dollar Change	Percentage Change	September 30,		Dollar Change	Percentage Change				
	2024	2023			2024	2023						
Transaction Volume												
Components of Debt Financing Volume												
Fannie Mae	\$ 1,510,804	\$ 2,230,952	\$(720,148)	(32)%	\$ 2,001,356	\$ 1,739,332	\$ 262,024	15 %				
Freddie Mac	1,153,190	1,212,887	(59,697)	(5)	1,545,939	1,072,048	473,891	44				
Ginnie Mae-HUD	185,898	147,773	38,125	26	272,054	86,557	185,497	214				
Brokered(1)	3,852,851	3,316,223	536,628	16	4,028,208	3,149,457	878,751	28				
Total Debt Financing Volume	\$ 6,702,743	\$ 6,907,835	\$(205,092)	(3)%	\$ 7,847,557	\$ 6,047,394	\$ 1,800,163	30 %				
Property sales volume	1,530,783	1,504,383	26,400	2	3,602,675	2,508,073	1,094,602	44				
Total Transaction Volume	\$ 8,233,526	\$ 8,412,218	\$(178,692)	(2)%	\$ 11,450,232	\$ 8,555,467	\$ 2,894,765	34 %				
Key Performance Metrics (in thousands)												
Net income	\$ 11,039	\$ 16,107	\$(5,068)	(31)	\$ 21,830	\$ 7,050	14,780	210				
Adjusted EBITDA(2)		(8,532)	(10,334)	1,802	(17)	(4,601)	(15,704)	11,103				
Operating margin		12 %		17 %		20 %		8 %				
Key Revenue Metrics (as a percentage of debt financing volume)												
Origination fees		0.95 %		0.93 %		0.93 %		0.93 %				
MSR income		0.50		0.61		0.55		0.58				
MSR income, as a percentage of Agency debt financing volume		1.17		1.17		1.14		1.22				
For the six months ended												
(in thousands)	June 30,		Dollar Change	Percentage Change	September 30,		Dollar Change	Percentage Change				
	2024	2023			2024	2023						
	Transaction Volume				Key Revenue Metrics (as a percentage of debt financing volume)							
Components of Debt Financing Volume												
Fannie Mae	\$ 2,414,172	\$ 3,589,660	\$(1,175,488)	(33)%	\$ 4,415,528	\$ 5,328,992	\$ (913,464)	(17)%				
Freddie Mac	2,128,116	2,188,624	(60,508)	(3)	3,674,055	3,260,672	413,383	13				
Ginnie Mae-HUD	200,038	275,372	(75,334)	(27)	472,092	361,929	110,163	30				
Brokered(1)	7,171,925	5,679,977	1,491,948	26	11,200,133	8,829,434	2,370,699	27				
Total Debt Financing Volume	\$ 11,914,251	\$ 11,733,633	\$ 180,618	2 %	\$ 19,761,808	\$ 17,781,027	\$ 1,980,781	11 %				
Property sales volume	2,697,934	3,399,065	(701,131)	(21)	6,300,609	5,907,138	393,471	7				
Total Transaction Volume	\$ 14,612,185	\$ 15,132,698	\$ (520,513)	(3)%	\$ 26,062,417	\$ 23,688,165	\$ 2,374,252	10 %				
Key Performance Metrics (in thousands)												
Net income	\$ 4,339	\$ 16,611	\$(12,272)	(74)%	\$ 26,167	\$ 23,661	2,506	11 %				
Adjusted EBITDA(2)		(27,829)	(29,021)	1,192	(4)	(32,431)	(44,725)	12,294				
Operating margin		3 %		11 %		10 %		10 %				

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	0.90 %	0.95 %		0.91 %	0.94 %
MSR income	0.46	0.61		0.49	0.60
MSR income, as a percentage of Agency debt financing volume	1.14	1.19		1.14	1.20

(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."

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**FINANCIAL RESULTS – THREE MONTHS
CAPITAL MARKETS**

(in thousands)	For the three months ended					For the three months ended				
	June 30,		Dollar		Percentage	September 30,		Dollar		Percentage
	2024	2023	Change	Change		2024	2023	Change	Change	
Revenues										
Origination fees	\$ 63,841	\$ 64,574	\$ (733)	(1)%		\$ 72,723	\$ 56,149	\$ 16,574	30 %	
MSR income	33,349	42,058	(8,709)	(21)		43,426	35,375	8,051	23	
Property sales broker fees	11,265	10,345	920	9		19,322	16,862	2,460	15	
Net warehouse interest income (expense), loans held for sale	(1,950)	(2,752)	802	(29)		(2,798)	(2,565)	(233)	(9)	
Other revenues	11,665	11,760	(95)	(1)		11,039	11,875	(836)	(7)	
Total revenues	\$ 118,170	\$ 125,985	\$ (7,815)	(6)		\$ 143,712	\$ 117,696	\$ 26,016	22	
Expenses										
Personnel	\$ 92,480	\$ 93,067	\$ (587)	(1)%		\$ 104,987	\$ 97,973	\$ 7,014	7 %	
Amortization and depreciation	1,138	1,089	49	4		1,137	1,137	—	—	
Interest expense on corporate debt	5,299	4,727	572	12		4,888	4,874	14	0	
Goodwill impairment						—	14,000	(14,000)	(100)	
Fair value adjustments to contingent consideration liabilities						(1,366)	(14,000)	12,634	90	
Other operating expenses	4,642	5,200	(558)	(11)		5,137	4,193	944	23	
Total expenses	\$ 103,559	\$ 104,083	\$ (524)	(1)		\$ 114,783	\$ 108,177	\$ 6,606	6	
Income (loss) from operations	\$ 14,611	\$ 21,902	\$ (7,291)	(33)		\$ 28,929	\$ 9,519	\$ 19,410	204	
Income tax expense (benefit)	3,359	5,572	(2,213)	(40)		7,073	2,386	4,687	196	
Net income (loss) before noncontrolling interests	\$ 11,252	\$ 16,330	\$ (5,078)	(31)		\$ 21,856	\$ 7,133	\$ 14,723	206	
Less: net income (loss) from noncontrolling interests	213	223	(10)	(4)		26	83	(57)	(69)	
Net income (loss)	\$ 11,039	\$ 16,107	\$ (5,068)	(31)		\$ 21,830	\$ 7,050	\$ 14,780	210	

**FINANCIAL RESULTS – SIX NINE MONTHS
CAPITAL MARKETS**

(in thousands)	For the six months ended						For the nine months ended					
	June 30,		Dollar Change		Percentage Change		September 30,		Dollar Change		Percentage Change	
	2024	2023					2024	2023				
Revenues												
Origination fees	\$ 107,541	\$ 111,530	\$ (3,989)		(4)%		\$ 180,264	\$ 167,679	\$ 12,585		8 %	
MSR income	54,247	72,071	(17,824)		(25)		97,673	107,446	(9,773)		(9)	
Property sales broker fees	20,086	21,969	(1,883)		(9)		39,408	38,831	577		1	
Net warehouse interest income (expense), loans held for sale	(3,524)	(4,441)	917		(21)		(6,322)	(7,006)	684		10	
Other revenues	21,717	28,860	(7,143)		(25)		32,756	40,735	(7,979)		(20)	
Total revenues	<u>\$ 200,067</u>	<u>\$ 229,989</u>	<u>\$ (29,922)</u>		<u>(13)</u>		<u>\$ 343,779</u>	<u>\$ 347,685</u>	<u>\$ (3,906)</u>		<u>(1)</u>	
Expenses												
Personnel	\$ 171,667	\$ 183,529	\$ (11,862)		(6)%		\$ 276,655	\$ 281,502	\$ (4,847)		(2)%	
Amortization and depreciation	2,275	2,275	—		—		3,412	3,412	—		—	
Interest expense on corporate debt	10,150	8,996	1,154		13		15,038	13,870	1,168		8	
Goodwill impairment							—	14,000	(14,000)		(100)	
Fair value adjustments to contingent consideration liabilities							(1,366)	(14,000)	12,634		90	
Other operating expenses	9,694	10,844	(1,150)		(11)		14,831	15,037	(206)		(1)	
Total expenses	<u>\$ 193,786</u>	<u>\$ 205,644</u>	<u>\$ (11,858)</u>		<u>(6)</u>		<u>\$ 308,570</u>	<u>\$ 313,821</u>	<u>\$ (5,251)</u>		<u>(2)</u>	
Income (loss) from operations	<u>\$ 6,281</u>	<u>\$ 24,345</u>	<u>\$ (18,064)</u>		<u>(74)</u>		<u>\$ 35,209</u>	<u>\$ 33,864</u>	<u>\$ 1,345</u>		<u>4</u>	
Income tax expense (benefit)	1,615	6,076	(4,461)		(73)		8,689	8,462	227		3	
Net income (loss) before noncontrolling interests	<u>\$ 4,666</u>	<u>\$ 18,269</u>	<u>\$ (13,603)</u>		<u>(74)</u>		<u>\$ 26,520</u>	<u>\$ 25,402</u>	<u>\$ 1,118</u>		<u>4</u>	
Less: net income (loss) from noncontrolling interests	327	1,658	(1,331)		(80)		353	1,741	(1,388)		(80)	
Net income (loss)	<u>\$ 4,339</u>	<u>\$ 16,611</u>	<u>\$ (12,272)</u>		<u>(74)</u>		<u>\$ 26,167</u>	<u>\$ 23,661</u>	<u>\$ 2,506</u>		<u>11</u>	

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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				For the six months ended				For the three months ended				For the nine months ended			
	June 30,		June 30,		September 30,		September 30,		September 30,		September 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Fannie Mae	23 %	32 %	20 %		31 %	26 %	29 %	22 %	30 %							
Freddie Mac	17	18	18		19	20	18	19	18		19	18				
Ginnie Mae-HUD	3	2	2		2	3	1	2	2		2	2				
Brokered	57	48	60		48	51	52	57	50							
Mortgage Banking Details (basis points)																
Origination Fee Rate (1)	95	93	90		95	93	91	91	94							

	<i>Basis Point Change</i>	2	(5)	-	(3)
	<i>Percentage Change</i>	2 %	(5)%	- %	(3)%
MSR Rate (2)		50	61	46	61
	<i>Basis Point Change</i>	(11)	(15)	(3)	(11)
	<i>Percentage Change</i>	(18)%	(25)%	(5)%	(18)%
Agency MSR Rate (3)		117	117	114	119
	<i>Basis Point Change</i>	—	(5)	(8)	(6)
	<i>Percentage Change</i>	— %	(4)%	(7)%	(5)%

(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 ~~six~~ three months ended ~~June 30, 2024~~ September 30, 2024, the ~~decrease~~ increase in origination fees was the result of the increase in debt financing volume.

For the nine months ended September 30, 2024, the increase in origination fees was primarily driven by the result of increase in debt financing volume year over year, partially offset by a 5-basis-point decrease slight decline in our origination fee rate partially offset by a 2% increase due to the shift in overall the mix of our debt financing volume towards brokered debt financing volume. See the "Overview of Current Business Environment" section above for a detailed discussion of the factors driving the change in debt financing activity. 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 the decrease in Fannie Mae financing volume as a percentage of total debt financing volume as seen above. Brokered loans have lower origination fees than Fannie Mae loans.

For the three months ended ~~June 30, 2024~~ September 30, 2024, the increase in our MSR income was driven by the increase in Agency debt financing volume, partially offset by an 8-basis-point decrease in the Agency MSR rate, largely driven by a decrease in FNMA loans as a percentage of Agency debt financing volume during the quarter.

For the nine months ended September 30, 2024, the decreases in our MSR income and Agency MSR rate were driven primarily attributable to by the 32% 17% decrease in Fannie Mae debt financing volume volume shown above. Fannie Mae volume as a percentage of total transaction volume decreased from 32% 30% in 2023 to 23% 22% in 2024. Additionally, the weighted-average duration of Fannie Mae loans decreased 9% year over year due to the continued high interest rate environment. Partially offsetting these factors was a 16% increase in the weighted-average servicing fee ("WASF") on Fannie Mae loans. Fannie Mae loans have higher WASF than our other products, producing produce higher MSR income than compared to our other product types, types, due to their higher weighted average servicing fees.

Property sales broker fees. For the ~~six~~ three months ended ~~June 30, 2024~~ September 30, 2024, the increase was the ~~decrease~~ result of the 44% increase in our MSR income and MSR rate were primarily attributable to the 33% property sales volumes, partially offset by a decrease in Fannie Mae debt financing volume. Fannie Mae volume as a percentage of total transaction volume decreased from 31% in 2023 to 20% in 2024. Additionally, the weighted-average duration of Fannie Mae loans decreased 10% year over year due to the continued high interest rate environment. Partially offsetting these factors was a 13% increase in the WASF on Fannie Mae loans. fee margin.

Other revenues. For the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, the decrease was principally due to an ~~\$8.0 million~~ \$8.3 million decrease in investment banking revenues due to the closing of the largest investment banking advisory transaction in Company history during 2023 with no comparable activity in 2024.

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Expenses

Personnel. For the ~~six~~ three months ended ~~June 30, 2024~~ September 30, 2024, the increase was due to a \$5.8 million increase in commission costs due to higher origination fees and property sales broker fees and a \$1.8 million increase in subjective bonus compensation expense due to the overall company performance during the quarter.

For the nine months ended September 30, 2024, the decrease was primarily the result of a \$3.4 million decrease in salaries and benefits and stock compensation due to lower headcount in the segment, a \$3.4 million decrease in commission costs due to lower origination fees and property sales broker fees, and a \$5.5 million \$2.6 million decrease in the subjective bonus compensation expense, due to lower headcount. Our lower headcount all of which was primarily due to lower average segment headcount, partially offset a workforce reduction which began \$2.4 million increase in commission costs due to have an impact towards the end of the second quarter of 2023. higher origination 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.

Goodwill Impairment. For both the three and nine months ended September 30, 2024, goodwill impairment decreased due to activity in fair value adjustments to contingent consideration liabilities. The activity in 2023 was a triggering event for goodwill impairment assessment. There were no fair value adjustments to contingent consideration liabilities in 2024 that were triggering events for a goodwill impairment assessment.

Fair value adjustments to contingent consideration liabilities. For both the three and nine months ended September 30, 2024, the fair value adjustments made to the contingent consideration liabilities in 2024 were associated with a much smaller acquisition than those made in the prior year, leading to the increase in expenses year over year.

Income 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:

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ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP CAPITAL MARKETS

(in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30, 2024	2023	June 30, 2024	2023	September 30, 2024	2023	September 30, 2024	2023
Reconciliation of Net Income (loss) to Adjusted EBITDA								
<i>Reconciliation of Net Income (Loss) to Adjusted EBITDA</i>								
Net Income (loss)	\$ 11,039	\$ 16,107	\$ 4,339	\$ 16,611	\$ 21,830	\$ 7,050	\$ 26,167	\$ 23,661
Income tax expense (benefit)	3,359	5,572	1,615	6,076	7,073	2,386	8,689	8,462
Interest expense on corporate debt	5,299	4,727	10,150	8,996	4,888	4,874	15,038	13,870
Amortization and depreciation	1,138	1,089	2,275	2,275	1,137	1,137	3,412	3,412
Stock-based compensation expense	3,982	4,229	8,039	9,092	3,897	4,224	11,936	13,316
MSR Income	(33,349)	(42,058)	(54,247)	(72,071)	(43,426)	(35,375)	(97,673)	(107,446)
Goodwill impairment, net of contingent consideration liability fair value adjustments ⁽¹⁾								

Adjusted EBITDA	\$ (8,532)	\$ (10,334)	\$ (27,829)	\$ (29,021)	\$ (4,601)	\$ (15,704)	\$ (32,431)	\$ (44,725)
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(1) For the three and nine months ended September 30, 2023, includes goodwill impairment of \$14.0 million and contingent consideration fair value adjustments of \$14.0 million. For the three and nine months ended September 30, 2024, there was no goodwill impairment or contingent consideration fair value adjustments that resulted in a triggering event for a goodwill impairment assessment.

The following tables present period-to-period comparisons of the components of CM adjusted EBITDA for the three and **six** **nine** months ended **June 30, 2024** September 30, 2024 and **2023**, 2023.

ADJUSTED EBITDA – THREE MONTHS
CAPITAL MARKETS

(in thousands)	For the three months ended				For the three months ended			
	June 30,		Dollar	Percentage	September 30,		Dollar	Percentage
	2024	2023	Change	Change	2024	2023	Change	Change
Origination fees	\$ 63,841	\$ 64,574	\$ (733)	(1)%	\$ 72,723	\$ 56,149	\$ 16,574	30 %
Property sales broker fees	11,265	10,345	920	9	19,322	16,862	2,460	15
Net warehouse interest income (expense), loans held for sale	(1,950)	(2,752)	802	(29)	(2,798)	(2,565)	(233)	(9)
Other revenues	11,452	11,537	(85)	(1)	11,013	11,792	(779)	(7)
Personnel	(88,498)	(88,838)	340	—	(101,090)	(93,749)	(7,341)	8
Other operating expenses	(4,642)	(5,200)	558	(11)	(3,771)	(4,193)	422	(10)
Adjusted EBITDA	\$ (8,532)	\$ (10,334)	\$ 1,802	(17)	\$ (4,601)	\$ (15,704)	\$ 11,103	71

ADJUSTED EBITDA – NINE MONTHS
CAPITAL MARKETS

(in thousands)	For the nine months ended			
	September 30,		Dollar	Percentage
	2024	2023	Change	Change
Origination fees	\$ 180,264	\$ 167,679	\$ 12,585	8 %
Property sales broker fees	39,408	38,831	577	1
Net warehouse interest income (expense), loans held for sale	(6,322)	(7,006)	684	10
Other revenues	32,403	38,994	(6,591)	(17)
Personnel	(264,719)	(268,186)	3,467	(1)
Other operating expenses	(13,465)	(15,037)	1,572	(10)
Adjusted EBITDA	\$ (32,431)	\$ (44,725)	\$ 12,294	27

Three months ended September 30, 2024 compared to three months ended September 30, 2023

Origination fees increased due to an increase in debt financing volume. Property sales broker fees increased due to the increase in property sales volume. Personnel expense increased due to increased commission costs and subjective bonus expense.

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ADJUSTED EBITDA – SIX MONTHS
CAPITAL MARKETS

For the six months ended		
June 30,	Dollar	Percentage

(in thousands)	2024	2023	Change	Change
Origination fees	\$ 107,541	\$ 111,530	\$ (3,989)	(4)%
Property sales broker fees	20,086	21,969	(1,883)	(9)
Net warehouse interest income (expense), loans held for sale	(3,524)	(4,441)	917	(21)
Other revenues	21,390	27,202	(5,812)	(21)
Personnel	(163,628)	(174,437)	10,809	(6)
Other operating expenses	(9,694)	(10,844)	1,150	(11)
Adjusted EBITDA	\$ (27,829)	\$ (29,021)	\$ 1,192	(4)

Three Nine months ended June 30, 2024 September 30, 2024 compared to three nine months ended June 30, 2023

There were no significant drivers of change in Adjusted EBITDA for the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

Six months ended June 30, 2024 compared to six months ended June 30, 2023 September 30, 2023

Origination fees decreased increased due to a decrease in our origination fee rate, partially offset by a small an increase in total debt financing volume. The decrease in other revenues was principally due to a decrease in investment banking revenues. The decrease in personnel expense was primarily due to decreased commission costs due to the decreases in origination fees and property sales broker fees and lower salaries expense and benefits and subjective bonus compensation expense due to a reduction lower segment headcount, partially offset by an increase in headcount for the segment commissions.

Servicing & Asset Management

SUPPLEMENTAL OPERATING DATA SERVICING & ASSET MANAGEMENT

(in thousands)	As of June 30,		Dollar	Percentage	As of September 30,		Dollar	Percentage
	2024	2023			2024	2023		
	Change	Change	Change	Change	2024	2023	Change	Change
Managed Portfolio								
Components of Servicing Portfolio								
Fannie Mae	\$ 64,954,426	\$ 61,356,554	\$ 3,597,872	6 %	\$ 66,068,212	\$ 62,850,853	\$ 3,217,359	5 %
Freddie Mac	39,938,411	38,287,200	1,651,211	4	40,090,158	38,656,136	1,434,022	4
Ginnie Mae-HUD	10,619,764	10,246,632	373,132	4	10,727,323	10,320,520	406,803	4
Brokered (1)	17,239,417	16,684,115	555,302	3	17,156,810	17,091,925	64,885	0
Principal Lending and Investing (2)	25,893	71,680	(45,787)	(64)	38,043	40,000	(1,957)	(5)
Total Servicing Portfolio	\$ 132,777,911	\$ 126,646,181	\$ 6,131,730	5 %	\$ 134,080,546	\$ 128,959,434	\$ 5,121,112	4 %
Assets under management	17,566,666	16,903,055	663,611	4	18,210,452	17,334,877	875,575	5
Total Managed Portfolio	\$ 150,344,577	\$ 143,549,236	\$ 6,795,341	5 %	\$ 152,290,998	\$ 146,294,311	\$ 5,996,687	4 %

(in thousands)	For the three months ended				For the three months ended			
	June 30,		Dollar	Percentage	September 30,		Dollar	Percentage
	2024	2023			2024	2023		
Key Volume and Performance Metrics								
Equity syndication volume(3)	\$ 174,637	\$ 271,181	\$ (96,544)	(36)%	\$ 12,155	\$ 54,119	\$ (41,964)	(78)%
Principal Lending and Investing debt financing volume(4)	214,975	—	214,975	N/A	165,875	—	165,875	N/A
Net income	40,432	35,732	4,700	13	37,482	45,427	(7,945)	(17)
Adjusted EBITDA(5)	124,502	108,459	16,043	15	117,455	124,849	(7,394)	(6)
Operating margin	37 %	34 %			33 %	41 %		

(in thousands)	For the nine months ended			
	September 30,		Dollar	Percentage
	2024	2023		
Key Volume and Performance Metrics				
Equity syndication volume(3)	\$ 232,170	\$ 461,212	\$ (229,042)	(50)%
Principal Lending and Investing volume(4)	396,650	—	396,650	N/A
Net income	121,197	132,243	(11,046)	(8)
Adjusted EBITDA(5)	361,614	346,283	15,331	4
Operating margin	36 %	41 %		

Key Servicing Portfolio Metrics	As of September 30,	
	2024	2023
Custodial escrow deposit balance (in billions)	\$ 3.1	\$ 2.8
Weighted-average servicing fee rate (basis points)	24.1	24.2
Weighted-average remaining servicing portfolio term (years)	7.7	8.4

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(in thousands)	For the six months ended			
	June 30,		Dollar	Percentage
	2024	2023	Change	Change
Key Volume and Performance Metrics				
Equity syndication volume ⁽³⁾	\$ 220,014	\$ 407,094	\$ (187,080)	(46)%
Principal Lending and Investing volume ⁽⁴⁾	230,775	—	230,775	N/A
Net income	83,715	86,816	(3,101)	(4)
Adjusted EBITDA ⁽⁵⁾	244,159	221,434	22,725	10
Operating margin	37 %	40 %		

(in thousands)	As of June 30,			
	2024		2023	
	2024	2023	2024	2023
Key Servicing Portfolio Metrics				
Custodial escrow deposit balance (in billions)	\$ 2.7	\$ 2.8		
Weighted-average servicing fee rate (basis points)	24.1	24.3		
Weighted-average remaining servicing portfolio term (years)	7.9	8.6		

(in thousands)	As of June 30,				As of September 30,			
	2024		2023		2024		2023	
	Equity under management	Assets under management						
Components of assets under management								
Components of equity and assets under management								
LIHTC	\$ 6,665,270	15,196,106	\$ 6,458,869	\$ 14,678,229	\$ 6,838,113	\$ 15,772,089	\$ 6,798,263	\$ 15,248,530
Equity funds	908,054	908,054	787,024	787,024	975,964	975,964	829,662	829,662
Debt funds ⁽⁶⁾	818,471	1,462,506	712,492	1,437,802	782,436	1,462,399	671,375	1,256,685
Total assets under management	\$ 8,391,795	\$ 17,566,666	\$ 7,958,385	\$ 16,903,055				
Total					\$ 8,596,513	\$ 18,210,452	\$ 8,299,300	\$ 17,334,877

(1) Brokered loans serviced primarily for life insurance companies, commercial banks, and other capital sources.
 (2) Consists of interim loans not managed for the Interim Program JV.
 (3) Amount of equity called and syndicated into LIHTC funds.
 (4) Comprised solely of WDIP separate account originations.
 (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 June 30, 2024 September 30, 2024, included \$134.0 million \$105.4 million of equity under management and \$570.3 million \$424.8 million of assets under management of Interim program JV loans. The remainder consisted of WDIP debt funds. As of June 30, 2023 September 30, 2023, includes \$170.2 million \$151.0 million of equity under management and \$895.5 million \$736.3 million of assets under management of Interim program JV loans. The remainder consisted of WDIP debt funds.

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FINANCIAL RESULTS – THREE MONTHS
SERVICING & ASSET MANAGEMENT

(in thousands)	For the three months ended						For the three months ended					
	June 30,		Dollar		Percentage		September 30,		Dollar		Percentage	
	2024	2023	Change	Change	2024	2023	Change	Change	2024	2023	Change	Change
Revenues												
Origination fees	\$ 1,493	\$ 394	\$ 1,099	279 %	\$ 823	\$ —	\$ 823	N/A %				
Servicing fees	80,418	77,061	3,357	4	82,222	79,200	3,022	4				
Investment management fees	14,822	16,309	(1,487)	(9)	11,744	13,362	(1,618)	(12)				
Net warehouse interest income (expense), loans held for investment	366	1,226	(860)	(70)	651	534	117	22				
Placement fees and other interest income	37,170	32,337	4,833	15	40,299	39,475	824	2				
Other revenues	13,963	15,513	(1,550)	(10)	9,145	15,569	(6,424)	(41)				
Total revenues	\$ 148,232	\$ 142,840	\$ 5,392	4	\$ 144,884	\$ 148,140	\$ (3,256)	(2)				
Expenses												
Personnel	\$ 20,077	\$ 21,189	\$ (1,112)	(5)%	\$ 20,951	\$ 17,139	\$ 3,812	22 %				
Amortization and depreciation	53,173	53,550	(377)	(1)	54,668	54,375	293	1				
Provision (benefit) for credit losses	2,936	(734)	3,670	(500)	2,850	421	2,429	577				
Interest expense on corporate debt	10,946	10,707	239	2	11,711	11,096	615	6				
Other operating expenses	6,728	9,946	(3,218)	(32)	6,611	5,039	1,572	31				
Total expenses	\$ 93,860	\$ 94,658	\$ (798)	(1)	\$ 96,791	\$ 88,070	\$ 8,721	10				
Net income (loss) from operations	\$ 54,372	\$ 48,182	\$ 6,190	13	\$ 48,093	\$ 60,070	\$ (11,977)	(20)				
Income tax expense (benefit)	16,521	14,787	1,734	12	10,756	15,040	(4,284)	(28)				
Net income (loss) before noncontrolling interests	\$ 37,851	\$ 33,395	\$ 4,456	13	\$ 37,337	\$ 45,030	\$ (7,693)	(17)				
Less: net income (loss) from noncontrolling interests	(2,581)	(2,337)	(244)	10	(145)	(397)	252	63				
Net income (loss)	\$ 40,432	\$ 35,732	\$ 4,700	13	\$ 37,482	\$ 45,427	\$ (7,945)	(17)				

FINANCIAL RESULTS – SIX MONTHS
SERVICING & ASSET MANAGEMENT

(in thousands)	For the six months ended					
	June 30,		Dollar		Percentage	
	2024	2023	Change	Change		
Revenues						
Origination fees	\$ 1,533	\$ 522	\$ 1,011	194 %		
Servicing fees	160,461	152,827	7,634	5		
Investment management fees	28,342	31,482	(3,140)	(10)		
Net warehouse interest income, loans held for investment	824	2,916	(2,092)	(72)		
Placement fees and other interest income	72,773	61,161	11,612	19		
Other revenues	25,534	27,128	(1,594)	(6)		
Total revenues	\$ 289,467	\$ 276,036	\$ 13,431	5		
Expenses						
Personnel	\$ 38,132	\$ 36,530	\$ 1,602	4 %		

Amortization and depreciation	106,244	107,560	(1,316)	(1)
Provision (benefit) for credit losses	3,460	(11,509)	14,969	(130)
Interest expense on corporate debt	22,137	20,289	1,848	9
Other operating expenses	11,851	11,426	425	4
Total expenses	\$ 181,824	\$ 164,296	\$ 17,528	11
Income (loss) from operations	\$ 107,643	\$ 111,740	\$ (4,097)	(4)
Income tax expense (benefit)	27,674	27,891	(217)	(1)
Net income (loss) before noncontrolling interests	\$ 79,969	\$ 83,849	\$ (3,880)	(5)
Less: net income (loss) from noncontrolling interests	(3,746)	(2,967)	(779)	26
Net income (loss)	\$ 83,715	\$ 86,816	\$ (3,101)	(4)

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FINANCIAL RESULTS – NINE MONTHS SERVICING & ASSET MANAGEMENT

(in thousands)	For the nine months ended				
	September 30,		Dollar	Percentage	
	2024	2023	Change	Change	
Revenues					
Origination fees	\$ 2,356	\$ 522	\$ 1,834	351 %	
Servicing fees	242,683	232,027	10,656	5	
Investment management fees	40,086	44,844	(4,758)	(11)	
Net warehouse interest income (expense), loans held for investment	1,475	3,450	(1,975)	(57)	
Placement fees and other interest income	113,072	100,636	12,436	12	
Other revenues	34,679	42,697	(8,018)	(19)	
Total revenues	\$ 434,351	\$ 424,176	\$ 10,175	2	
Expenses					
Personnel	\$ 59,083	\$ 53,669	\$ 5,414	10 %	
Amortization and depreciation	160,912	161,935	(1,023)	(1)	
Provision (benefit) for credit losses	6,310	(11,088)	17,398	157	
Interest expense on corporate debt	33,848	31,385	2,463	8	
Other operating expenses	18,462	16,465	1,997	12	
Total expenses	\$ 278,615	\$ 252,366	\$ 26,249	10	
Income (loss) from operations	\$ 155,736	\$ 171,810	\$ (16,074)	(9)	
Income tax expense (benefit)	38,430	42,931	(4,501)	(10)	
Net income (loss) before noncontrolling interests	\$ 117,306	\$ 128,879	\$ (11,573)	(9)	
Less: net income (loss) from noncontrolling interests	(3,891)	(3,364)	(527)	(16)	
Net income (loss)	\$ 121,197	\$ 132,243	\$ (11,046)	(8)	

Revenues

Servicing fees. For the three and **six** nine months ended **June 30, 2024** **September 30, 2024**, the increase was primarily attributable to an increase in the average servicing portfolio period over period as shown below, slightly offset by a decline in the average servicing fee rate. The increase in the average servicing portfolio was driven by the **\$3.6 billion** **\$3.2 billion** increase in Fannie Mae and the **\$1.7 billion** **\$1.4 billion** increase in Freddie Mac loans serviced over the past year. The decrease in the average servicing fee rate was the result of the WASF on new debt financing volume being lower than the WASF for the loans paid off in the portfolio over the past year.

Servicing Fees Details (in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Average Servicing Portfolio	\$ 132,339,382	\$ 125,351,124	\$ 131,763,014	\$ 124,596,933	\$133,563,794	\$127,971,088	\$132,381,836	\$125,741,670
Dollar Change	\$ 6,988,258		\$ 7,166,081		\$ 5,592,706		\$ 6,640,166	
Percentage Change	6 %		6 %		4 %		5 %	
Average Servicing Fee (basis points)	24.0	24.3	24.0	24.4	24.1	24.2	24.1	24.3
Basis Point Change	(0.3)		(0.4)		(0.1)		(0.2)	
Percentage Change	(1)%		(2)%		0 %		(1)%	

Investment management fees. For the three months ended June 30, 2024 September 30, 2024, investment management fees declined principally due to as investment management fees from our LIHTC operations decreased by \$3.5 million, partially offset by a \$1.5 million decrease \$1.9 million increase in revenue investment management fees from our Principal Investing funds due to lower asset sales funds. For the six nine months ended June 30, 2024 September 30, 2024, investment management fees decreased primarily due to a decline in asset investment management fees from our LIHTC operations of \$2.1 million \$5.6 million. The declines in investment management fees from our LIHTC funds were the result of lower accruals for the fees due to lower anticipated revenues for the year.

Placement fees and other interest income. For the three and six nine months ended June 30, 2024 September 30, 2024, the increase was driven primarily by an increase in our placement fees on escrow deposits of \$4.1 million and \$10.4 million, respectively. \$11.1 million combined with a \$1.6 million increase in investment interest income from

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our pledged securities. The placement fee rates on escrow deposits increased as a result of a higher short-term interest rate environment in 2024 compared to the same period in 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. Additionally, the average balance of escrow deposits increased 4% year over year.

Other revenues. For the three months ended June 30, 2024 September 30, 2024, other revenues decreased primarily due to a \$1.7 million \$3.0 million decrease in income from equity method investments, a \$4.2 million reduction in syndication and other revenues due related to a 36% lower 78% decline in gross equity syndication volume raised year over year as the closing of one of our LIHTC funds was delayed in the third quarter of 2024.

For the nine months ended September 30, 2024, the other revenues decrease was largely driven by a \$9.2 million decrease in syndication and other revenues related to a 50% decrease in gross equity raised year over year as the closing of one of our LIHTC funds was delayed in the third quarter of 2024, partially offset by a \$1.1 million increase in income from equity method investments.

Expenses

Personnel. For the three and nine months ended September 30, 2024, personnel expense rose due to increases of \$2.5 million and \$5.4 million, respectively, in salaries and benefits due to increases in average segment headcount. For the three months ended September 30, 2024 only, the increase was also due to an increase in commission costs increased by \$1.4 million. The increase in commission costs was due to the increased volume of committed investments in tax credit equity closed during the quarter that are awaiting syndication into LIHTC funds.

Provision (benefit) for credit losses. For the three months ended June 30, 2024 September 30, 2024, Provision provision (benefit) for credit losses switched from a benefit for the three months ended June 30, 2023 to an expense for the three months ended June 30, 2024 increased primarily due to a \$2.6 million \$3.0 million increase in provision for other credit losses in 2024 related to the fair value of our forbearance and indemnification agreements discussed agreement with Freddie Mac, with no comparable activity in NOTE 2 above. For the three months ended June 30, 2023, the benefit was related to an updated collateral-based reserve.2023.

For the six nine months ended June 30, 2024 September 30, 2024, provision (benefit) for credit losses switched from a large benefit in 2023 to a provision in 2024. The provision for credit losses in 2024 was primarily attributable to a \$4.6 million \$7.6 million provision related to the forbearance and indemnification agreements discussed in NOTE 2, partially offset by a \$1.1 million benefit for risk-sharing obligations resulting from an update to our historical loss rate and forecast-period loss rate, with no comparable activity in 2023. The benefit for credit losses in 2023 was primarily due to the annual update of our historical loss rate and forecast-period loss rates that resulted in a large decrease to the calculated expected credit losses. The 2023 update resulted in the loss data from earlier periods within the historical

lookback period falling off and being replaced with a period with significantly lower loss data, resulting in the historical loss rate decreasing substantially. The 2024 update had a much lower impact.

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 condensed 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 June 30, 2024 September 30, 2024, other operating expenses decreased the increase was primarily as a result of decreased miscellaneous expenses year over year, largely from our affordable operations. \$1.9 million and \$2.1 million, respectively, of costs associated with operating properties that we control through loan repurchase or indemnification, with no comparable activity in the prior year.

Income 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.

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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:

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ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP
SERVICING & ASSET MANAGEMENT

(in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
<i>Reconciliation of Net Income (loss) to Adjusted EBITDA</i>								
<i>Reconciliation of Net Income (loss) to Adjusted EBITDA</i>								
Net Income (loss)	\$ 40,432	\$ 35,732	\$ 83,715	\$ 86,816	\$ 37,482	\$ 45,427	\$ 121,197	\$ 132,243
Income tax expense (benefit)	16,521	14,787	27,674	27,891	10,756	15,040	38,430	42,931
Interest expense on corporate debt	10,946	10,707	22,137	20,289	11,711	11,096	33,848	31,385
Amortization and depreciation	53,173	53,550	106,244	107,560	54,668	54,375	160,912	161,935
Provision (benefit) for credit losses	2,936	(734)	3,460	(11,509)	2,850	421	6,310	(11,088)
Net write-offs ⁽¹⁾	—	(6,033)	—	(6,033)	(468)	(2,008)	(468)	(8,041)
Stock-based compensation expense	494	450	929	840	456	498	1,385	1,338
Write off of unamortized premium from corporate debt repayment	—	—	—	(4,420)	—	—	—	(4,420)

Adjusted EBITDA	\$ 124,502	\$ 108,459	\$ 244,159	\$ 221,434	\$ 117,455	\$ 124,849	\$ 361,614	\$ 346,283
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(1) The net write-off was related to write-offs for the nine months ended September 30, 2023 includes the \$6.0 million write-off of a collateral-based reserve during the second quarter of 2023 related to a loan held for investment investment during the second quarter of 2023.

The following tables present period-to-period comparisons of the components of SAM adjusted EBITDA for the three and **six** **nine** months ended **June 30, 2024** September 30, 2024 and **2023**, 2023.

ADJUSTED EBITDA – THREE MONTHS
SERVICING & ASSET MANAGEMENT

(in thousands)	For the three months ended				For the three months ended			
	June 30,		Dollar	Percentage	September 30,		Dollar	Percentage
	2024	2023	Change	Change %	2024	2023	Change	N/A %
Origination fees	\$ 1,493	\$ 394	\$ 1,099	279 %	\$ 823	\$ —	\$ 823	N/A %
Servicing fees	80,418	77,061	3,357	4	82,222	79,200	3,022	4
Investment management fees	14,822	16,309	(1,487)	(9)	11,744	13,362	(1,618)	(12)
Net warehouse interest income (expense), loans held for investment	366	1,226	(860)	(70)	651	534	117	22
Placement fees and other interest income	37,170	32,337	4,833	15	40,299	39,475	824	2
Other revenues	16,544	17,850	(1,306)	(7)	9,290	15,966	(6,676)	(42)
Personnel	(19,583)	(20,739)	1,156	(6)	(20,495)	(16,641)	(3,854)	23
Net write-offs ⁽¹⁾	—	(6,033)	6,033	(100)	(468)	(2,008)	1,540	(77)
Other operating expenses	(6,728)	(9,946)	3,218	(32)	(6,611)	(5,039)	(1,572)	31
Adjusted EBITDA	\$ 124,502	\$ 108,459	\$ 16,043	15	\$ 117,455	\$ 124,849	\$ (7,394)	(6)

ADJUSTED EBITDA – NINE MONTHS
SERVICING & ASSET MANAGEMENT

(in thousands)	For the nine months ended			
	September 30,		Dollar	Percentage
	2024	2023	Change	Change %
Origination fees	\$ 2,356	\$ 522	\$ 1,834	351 %
Servicing fees	242,683	232,027	10,656	5
Investment management fees	40,086	44,844	(4,758)	(11)
Net warehouse interest income, loans held for investment	1,475	3,450	(1,975)	(57)
Placement fees and other interest income	113,072	100,636	12,436	12
Other revenues	38,570	46,061	(7,491)	(16)
Personnel	(57,698)	(52,331)	(5,367)	10
Net write-offs	(468)	(8,041)	7,573	(94)
Other operating expenses	(18,462)	(20,885)	2,423	(12)
Adjusted EBITDA	\$ 361,614	\$ 346,283	\$ 15,331	4

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ADJUSTED EBITDA – SIX MONTHS
SERVICING & ASSET MANAGEMENT

For the six months ended

(in thousands)	June 30,		Dollar	Percentage
	2024	2023	Change	Change
Origination fees	\$ 1,533	\$ 522	\$ 1,011	194 %
Servicing fees	160,461	152,827	7,634	5
Investment management fees	28,342	31,482	(3,140)	(10)
Net warehouse interest income, loans held for investment	824	2,916	(2,092)	(72)
Placement fees and other interest income	72,773	61,161	11,612	19
Other revenues	29,280	30,095	(815)	(3)
Personnel	(37,203)	(35,690)	(1,513)	4
Net write-offs ⁽¹⁾	—	(6,033)	6,033	(100)
Other operating expenses	(11,851)	(15,846)	3,995	(25)
Adjusted EBITDA	\$ 244,159	\$ 221,434	\$ 22,725	10

⁽¹⁾The net write-off was related to the write-off of a collateral-based reserve during the second quarter of 2023 related to a loan held for investment.

Three and six nine months ended June 30, 2024 September 30, 2024 compared to three and six nine months ended June 30, 2023 September 30, 2023

Servicing For both the three and nine months ended September 30, 2024, servicing fees increased due to growth in the average servicing portfolio period over period as a result of loan originations. **For the three months ended June 30, 2024, investment management fees declined principally due to a decrease in revenue from our Principal Investing funds. For the six months ended June 30, 2024, investment management fees decreased primarily due to a decline in asset management fees from our LIHTC operations.** **Placement** Other revenues decreased primarily due to a reduction in syndication and other revenues related to lower gross equity raised year over year. Personnel expense rose due to increases in salaries and benefits due to increases in average segment headcount. For the three months ended September 30, 2024 only, the increase was also attributable to an increase in commission costs. Net write-offs decreased due to the size and number of loans charged off in 2023 compared to 2024. Other operating expenses increased due to costs associated with operating properties that we control through loan repurchase or indemnification.

For the nine months ended September 30, 2024 only, placement fees and other interest income increased largely due to an increase in placement fee rates. For the three months ended June 30, 2024, other revenues decreased primarily due to a reduction in syndication revenues due to lower equity syndication volume year over year. Net write-offs decreased due to a charge off related to a loan held for investment that settled in the second quarter of 2023, with no comparable activity in 2024. For the three months ended June 30, 2024, other operating expenses decreased primarily as a result of decreased miscellaneous expenses year over year, largely from our affordable operations.

Corporate

FINANCIAL RESULTS – THREE MONTHS CORPORATE

(in thousands)	For the three months ended				For the three months ended			
	June 30,		Dollar	Percentage	September 30,		Dollar	Percentage
	2024	2023	Change	Change	2024	2023	Change	Change
Revenues								
Other interest income	\$ 3,870	\$ 3,049	\$ 821	27 %	\$ 3,258	\$ 3,525	\$ (267)	(8)%
Other revenues	404	741	(337)	(45)	450	(618)	1,068	173
Total revenues	\$ 4,274	\$ 3,790	\$ 484	13	\$ 3,708	\$ 2,907	\$ 801	28
Expenses								
Personnel	\$ 20,510	\$ 19,049	\$ 1,461	8 %	\$ 19,600	\$ 21,395	\$ (1,795)	(8)%
Amortization and depreciation	1,732	1,653	79	5	1,756	1,967	(211)	(11)
Interest expense on corporate debt	1,629	1,576	53	3	1,633	1,624	9	1
Other operating expenses	21,189	15,584	5,605	36	20,236	19,297	939	5
Total expenses	\$ 45,060	\$ 37,862	\$ 7,198	19	\$ 43,225	\$ 44,283	\$ (1,058)	(2)
Income (loss) from operations	\$ (40,786)	\$ (34,072)	\$ (6,714)	20	\$ (39,517)	\$ (41,376)	\$ 1,859	4
Income tax expense (benefit)	(11,978)	(9,868)	(2,110)	21	(9,007)	(10,357)	1,350	13
Net income (loss)	\$ (28,808)	\$ (24,204)	\$ (4,604)	19	\$ (30,510)	\$ (31,019)	\$ 509	2

Adjusted EBITDA ⁽¹⁾	\$ (35,039)	\$ (27,624)	\$ (7,415)	27 %	\$ (33,949)	\$ (35,080)	\$ 1,131	3 %
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FINANCIAL RESULTS – SIX NINE MONTHS
CORPORATE

(in thousands)	For the six months ended						For the nine months ended					
	June 30,		Dollar		Percentage		September 30,		Dollar		Percentage	
	2024	2023	Change	Change	2024	2023	Change	Change	2024	2023	Change	Change
Revenues												
Other interest income	\$ 7,669	\$ 5,149	\$ 2,520	49 %	\$ 10,927	\$ 8,674	\$ 2,253	26 %				
Other revenues	1,532	187	1,345	719	1,982	(431)	2,413	560				
Total revenues	\$ 9,201	\$ 5,336	\$ 3,865	72	\$ 12,909	\$ 8,243	\$ 4,666	57				
Expenses												
Personnel	\$ 34,731	\$ 31,859	\$ 2,872	9 %	\$ 54,330	\$ 53,254	\$ 1,076	2 %				
Amortization and depreciation	3,415	3,423	(8)	(0)	5,171	5,390	(219)	(4)				
Interest expense on corporate debt	3,246	2,999	247	8	4,879	4,623	256	6				
Other operating expenses	39,857	32,523	7,334	23	60,093	51,820	8,273	16				
Total expenses	\$ 81,249	\$ 70,804	\$ 10,445	15	\$ 124,473	\$ 115,087	\$ 9,386	8				
Net income (loss) from operations	\$ (72,048)	\$ (65,468)	\$ (6,580)	10	\$ (111,564)	\$ (106,844)	\$ (4,720)	(4)				
Income tax expense (benefit)	(18,523)	(16,341)	(2,182)	13	(27,531)	(26,698)	(833)	(3)				
Net income (loss)	\$ (53,525)	\$ (49,127)	\$ (4,398)	9	\$ (84,033)	\$ (80,146)	\$ (3,887)	(5)				
Adjusted EBITDA ⁽¹⁾	\$ (61,263)	\$ (53,937)	\$ (7,326)	14 %	\$ (95,211)	\$ (89,017)	\$ (6,194)	(7)%				

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

Revenues

Other interest income. For the six nine months ended June 30, 2024 September 30, 2024, the increase was due to an increase in the interest rates we earn on our cash deposits held by our corporate segment as interest rates continued to rise throughout 2023 and remained elevated in 2024.

Other revenues. For the six nine months ended June 30, 2024 September 30, 2024, the increase was largely due to an increase in income from equity-method investments, partially offset by a small decrease in miscellaneous revenue categories. investments.

Expenses

Personnel. For the three and six months ended June 30, 2024 September 30, 2024, the increases were decrease was primarily due to increases a \$4.4 million decrease in subjective bonus compensation expense, bonuses tied to company performance, principally for our executive officers, partially offset by decreases a \$1.7 million increase in salaries benefits, severance and other compensation costs, and decreases in stock compensation costs. The \$3.5 million and \$5.7 million increases in subjective bonus compensation expense for the three and six months ended June 30, 2024, respectively, was benefits due to our expected full year performance compared to targets. The \$1.1 million and \$1.5 million decreases a 2% increase in salaries, benefits, and severance costs for the three- and six-month periods, respectively, were due to lower headcounts as a result of our workforce reduction which began to have an impact towards the end of the second quarter of 2023. Stock compensation costs decreased by about \$1.0 million during each of the three- and six-month periods primarily due to fewer equity grants in 2024 compared to 2023, average segment headcount.

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 six nine months ended June 30, 2024 September 30, 2024, the increases were increase was primarily driven by increases in travel and entertainment, software, and miscellaneous expenses.

Income 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.

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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

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above in our *Consolidated Results of Operations—Non-GAAP Financial Measure*. Corporate adjusted EBITDA is reconciled to net income as follows:

ADJUSTED FINANCIAL MEASURE RECONCILIATION TO GAAP
CORPORATE

(in thousands)	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Reconciliation of Net Income (loss) to Adjusted EBITDA								
Reconciliation of Net Income (loss) to Adjusted EBITDA								
Net Income (loss)	\$ (28,808)	\$ (24,204)	\$ (53,525)	\$ (49,127)	\$ (30,510)	\$ (31,019)	\$ (84,033)	\$ (80,146)
Income tax expense (benefit)	(11,978)	(9,868)	(18,523)	(16,341)	(9,007)	(10,357)	(27,531)	(26,698)
Interest expense on corporate debt	1,629	1,576	3,246	2,999	1,633	1,624	4,879	4,623
Amortization and depreciation	1,732	1,653	3,415	3,423	1,756	1,967	5,171	5,390
Stock-based compensation expense	2,386	3,219	4,124	5,109	2,179	2,705	6,303	7,814
Adjusted EBITDA	\$ (35,039)	\$ (27,624)	\$ (61,263)	\$ (53,937)	\$ (33,949)	\$ (35,080)	\$ (95,211)	\$ (89,017)

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

ADJUSTED EBITDA – THREE MONTHS
CORPORATE

(in thousands)	For the three months ended				For the three months ended			
	June 30,		Dollar	Percentage	September 30,		Dollar	Percentage
	2024	2023	Change	Change	2024	2023	Change	Change
Other interest income	\$ 3,870	\$ 3,049	\$ 821	27 %	\$ 3,258	\$ 3,525	\$ (267)	(8) %
Other revenues	404	741	(337)	(45)	450	(618)	1,068	173
Personnel	(18,124)	(15,830)	(2,294)	14	(17,421)	(18,690)	1,269	(7)
Other operating expenses	(21,189)	(15,584)	(5,605)	36	(20,236)	(19,297)	(939)	5
Adjusted EBITDA	\$ (35,039)	\$ (27,624)	\$ (7,415)	27	\$ (33,949)	\$ (35,080)	\$ 1,131	3

ADJUSTED EBITDA – SIX NINE MONTHS
CORPORATE

(in thousands)	For the six months ended				For the nine months ended			
	June 30,		Dollar	Percentage	September 30,		Dollar	Percentage
	2024	2023	Change	Change	2024	2023	Change	Change
Other interest income	7,669	5,149	2,520	49 %	10,927	8,674	2,253	26 %
Other revenues	1,532	187	1,345	719	1,982	(431)	2,413	560
Personnel	(30,607)	(26,750)	(3,857)	14	(48,027)	(45,440)	(2,587)	6
Other operating expenses	(39,857)	(32,523)	(7,334)	23	(60,093)	(51,820)	(8,273)	16
Adjusted EBITDA	\$ (61,263)	\$ (53,937)	\$ (7,326)	14	\$ (95,211)	\$ (89,017)	\$ (6,194)	(7)

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Three and six months ended June 30, 2024 September 30, 2024 compared to three and six months ended June 30, 2023 September 30, 2023

ForThere were no significant drivers of change in Adjusted EBITDA for the six months ended June 30, 2024, other September 30, 2024 compared to the three months ended September 30, 2023.

Nine months ended September 30, 2024 compared to nine months ended September 30, 2023

Other interest income increased primarily due to an increase in the interest rates on our cash deposits. For the six months ended June 30, 2024, other Other revenues increased primarily due to an increase in income from equity method investments. The increases in personnel expense were primarily due to a higher subjective bonus compensation expense, partially offset by decreases in salaries and benefits tied to company performance, principally for our executive officers. The increases in other operating expenses were primarily driven by increases in software, travel and entertainment, software, and miscellaneous expenses.

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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 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 **June 30, 2024** **September 30, 2024**. The net worth requirement is derived primarily from unpaid balances on Fannie Mae loans and the level of risk-sharing. As of **June 30, 2024** **September 30, 2024**, the net worth requirement was **\$313.5 million** **\$318.6 million**, and our net worth was **\$980 million** **\$936.7 million**, as measured at our wholly-owned operating subsidiary, Walker & Dunlop, LLC. As of **June 30, 2024** **September 30, 2024**, we were required to maintain at least **\$62.4 million** **\$63.4 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 **June 30, 2024** **September 30, 2024**, we had operational liquidity of **\$183.1 million** **\$155.7 million**, as measured at our wholly-owned operating subsidiary, Walker & Dunlop, LLC.

We paid a cash dividend of \$0.65 per share during the **second** **third** quarter of 2024, which is 3% higher than the quarterly dividend paid in the **second** **third** quarter of 2023. On **August 7, 2024** **November 6, 2024**, the Company's Board of Directors declared a dividend of \$0.65 per share for the **third** **fourth** quarter of 2024. The dividend will be paid on **September 6, 2024** **December 6, 2024** to all holders of record of our restricted and unrestricted common stock as of **August 22, 2024** **November 22, 2024**.

In February 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, 2024. Through **June 30, 2024** **September 30, 2024**, we have not repurchased any shares under the 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, which is an 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 **June 30, 2024** **September 30, 2024**, we held substantially all of our restricted liquidity in Agency MBS in the aggregate amount of **\$160.0 million** **\$156.9 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.

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We are in compliance with the **June 30, 2024** **September 30, 2024** collateral requirements as outlined above. As of **June 30, 2024** **September 30, 2024**, reserve requirements for the **June 30, 2024** **September 30, 2024** DUS loan portfolio will require us to fund **\$70.4 million** **\$71.1 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

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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 **June 30, 2024** **September 30, 2024**.

Sources of Liquidity: Warehouse Facilities and Note 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 2023 Form 10-K, as updated in NOTE 6 in the condensed consolidated financial statements in this Form 10-Q.

Note Payable

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

The warehouse notes payable and note payable are subject to various financial covenants. The Company is in compliance with all of these financial covenants as of **June 30, 2024** **September 30, 2024**.

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[Table of Contents](#)**Credit Quality and Allowance for Risk-Sharing Obligations**

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

<i>(in thousands)</i>	June 30,		September 30,	
	2024	2023	2024	2023
Key Credit Metrics				
Risk-sharing servicing portfolio:				
Fannie Mae Full Risk	\$ 55,915,670	\$ 52,383,701	\$ 57,032,839	\$ 53,549,966
Fannie Mae Modified Risk	9,038,756	8,947,292	9,035,373	9,295,368
Freddie Mac Modified Risk	69,510	23,515	69,400	23,415
Total risk-sharing servicing portfolio	\$ 65,023,936	\$ 61,354,508	\$ 66,137,612	\$ 62,868,749
Non-risk-sharing servicing portfolio:				
Fannie Mae No Risk	\$ —	\$ 25,561	\$ —	\$ 5,519
Freddie Mac No Risk	39,868,901	38,263,685	40,020,758	38,632,721
GNMA - HUD No Risk	10,619,764	10,246,632	10,727,323	10,320,520
Brokered	17,239,417	16,684,115	17,156,810	17,091,925
Total non-risk-sharing servicing portfolio	\$ 67,728,082	\$ 65,219,993	\$ 67,904,891	\$ 66,050,685
Total loans serviced for others	\$ 132,752,018	\$ 126,574,501	\$ 134,042,503	\$ 128,919,434
Interim loans (full risk) servicing portfolio	25,893	71,680	38,043	40,000

Total servicing portfolio unpaid principal balance	\$ 132,777,911	\$ 126,646,181	\$ 134,080,546	\$ 128,959,434
Interim Program JV Managed Loans (1)	570,299	895,491	424,774	736,320
At risk servicing portfolio (2)	\$ 60,122,274	\$ 56,430,098	\$ 61,237,535	\$ 57,857,659
Maximum exposure to at risk portfolio (3)	12,222,290	11,346,580	12,454,158	11,750,068
Defaulted loans(4)	48,560	36,983	59,645	—
Defaulted loans as a percentage of the at-risk portfolio	0.08 %	0.07 %	0.10 %	0.00 %
Allowance for risk-sharing as a percentage of the at-risk portfolio	0.05	0.06	0.05	0.05
Allowance for risk-sharing as a percentage of maximum exposure	0.25	0.29	0.24	0.26

(1) As of **June 30, 2024** **September 30, 2024** and 2023, this balance 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 that** 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 are delinquent 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.

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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

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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 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 it is expected to result in a loss for the Company, and a reserve for estimated credit losses and a guaranty obligation are recorded for all other risk-sharing loans. We do not record a collateral-based reserve when it is probable that a risk sharing loan will foreclose or has foreclosed, but it is not expected to result in a loss for the Company.

The allowance for risk-sharing obligations for the Company's **\$59.5 billion** **\$60.6 billion** at-risk Fannie Mae servicing portfolio as of **June 30, 2024** **September 30, 2024** was **\$30.5 million** **\$29.9 million** compared to \$31.6 million as of December 31, 2023.

As of **June 30, 2024** **September 30, 2024**, **five** **seven** at-risk loans with an aggregate UPB of **\$48.6 million** **\$59.6 million** were in default compared to **two** **no** at-risk loans with an aggregate UPB of **\$37.0 million** as of **June 30, 2023** **September 30, 2023**. The collateral-based reserve on defaulted loans was **\$5.6 million** **\$6.5 million** and **\$3.5 million** **zero** as of **June 30, 2024** **September 30, 2024** and **June 30, 2023**, **2023**, respectively. We had a benefit for risk-sharing obligations of \$0.2 million for the three months ended September 30, 2024 compared to a provision for risk-sharing obligations of **\$0.4 million** **\$0.6 million** for the three months ended **June 30, 2024** compared to a benefit of **\$0.7 million** for the three months ended **June 30, 2023** **September 30, 2023**. We had **benefit** **benefits** for risk-sharing obligations of **\$1.1 million** **\$1.3 million** and **\$11.6 million** **\$11.1 million** for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, respectively.

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. NOTE 2 in the condensed consolidated financial statements has additional details regarding our repurchase obligations.

New/Recent Accounting Pronouncements

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

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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

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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.

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 **533.483** basis points and **508.533** basis points as of **June 30, 2024** **September 30, 2024** and 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.

(in thousands)	As of June 30,		As of September 30,	
Change in annual placement fee revenue due to:	2024	2023	2024	2023
100 basis point <i>increase</i> in EFFR	\$ 26,619	\$ 27,883	\$ 30,814	\$ 28,164
100 basis point <i>decrease</i> in EFFR	(26,619)	(27,883)	(30,814)	(28,164)

The borrowing cost of our warehouse facilities used to fund loans held for sale is based on SOFR. The base SOFR was **533.496** basis points and **509.531** basis points as of **June 30, 2024** **September 30, 2024** and 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 SOFR, based on our warehouse borrowings outstanding at each period end. The changes shown below do not reflect an increase or decrease in the interest rate earned on our loans held for sale.

(in thousands)	As of June 30,		As of September 30,	
Change in annual net warehouse interest income due to:	2024	2023	2024	2023
100 basis point <i>increase</i> in SOFR	\$ (8,077)	\$ (12,971)	\$ (10,382)	\$ (7,822)
100 basis point <i>decrease</i> in SOFR	8,077	12,971	10,382	7,822

Our Corporate Debt is based on Adjusted Term SOFR. The following table shows the impact on our annual earnings due to a 100-basis point increase and decrease in SOFR as of **June 30, 2024** **September 30, 2024** and **June 30, 2023**, 2023, respectively, based on the note payable balance outstanding at each period end.

(in thousands)	As of June 30,		As of September 30,	
Change in annual income from operations due to:	2024	2023	2024	2023
100 basis point <i>increase</i> in SOFR	\$ (7,825)	\$ (7,905)	\$ (7,805)	\$ (7,885)
100 basis point <i>decrease</i> in SOFR	7,825	7,905	7,805	7,885

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 **\$42.7 million** **\$43.1 million** as of **June 30, 2024** **September 30, 2024** compared to **\$42.4 million** **\$43.2 million** as of **June 30, 2023** **September 30, 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 the loan compared to a loan without similar protections. As of both **June 30, 2024** **September 30, 2024** and 2023, 90% of the loans for which we earn servicing fees are protected from the risk of prepayment through prepayment provisions; given this significant level of prepayment protection, we do not hedge our servicing portfolio for prepayment risk.

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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, 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

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information required to be disclosed in our reports under the Exchange Act 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 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 **June 30, 2024** **September 30, 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 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 2023 Form 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 Company's 2024 Equity Incentive Plan, which was approved by stockholders on May 2, 2024 and constitutes an amendment and restatement of the Company's 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 **June 30, 2024** **September 30, 2024**, we purchased **eight** **thirteen** thousand shares to satisfy grantee tax withholding obligations on share-vesting events. During the first quarter of 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, 2024. During the quarter ended **June 30, 2024** **September 30, 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 **June 30, 2024** **September 30, 2024**.

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The following table provides information regarding common stock repurchases for the quarter ended **June 30, 2024** **September 30, 2024**:

Period	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs Yet Be Purchased Under the Plans or Programs				Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs Yet Be Purchased Under the Plans or Programs			
	Total Number of Shares Purchased	Average Price Paid per Share	Part of Publicly Announced Plans or Programs	Yet Be Purchased Under the Plans or Programs	Total Number of Shares Purchased	Average Price Paid per Share	Part of Publicly Announced Plans or Programs	Yet Be Purchased Under the Plans or Programs

April 1-30, 2024	2,034	\$ 98.68	—	75,000,000
May 1-31, 2024	6,456	94.25	—	75,000,000
June 1-30, 2024	—	—	—	75,000,000
2nd Quarter	8,490	\$ 95.31	—	
July 1-31, 2024			721	\$ 93.87
August 1-31, 2024			12,764	105.59
September 1-30, 2024			—	—
3rd Quarter			13,485	\$ 104.96

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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 **June 30, 2024** September 30, 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.

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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 \(incorporated by reference to Exhibit 2.5 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021\).](#)

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 [† \[Indemnification Agreement, dated May 2, 2024, Walker & Dunlop, Inc. and Jeffery R. Howard\]\(#\)](#)

10.2 [† \[Indemnification Agreement, dated June 9, 2024, Walker & Dunlop, Inc. and Gary S. Pinkus\]\(#\)](#)

10.3 [Amendment No. 2, dated as of May 22, 2024, \[7 to the Credit Master Repurchase Agreement, dated as of December 16, 2021 September 12, 2024, by and among the Company, as borrower, JPMorgan Walker & Dunlop, LLC, Walker & Dunlop, Inc., and JP Morgan Chase Bank, N.A., a national banking association, as administrative agent and an Incremental Term B Lender, the several banks and other financial institutions or entities from time to time party thereto, and the other parties thereto \\(as amended by that certain Lender Joinder Agreement and Amendment No. 1, dated as of January 12, 2023\\)\]\(#\) \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on \[May 24, 2024 September 16, 2024\]\(#\)\).](#)

10.4 10.2 [Fourteenth Amendment No. 3 to Second Amended and Restated Warehousing Credit and Security Agreement, Letter, dated as of April 11, 2024 September 12, 2024, by and among Walker & Dunlop, LLC, Walker & Dunlop, Inc., and PNC JP Morgan Chase Bank, National Association, as Lender, N.A. \(incorporated by reference to Exhibit 10.1 10.2 to the Company's Current Report on Form 8-K filed on April 12, 2024\).](#)

10.5 [† \[Walker & Dunlop, Inc. 2024 Equity Incentive Plan \\(incorporated by reference to Annex A to the Company's Definitive Proxy Statement on Schedule 14A, filed on March 15, 2024\\)\]\(#\)](#)

10.6 [† \[Form of Non-Qualified Stock Option Agreement under the 2024 Equity Incentive Plan \\(incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 \\(File No. 333-279068\\) filed on May 2, 2024\\)\]\(#\)](#)

10.7 [† \[Form of Restricted Stock Agreement under the 2024 Equity Incentive Plan \\(incorporated by reference to Exhibit 99.3 to the Company's Registration Statement on Form S-8 \\(File No. 333-279068\\) filed on May 2, 2024\\)\]\(#\)](#)

10.8 [† \[Form of Restricted Stock Agreement \\(Directors\\) under the 2024 Equity Incentive Plan \\(incorporated by reference to Exhibit 99.4 to the Company's Registration Statement on Form S-8 \\(File No. 333-279068\\) filed on May 2, 2024\\)\]\(#\)](#)

10.9 [† \[Form of Restricted Stock \\(Deferred Stock Units\\) Agreement \\(Directors\\) under the 2024 Equity Incentive Plan \\(incorporated by reference to Exhibit 99.5 to the Company's Registration Statement on Form S-8 \\(File No. 333-279068\\) filed on May 2, 2024\\)\]\(#\)](#)

10.10 [† \[Form of Performance Stock Unit Agreement under the 2024 Equity Incentive Plan \\(incorporated by reference to Exhibit 99.6 to the Company's Registration Statement on Form S-8 \\(File No. 333-279068\\) filed on May 2, 2024\\)\]\(#\)](#)

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10.11	†	Form of Over-Performance Stock Unit Agreement under the 2024 Equity Incentive Plan (incorporated by reference to Exhibit 99.7 to the Company's Registration Statement on Form S-8 (File No. 333-279068) filed on May 2, 2024)
10.12	†	Form of Management Deferred Stock Unit Purchase Matching Program Restricted Stock Unit Agreement under the 2024 Equity Incentive Plan (incorporated by reference to Exhibit 99.8 to the Company's Registration Statement on Form S-8 (File No. 333-279068) filed on May 2, 2024)
10.13	†	Form of Management Deferred Stock Unit Purchase Matching Program Deferred Stock Unit Agreement under the 2024 Equity Incentive Plan (incorporated by reference to Exhibit 99.9 to the Company's Registration Statement on Form S-8 (File No. 333-279068) filed on May 2, 2024 September 16, 2024)
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.

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**: Furnished herewith. Information in this Form 10-Q furnished herewith shall not be deemed to be "filed" for the purposes of Section 18 of 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.

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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: **August 8, 2024** November 7, 2024

By: /s/ William M. Walker

William M. Walker
Chairman and Chief Executive Officer

Date: **August 8, 2024** November 7, 2024

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

Exhibit 10.1

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "Agreement") is entered into as of May 2, 2024, by and among Walker & Dunlop, Inc., a Maryland corporation (the "Company" or the "Indemnitor") and Jeffery R. Hayward (the "Indemnitee").

WHEREAS, the Indemnitee is a member of the Board of Directors of the Company and in such capacity is performing a valuable service for the Company;

WHEREAS, Maryland law permits the Company to enter into contracts with its officers or members of its Board of Directors with respect to indemnification of, and advancement of expenses to, such persons;

WHEREAS, the Articles of Amendment and Restatement of the Company (the "Charter") provide that the Company shall indemnify and advance expenses to its directors and officers to the maximum extent permitted by Maryland law in effect from time to time;

WHEREAS, the Amended and Restated Bylaws of the Company (the "Bylaws") provide that each director and officer of the Company shall be indemnified by the Company to the maximum extent permitted by Maryland law in effect from time to time and shall be entitled to advancement of expenses consistent with Maryland law; and

WHEREAS, to induce the Indemnitee to provide services to the Company as a member of the Board of Directors, and to provide the Indemnitee with specific contractual assurance that indemnification will be available to the Indemnitee regardless of, among other things, any amendment to or revocation of the Charter or the Bylaws, or any acquisition transaction relating to the Company, the Indemnitor desires to provide the Indemnitee with protection against personal liability as set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Indemnitor and the Indemnitee hereby agree as follows:

1. DEFINITIONS

For purposes of this Agreement:

- (A) **"Change in Control"** shall have the definition set forth in the Walker & Dunlop, Inc. 2024 Equity Incentive Plan, as amended.
- (B) **"Corporate Status"** describes the status of a person who is or was a director or officer of the Company or is or was serving at the request of the Company

as a director, officer, partner (limited or general), member, director, employee or agent of any other foreign or domestic corporation, partnership, joint venture, limited liability company, trust, other enterprise (whether conducted for profit or not for profit) or employee benefit plan. The Company shall be deemed to have requested the Indemnitee to serve an employee benefit plan where the performance of the

Indemnitee's duties to the Company also imposes or imposed duties on, or otherwise involves or involved services by, the Indemnitee to the plan or participants or beneficiaries of the plan.

- (C) "**Expenses**" shall include all attorneys' and paralegals' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.
- (D) "**Proceeding**" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation (including any formal or informal internal investigation to which the Indemnitee is made a party by reason of the Corporate Status of the Indemnitee), administrative hearing, or any other proceeding, including appeals therefrom, whether civil, criminal, administrative, or investigative, except one initiated by the Indemnitee pursuant to paragraph 8 of this Agreement to enforce such Indemnitee's rights under this Agreement.
- (E) "**Special Legal Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporate law and neither presently is, or in the past two years has been, retained to represent (i) the Indemnitor or the Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

2. INDEMNIFICATION

The Indemnitee shall be entitled to the rights of indemnification provided in this paragraph 2 and under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders or resolution of the Board of Directors or otherwise if, by reason of such Indemnitee's Corporate Status, such Indemnitee is, or is threatened to be made, a party to any threatened, pending, or completed Proceeding, including a Proceeding by or in the right of the Company. Unless prohibited by paragraph 13 hereof and subject to the other provisions of this Agreement, the Indemnitee shall be indemnified hereunder, to the maximum extent permitted by Maryland law in effect from time to time, against judgments, penalties, fines and settlements and reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with such Proceeding or any claim, issue or matter therein; provided, however, that if such Proceeding was initiated by or in the right of the Company,

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indemnification may not be made in respect of such Proceeding if the Indemnitee shall have been finally adjudged to be liable to the Company. For purposes of this paragraph 2, excise taxes assessed on the Indemnitee with respect to an employee benefit plan pursuant to applicable law shall be deemed fines.

3. INDEMNIFICATION FOR EXPENSES IN CERTAIN CIRCUMSTANCES

- (A) To the extent that the Indemnitee is successful, on the merits or otherwise, in any Proceeding to which the Indemnitee could have been entitled to indemnification pursuant to paragraph 2, such Indemnitee shall be indemnified against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with the Proceeding.
- (B) If the Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues, or matters in such Proceeding, the Indemnitor shall indemnify the Indemnitee against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with each successfully resolved claim, issue or matter.
- (C) For purposes of this paragraph (3) and without limitation, the termination of any claim, issue or matter in such Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

4. ADVANCEMENT OF EXPENSES

Notwithstanding anything in this Agreement to the contrary, but subject to paragraph 13 hereof, if the Indemnitee is or was or becomes a party to or is otherwise involved in any Proceeding (including as a witness), or is or was threatened to be made a party to or a participant (including as a witness) in any such Proceeding, by reason of the Indemnitee's Corporate Status, or by reason of (or arising in part out of) any actual or alleged event or occurrence related to the Indemnitee's Corporate Status, or by reason of any actual or alleged act or omission on the part of the Indemnitee taken or omitted in or relating to the Indemnitee's Corporate Status, then the Indemnitor shall advance all reasonable Expenses incurred by the Indemnitee in connection with any such Proceeding within twenty (20) days after the receipt by the Indemnitor of a statement from the Indemnitee requesting such advance from time to time, whether prior to or after final disposition of such Proceeding; provided that, such statement shall reasonably evidence the Expenses incurred or to be incurred by the Indemnitee

and shall include or be preceded or accompanied by (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Indemnitor as authorized by this Agreement has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amounts advanced if it should ultimately be determined that the standard of conduct has not been met. The undertaking required by clause (ii) of the immediately preceding sentence shall be an unlimited general obligation of the Indemnitee but need not be secured and may be accepted without reference to financial ability to make the repayment.

5. WITNESS EXPENSES

Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee is, by reason of such Indemnitee's Corporate Status, a witness for any reason in any Proceeding to which such Indemnitee is not a named defendant or respondent, such Indemnitee shall be indemnified by the Indemnitor against all Expenses actually incurred by or on behalf of such Indemnitee in connection therewith.

6. DETERMINATION OF ENTITLEMENT TO AND AUTHORIZATION OF INDEMNIFICATION

- (A) To obtain indemnification under this Agreement, the Indemnitee shall submit to the Indemnitor a written request, including therewith such documentation and information reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification.
- (B) Indemnification under this Agreement may not be made unless authorized for a specific Proceeding after a determination has been made in accordance with this paragraph 6(B) that indemnification of the Indemnitee is permissible in the circumstances because the Indemnitee has met the following standard of conduct: the Indemnitor shall indemnify the Indemnitee in accordance with the provisions of paragraph 2 hereof, unless it is established that: (a) the act or omission of the Indemnitee was material to the matter giving rise to the Proceeding and (x) was committed in bad faith or (y) was the result of active and deliberate dishonesty; (b) the Indemnitee actually received an improper personal benefit in money, property or services; or (c) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. Upon receipt by the Indemnitor of the Indemnitee's written request for indemnification pursuant to subparagraph 6(A), a determination as to whether the applicable standard of conduct has been met shall be made within the period specified in paragraph 6(E): (i) if a Change in Control shall have occurred, by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee, with Special Legal Counsel selected by the Indemnitee (the Indemnitee shall give prompt written notice to the Indemnitor advising the Indemnitor of the identity of the Special Legal Counsel so selected); or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of directors not, at the time, parties to the Proceeding, or, if such quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors consisting solely of two or more directors not, at the time, parties to such Proceeding and who were duly designated to act in the matter by a majority vote of the full Board of Directors in which the designated directors who are parties may participate, (B) if the requisite quorum of the full Board of Directors cannot be obtained

therefor and the committee cannot be established (or, even if such quorum is obtainable or such committee can be established, if such quorum or committee so directs), by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Special Legal Counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in clause (ii)(A) of this paragraph 6(B) (or, if the requisite quorum of the full Board of Directors cannot be obtained therefor and the committee cannot be established, by a majority of the full Board of Directors in which directors who are parties to the Proceeding may participate) (if the Indemnitor selects Special Legal Counsel to make the determination under this clause (ii), the Indemnitor shall give prompt written notice to the Indemnitee advising them of the identity of the Special Legal Counsel so selected) or (C) if so directed by a majority of the members of the Board of Directors, by the stockholders of the Company. If it is so determined that the Indemnitee is entitled to indemnification, payment to the Indemnitee shall be made within ten (10) days after such determination. Authorization of indemnification and determination as to

reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible. However, if the determination that indemnification is permissible is made by Special Legal Counsel under clause (ii)(B) above, authorization of indemnification and determination as to reasonableness of Expenses shall be made in the manner specified under clause (ii)(B) above for the selection of such Special Legal Counsel.

(C) The Indemnitee shall cooperate with the person or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any reasonable costs or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnitee in so cooperating shall be borne by the Indemnitor (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Indemnitor hereby indemnifies and agrees to hold the Indemnitee harmless therefrom.

(D) In the event the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(B) hereof, the Indemnitee, or the Indemnitor, as the case may be, may, within seven days after such written notice of selection shall have been given, deliver to the Indemnitor or to the Indemnitee, as the case may be, a written objection to such selection. Such objection may be asserted only on the grounds that the Special Legal Counsel so selected does not meet the requirements of "Special Legal Counsel" as defined in paragraph 1 of this Agreement. If such written objection is made, the Special Legal Counsel so selected may not serve as

Special Legal Counsel until a court has determined that such objection is without merit. If, within twenty (20) days after submission by the Indemnitee of a written request for indemnification pursuant to paragraph 6(A) hereof, no Special Legal Counsel shall have been selected or, if selected, shall have been objected to, either the Indemnitor or the Indemnitee may petition a court for resolution of any objection which shall have been made by the Indemnitor or the Indemnitee to the other's selection of Special Legal Counsel and/or for the appointment as Special Legal Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is so resolved or the person so appointed shall act as Special Legal Counsel under paragraph 6(B) hereof. The Indemnitor shall pay all reasonable fees and expenses of Special Legal Counsel incurred in connection with acting pursuant to paragraph 6(B) hereof, and all reasonable fees and expenses incident to the selection of such Special Legal Counsel pursuant to this paragraph 6(D). In the event that a determination of entitlement to indemnification is to be made by Special Legal Counsel and such determination shall not have been made and delivered in a written opinion within ninety (90) days after the receipt by the Indemnitor of the Indemnitee's request in accordance with paragraph 6(A), upon the due commencement of any judicial proceeding in accordance with paragraph 8(A) of this Agreement, Special Legal Counsel shall be discharged and relieved of any further responsibility in such capacity.

(E) The person or entity making the determination whether the Indemnitee is entitled to indemnification will make the determination of Indemnitee's entitlement to indemnification within forty-five (45) days after the latter of the receipt by the Indemnitor of the request therefor or the final resolution of the Proceeding. Such 45-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person or entity making said determination in good faith requires additional time for the obtaining or evaluating of documentation and/or information relating thereto. The foregoing provisions of this paragraph 6(E) shall not apply: (i) if the determination of entitlement to indemnification is to be made by the stockholders and if within fifteen (15) days after receipt by the Indemnitor of the request for such determination the Board of Directors resolves to submit such determination to the stockholders for consideration at an annual or special meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made at such meeting, or (ii) if the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(B) of this Agreement.

7. **PRESUMPTIONS**

(A) In making a determination with respect to entitlement or authorization of indemnification hereunder, the person or entity making such determination

shall presume that the Indemnitee is entitled to indemnification under this Agreement and the Indemnitor shall have the burden of proof to overcome such presumption.

(B) The termination of any Proceeding by conviction, or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

8. **REMEDIES**

(A) In the event that: (i) a determination is made in accordance with the provisions of paragraph 6 that the Indemnitee is not entitled to indemnification under this Agreement, or (ii) advancement of reasonable Expenses is not timely made pursuant to this Agreement, or (iii) payment of indemnification due the Indemnitee under this Agreement is not timely made, the Indemnitee shall be entitled to an adjudication in an appropriate court of competent jurisdiction of such Indemnitee's entitlement to such indemnification or advancement of Expenses.

(B) In the event that a determination shall have been made pursuant to paragraph 6 of this Agreement that the Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this paragraph 8 shall be conducted in all respects as a de novo trial on the merits. The fact that a determination had been made earlier pursuant to paragraph 6 of this Agreement that the Indemnitee was not entitled to indemnification shall not be taken into account in any judicial proceeding commenced pursuant to this paragraph 8 and the Indemnitee shall not be prejudiced in any way by reason of that adverse determination. In any judicial proceeding commenced pursuant to this paragraph 8, the Indemnitor shall have the burden of proving that the Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(C) If a determination shall have been made or deemed to have been made pursuant to this Agreement that the Indemnitee is entitled to indemnification, the Indemnitor shall be bound by such determination in any judicial proceeding commenced pursuant to this paragraph 8, absent: (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(D) The Indemnitor shall be precluded from asserting in any judicial proceeding commenced pursuant to this paragraph 8 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in

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any such court that the Indemnitor is bound by all the provisions of this Agreement.

(E) In the event that the Indemnitee, pursuant to this paragraph 8, seeks a judicial adjudication of such Indemnitee's rights under, or to recover damages for breach of, this Agreement, if successful on the merits or otherwise as to all or less than all claims, issues or matters in such judicial adjudication, the Indemnitee shall be entitled to recover from the Indemnitor, and shall be indemnified by the Indemnitor against, any and all reasonable Expenses actually incurred by such Indemnitee in connection with each successfully resolved claim, issue or matter.

9. **NOTIFICATION AND DEFENSE OF CLAIMS**

The Indemnitee agrees promptly to notify the Indemnitor in writing upon being served with any summons, citation, subpoena, complaint, indictment, information, or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder, but the failure so to notify the Indemnitor will not relieve the Indemnitor from any liability that the Indemnitor may have to Indemnitee under this Agreement unless the Indemnitor is materially prejudiced thereby. With respect to any such Proceeding as to which Indemnitee notifies the Indemnitor of the commencement thereof:

(A) The Indemnitor will be entitled to participate therein at its own expense.

(B) Except as otherwise provided below, the Indemnitor will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Indemnitor to Indemnitee of the Indemnitor's election to assume the defense thereof, the Indemnitor will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and disbursements of such counsel incurred after notice from the Indemnitor of the Indemnitor's assumption of the defense thereof shall be at the expense of Indemnitee unless (a) the employment of counsel by the Indemnitee has been authorized by the Indemnitor, (b) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Indemnitor and the Indemnitee in the conduct of the defense of such action, (c) such Proceeding seeks penalties or other relief against the Indemnitee with respect to which the Indemnitor could not provide monetary indemnification to the Indemnitee (such as injunctive relief or incarceration) or (d) the Indemnitor shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and disbursements of counsel shall be at the expense of the Indemnitor. The Indemnitor shall not be entitled to assume the

defense of any Proceeding brought by or on behalf of the Indemnitor, or as to which the Indemnitee shall have reached the conclusion specified in clause (b) above, or which involves penalties or other relief against the Indemnitee of the type referred to in clause (c) above.

(C) The Indemnitor shall not be liable to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without the Indemnitor's written consent. The Indemnitor shall not settle any action or claim in any manner that would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. Neither the Indemnitor nor Indemnitee will unreasonably withhold or delay consent to any proposed settlement.

10. NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE SUBROGATION

(A) The rights of indemnification and to receive advancement of reasonable Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders, a resolution of the Board of Directors or otherwise, except that any payments otherwise required to be made by the Indemnitor hereunder shall be offset by any and all amounts received by the Indemnitee from any other indemnitor or under one or more liability insurance policies maintained by an indemnitor or otherwise and shall not be duplicative of any other payments received by an Indemnitee from the Indemnitor in respect of the matter giving rise to the indemnity hereunder; provided, however, that if indemnification rights are provided by an Additional Indemnitor as defined in Section 18(B) hereof, such Section shall govern. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to the Indemnitee with respect to any action taken or omitted by the Indemnitee prior to such amendment, alteration or repeal.

(B) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors and officers of the Company, the Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available and upon any "Change in Control" the Company shall use commercially reasonable efforts to obtain or arrange for continuation and/or "tail" coverage for the Indemnitee to the maximum extent obtainable at such time.

(C) Except as otherwise provided in Section 18(B) hereof, in the event of any payment under this Agreement, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all actions necessary to secure such

rights, including execution of such documents as are necessary to enable the Indemnitor to bring suit to enforce such rights.

(D) Except as otherwise provided in Section 18(B) hereof, the Indemnitor shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, or otherwise.

11. CONTINUATION OF INDEMNITY

(A) All agreements and obligations of the Indemnitor contained herein shall continue during the period the Indemnitee is an officer or a member of the Board of Directors of the Company and shall continue thereafter so long as the Indemnitee shall be subject to any threatened, pending or completed Proceeding by reason of such Indemnitee's Corporate Status and during the period of statute of limitations for any act or omission occurring during the Indemnitee's term of Corporate Status. This Agreement shall be binding upon the Indemnitor and its respective successors and assigns and shall inure to the benefit of the Indemnitee and such Indemnitee's heirs, executors and administrators.

(B) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

12. SEVERABILITY

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable.

13. EXCEPTIONS TO RIGHT OF INDEMNIFICATION OR ADVANCEMENT OF EXPENSES

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Notwithstanding any other provisions of this Agreement, the Indemnitee shall not be entitled to indemnification or advancement of reasonable Expenses under this Agreement with respect to (i) any Proceeding initiated by such Indemnitee against the Indemnitor other than a proceeding commenced pursuant to paragraph 8 hereof, or (ii) any Proceeding for an accounting of profits arising from the purchase and sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, rules and regulations promulgated thereunder, or any similar provisions of any federal, state or local statute.

14. NOTICE TO THE COMPANY STOCKHOLDERS

Any indemnification of, or advancement of reasonable Expenses, to an Indemnitee in accordance with this Agreement, if arising out of a Proceeding by or in the right of the Company, shall be reported in writing to the stockholders of the Company with the notice of the next Company stockholders' meeting or prior to the meeting.

15. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

16. MODIFICATION AND WAIVER

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. NOTICES

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and received by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, if so delivered or mailed, as the case may be, to the following addresses:

If to the Indemnitee, to the address set forth in the records of the Company.

If to the Indemnitor, to:

Walker & Dunlop, Inc.
7272 Wisconsin Avenue
Suite 1300
Bethesda, MD 20814

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Attention: Executive Vice President, General Counsel & Secretary
Fax No.: (301) 500-1223

or to such other address as may have been furnished to the Indemnitee by the Indemnitor or to the Indemnitor by the Indemnitee, as the case may be.

18. CONTRIBUTION

(A) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, penalties, fines and settlements and reasonable expenses actually incurred by or on behalf of an Indemnitee, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

(B) The Company acknowledges and agrees that as between the Company and any other entity that has provided indemnification rights in respect of Indemnitee's service as a director of the Company at the request of such entity (an "Additional Indemnitor"), the Company shall be primarily liable to Indemnitee as set forth in this Agreement for any indemnification claim (including, without limitation, any claim for advancement of Expenses) by Indemnitee in respect of any Proceeding for which Indemnitee is entitled to indemnification hereunder. In the event the Additional Indemnitor is liable to any extent to Indemnitee by virtue of indemnification rights provided by the Additional Indemnitor to Indemnitee in respect of Indemnitee's service on the Board at the request of the Additional Investor and Indemnitee is also entitled to indemnification under this Agreement (including, without limitation, for advancement of Expenses) as a result of any Proceeding, the Company shall pay, in the first instance, the entire amount of any indemnification claim (including, without limitation, any claim for advancement of Expenses) brought by the Indemnitee against the Company under this Agreement (including, without limitation, any claim for advancement of Expenses) without requiring the Additional Indemnitor to contribute to such payment and the Company hereby waives and relinquishes any right of contribution, subrogation or any other right of recovery of any kind it may have against the Additional Indemnitor in respect thereof. The Company further agrees that no advancement or payment by the Additional Indemnitor on behalf of Indemnitee with respect to any claim for which Indemnitee has sought

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indemnification from the Company shall affect the foregoing and the Additional Indemnitor shall be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company.

19. GOVERNING LAW

The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without application of the conflict of laws principles thereof.

20. NO ASSIGNMENTS

The Indemnitee may not assign its rights or delegate obligations under this Agreement without the prior written consent of the Indemnitor. Any assignment or delegation in violation of this paragraph 20 shall be null and void.

21. NO THIRD PARTY RIGHTS

Except for the rights of an Additional Indemnitor under paragraph 18(B) hereof: (a), nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement; and (b) this Agreement and all of its provisions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns.

22. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together constitute an agreement binding on all of the parties hereto.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WALKER & DUNLOP, INC.

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

INDEMNITEE:

By: /s/ Jeffery R. Hayward
Name: Jeffery R. Hayward

Exhibit 10.2

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "Agreement") is entered into as of June 9, 2024, by and among Walker & Dunlop, Inc., a Maryland corporation (the "Company" or the "Indemnitor") and Gary S. Pinkus (the "Indemnitee").

WHEREAS, the Indemnitee is a member of the Board of Directors of the Company and in such capacity is performing a valuable service for the Company;

WHEREAS, Maryland law permits the Company to enter into contracts with its officers or members of its Board of Directors with respect to indemnification of, and advancement of expenses to, such persons;

WHEREAS, the Articles of Amendment and Restatement of the Company (the "Charter") provide that the Company shall indemnify and advance expenses to its directors and officers to the maximum extent permitted by Maryland law in effect from time to time;

WHEREAS, the Amended and Restated Bylaws of the Company (the "Bylaws") provide that each director and officer of the Company shall be indemnified by the Company to the maximum extent permitted by Maryland law in effect from time to time and shall be entitled to advancement of expenses consistent with Maryland law; and

WHEREAS, to induce the Indemnitee to provide services to the Company as a member of the Board of Directors, and to provide the Indemnitee with specific contractual assurance that indemnification will be available to the Indemnitee regardless of, among other things, any amendment to or revocation of the Charter or the Bylaws, or any acquisition transaction relating to the Company, the Indemnitor desires to provide the Indemnitee with protection against personal liability as set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Indemnitor and the Indemnitee hereby agree as follows:

1. DEFINITIONS

For purposes of this Agreement:

- (A) **"Change in Control"** shall have the definition set forth in the Walker & Dunlop, Inc. 2024 Equity Incentive Plan, as amended.
- (B) **"Corporate Status"** describes the status of a person who is or was a director or officer of the Company or is or was serving at the request of the Company

as a director, officer, partner (limited or general), member, director, employee or agent of any other foreign or domestic corporation, partnership, joint venture, limited liability company, trust, other enterprise (whether conducted for profit or not for profit) or employee benefit plan. The Company shall be deemed to have requested the Indemnitee to serve an employee benefit plan where the performance of the Indemnitee's duties to the Company also imposes or imposed duties on, or otherwise involves or involved services by, the Indemnitee to the plan or participants or beneficiaries of the plan.

- (C) **"Expenses"** shall include all attorneys' and paralegals' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.
- (D) **"Proceeding"** includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation (including any formal or informal internal investigation to which the Indemnitee is made a party by reason of the Corporate Status of the Indemnitee), administrative hearing, or any other proceeding, including appeals therefrom, whether civil, criminal, administrative, or investigative, except one initiated by the Indemnitee pursuant to paragraph 8 of this Agreement to enforce such Indemnitee's rights under this Agreement.
- (E) **"Special Legal Counsel"** means a law firm, or a member of a law firm, that is experienced in matters of corporate law and neither presently is, or in the past two years has been, retained to represent (i) the Indemnitor or the Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

2. INDEMNIFICATION

The Indemnitee shall be entitled to the rights of indemnification provided in this paragraph 2 and under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders or resolution of the Board of Directors or otherwise if, by reason of such Indemnitee's Corporate Status, such Indemnitee is, or is threatened to be made, a party to any threatened, pending, or completed Proceeding, including a Proceeding by or in the right of the Company. Unless prohibited by paragraph 13 hereof and subject to the other provisions of this Agreement, the Indemnitee shall be indemnified hereunder, to

the maximum extent permitted by Maryland law in effect from time to time, against judgments, penalties, fines and settlements and reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with such Proceeding or any claim, issue or matter therein; provided, however, that if such Proceeding was initiated by or in the right of the Company,

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indemnification may not be made in respect of such Proceeding if the Indemnitee shall have been finally adjudged to be liable to the Company. For purposes of this paragraph 2, excise taxes assessed on the Indemnitee with respect to an employee benefit plan pursuant to applicable law shall be deemed fines.

3. INDEMNIFICATION FOR EXPENSES IN CERTAIN CIRCUMSTANCES

- (A) To the extent that the Indemnitee is successful, on the merits or otherwise, in any Proceeding to which the Indemnitee could have been entitled to indemnification pursuant to paragraph 2, such Indemnitee shall be indemnified against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with the Proceeding.
- (B) If the Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues, or matters in such Proceeding, the Indemnitor shall indemnify the Indemnitee against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with each successfully resolved claim, issue or matter.
- (C) For purposes of this paragraph (3) and without limitation, the termination of any claim, issue or matter in such Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

4. ADVANCEMENT OF EXPENSES

Notwithstanding anything in this Agreement to the contrary, but subject to paragraph 13 hereof, if the Indemnitee is or was or becomes a party to or is otherwise involved in any Proceeding (including as a witness), or is or was threatened to be made a party to or a participant (including as a witness) in any such Proceeding, by reason of the Indemnitee's Corporate Status, or by reason of (or arising in part out of) any actual or alleged event or occurrence related to the Indemnitee's Corporate Status, or by reason of any actual or alleged act or omission on the part of the Indemnitee taken or omitted in or relating to the Indemnitee's Corporate Status, then the Indemnitor shall advance all reasonable Expenses incurred by the Indemnitee in connection with any such Proceeding within twenty (20) days after the receipt by the Indemnitor of a statement from the Indemnitee requesting such advance from time to time, whether prior to or after final disposition of such Proceeding; provided that, such statement shall reasonably evidence the Expenses incurred or to be incurred by the Indemnitee and shall include or be preceded or accompanied by (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Indemnitor as authorized by this Agreement has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amounts advanced if it should ultimately be determined that the standard of conduct has not been met. The undertaking required by clause (ii) of the immediately preceding sentence shall be an unlimited general obligation of the Indemnitee but need not be secured and may be accepted without reference to financial ability to make the repayment.

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5. WITNESS EXPENSES

Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee is, by reason of such Indemnitee's Corporate Status, a witness for any reason in any Proceeding to which such Indemnitee is not a named defendant or respondent, such Indemnitee shall be indemnified by the Indemnitor against all Expenses actually incurred by or on behalf of such Indemnitee in connection therewith.

6. DETERMINATION OF ENTITLEMENT TO AND AUTHORIZATION OF INDEMNIFICATION

(A) To obtain indemnification under this Agreement, the Indemnitee shall submit to the Indemnitor a written request, including therewith such documentation and information reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification.

(B) Indemnification under this Agreement may not be made unless authorized for a specific Proceeding after a determination has been made in accordance with this paragraph 6(B) that indemnification of the Indemnitee is permissible in the circumstances because the Indemnitee has met the following standard of conduct: the Indemnitor shall indemnify the Indemnitee in accordance with the provisions of paragraph 2 hereof, unless it is established that: (a) the act or omission of the Indemnitee was material to the matter giving rise to the Proceeding and (x) was committed in bad faith or (y) was the result of active and deliberate dishonesty; (b) the Indemnitee actually received an improper personal benefit in money, property or services; or (c) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. Upon receipt by the Indemnitor of the Indemnitee's written request for indemnification pursuant to subparagraph 6(A), a determination as to whether the applicable standard of conduct has been met shall be made within the period specified in paragraph 6(E): (i) if a Change in Control shall have occurred, by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee, with Special Legal Counsel selected by the Indemnitee (the Indemnitee shall give prompt written notice to the Indemnitor advising the Indemnitor of the identity of the Special Legal Counsel so selected); or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of directors not, at the time, parties to the Proceeding, or, if such quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors consisting solely of two or more directors not, at the time, parties to such Proceeding and who were duly designated to act in the matter by a majority vote of the full Board of Directors in which the designated directors who are parties may participate, (B) if the requisite quorum of the full Board of Directors cannot be obtained

therefor and the committee cannot be established (or, even if such quorum is obtainable or such committee can be established, if such quorum or committee so directs), by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Special Legal Counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in clause (ii)(A) of this paragraph 6(B) (or, if the requisite quorum of the full Board of Directors cannot be obtained therefor and the committee cannot be established, by a majority of the full Board of Directors in which directors who are parties to the Proceeding may participate) (if the Indemnitor selects Special Legal Counsel to make the determination under this clause (ii), the Indemnitor shall give prompt written notice to the Indemnitee advising them of the identity of the Special Legal Counsel so selected) or (C) if so directed by a majority of the members of the Board of Directors, by the stockholders of the Company. If it is so determined that the Indemnitee is entitled to indemnification, payment to the Indemnitee shall be made within ten (10) days after such determination. Authorization of indemnification and determination as to reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible. However, if the determination that indemnification is permissible is made by Special Legal Counsel under clause (ii)(B) above, authorization of indemnification and determination as to reasonableness of Expenses shall be made in the manner specified under clause (ii)(B) above for the selection of such Special Legal Counsel.

(C) The Indemnitee shall cooperate with the person or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any reasonable costs or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnitee in so cooperating shall be borne by the Indemnitor (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Indemnitor hereby indemnifies and agrees to hold the Indemnitee harmless therefrom.

(D) In the event the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(B) hereof, the Indemnitee, or the Indemnitor, as the case may be, may, within seven days after such written notice of selection shall have been given, deliver to the Indemnitor or to the Indemnitee, as the case may be, a written objection to such selection. Such objection may be asserted only on the grounds that the Special Legal Counsel so selected does not meet the requirements of "Special Legal Counsel" as defined in paragraph 1 of this Agreement. If such written objection is made, the Special Legal Counsel so selected may not serve as

Special Legal Counsel until a court has determined that such objection is without merit. If, within twenty (20) days after submission by the Indemnitee of a written request for indemnification pursuant to paragraph 6(A) hereof, no Special Legal Counsel shall have been selected or, if selected, shall have been objected to, either the Indemnitor or the Indemnitee may petition a court for resolution of any objection which shall have been made by the Indemnitor or the Indemnitee to the other's selection of Special Legal Counsel and/or for the appointment as Special Legal Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is so resolved or the person so appointed shall act as Special Legal Counsel under paragraph 6(B) hereof. The Indemnitor shall pay all reasonable fees and expenses of Special Legal Counsel incurred in connection with acting pursuant to paragraph 6(B) hereof, and all reasonable fees and expenses incident to the selection of such Special Legal Counsel pursuant to this paragraph 6(D). In the event that a determination of entitlement to indemnification is to be made by Special Legal Counsel and such determination shall not have been made and delivered in a written opinion within ninety (90) days after the receipt by the Indemnitor of the Indemnitee's request in accordance with paragraph 6(A), upon the due commencement of any judicial proceeding in accordance with paragraph 8(A) of this Agreement, Special Legal Counsel shall be discharged and relieved of any further responsibility in such capacity.

(E) The person or entity making the determination whether the Indemnitee is entitled to indemnification will make the determination of Indemnitee's entitlement to indemnification within forty-five (45) days after the latter of the receipt by the Indemnitor of the request therefor or the final resolution of the Proceeding. Such 45-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person or entity making said determination in good faith requires additional time for the obtaining or evaluating of documentation and/or information relating thereto. The foregoing provisions of this paragraph 6(E) shall not apply: (i) if the determination of entitlement to indemnification is to be made by the stockholders and if within fifteen (15) days after receipt by the Indemnitor of the request for such determination the Board of Directors resolves to submit such determination to the stockholders for consideration at an annual or special meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made at such meeting, or (ii) if the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(B) of this Agreement.

7. PRESUMPTIONS

(A) In making a determination with respect to entitlement or authorization of indemnification hereunder, the person or entity making such determination

shall presume that the Indemnitee is entitled to indemnification under this Agreement and the Indemnitor shall have the burden of proof to overcome such presumption.

(B) The termination of any Proceeding by conviction, or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

8. REMEDIES

(A) In the event that: (i) a determination is made in accordance with the provisions of paragraph 6 that the Indemnitee is not entitled to indemnification under this Agreement, or (ii) advancement of reasonable Expenses is not timely made pursuant to this Agreement, or (iii) payment of indemnification due the Indemnitee under this Agreement is not timely made, the Indemnitee shall be entitled to an adjudication in an appropriate court of competent jurisdiction of such Indemnitee's entitlement to such indemnification or advancement of Expenses.

(B) In the event that a determination shall have been made pursuant to paragraph 6 of this Agreement that the Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this paragraph 8 shall be conducted in all respects as a de novo trial on the merits. The fact that a determination had been made earlier pursuant to paragraph 6 of this Agreement that the Indemnitee was not entitled to indemnification shall not be taken into account in any judicial proceeding commenced pursuant to this paragraph 8 and the Indemnitee shall not be prejudiced in any way by reason of that adverse determination. In any judicial proceeding commenced pursuant to this paragraph 8, the Indemnitor shall have the burden of proving that the Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(C) If a determination shall have been made or deemed to have been made pursuant to this Agreement that the Indemnitee is entitled to indemnification, the Indemnitor shall be bound by such determination in any judicial proceeding commenced pursuant to this paragraph 8, absent: (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(D) The Indemnitor shall be precluded from asserting in any judicial proceeding commenced pursuant to this paragraph 8 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in

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any such court that the Indemnitor is bound by all the provisions of this Agreement.

(E) In the event that the Indemnitee, pursuant to this paragraph 8, seeks a judicial adjudication of such Indemnitee's rights under, or to recover damages for breach of, this Agreement, if successful on the merits or otherwise as to all or less than all claims, issues or matters in such judicial adjudication, the Indemnitee shall be entitled to recover from the Indemnitor, and shall be indemnified by the Indemnitor against, any and all reasonable Expenses actually incurred by such Indemnitee in connection with each successfully resolved claim, issue or matter.

9. NOTIFICATION AND DEFENSE OF CLAIMS

The Indemnitee agrees promptly to notify the Indemnitor in writing upon being served with any summons, citation, subpoena, complaint, indictment, information, or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder, but the failure so to notify the Indemnitor will not relieve the Indemnitor from any liability that the Indemnitor may have to Indemnitee under this Agreement unless the Indemnitor is materially prejudiced thereby. With respect to any such Proceeding as to which Indemnitee notifies the Indemnitor of the commencement thereof:

(A) The Indemnitor will be entitled to participate therein at its own expense.

(B) Except as otherwise provided below, the Indemnitor will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Indemnitor to Indemnitee of the Indemnitor's election to assume the defense thereof, the Indemnitor will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and disbursements of such counsel incurred after notice from the Indemnitor of the Indemnitor's assumption of the defense thereof shall be at the expense of Indemnitee unless (a) the employment of counsel by the Indemnitee has been authorized by the Indemnitor, (b) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Indemnitor and the Indemnitee in the conduct of the defense of such action, (c) such Proceeding seeks penalties or other relief against the Indemnitee with respect to which the Indemnitor could not provide monetary indemnification to the Indemnitee (such as injunctive relief or incarceration) or (d) the Indemnitor shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and disbursements of counsel shall be at the expense of the Indemnitor. The Indemnitor shall not be entitled to assume the

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defense of any Proceeding brought by or on behalf of the Indemnitor, or as to which the Indemnitee shall have reached the conclusion specified in clause (b) above, or which involves penalties or other relief against the Indemnitee of the type referred to in clause (c) above.

(C) The Indemnitor shall not be liable to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without the Indemnitor's written consent. The Indemnitor shall not settle any action or claim in any manner that would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. Neither the Indemnitor nor Indemnitee will unreasonably withhold or delay consent to any proposed settlement.

10. NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE SUBROGATION

(A) The rights of indemnification and to receive advancement of reasonable Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders, a resolution of the Board of Directors or otherwise, except that any payments otherwise required to be made by the Indemnitor hereunder shall be offset by any and all amounts received by the Indemnitee from any other indemnitor or under one or more liability insurance policies maintained by an indemnitor or otherwise and shall not be duplicative of any other payments received by an Indemnitee from the Indemnitor in respect of the matter giving rise to the indemnity hereunder; provided, however, that if indemnification rights are provided by an Additional Indemnitor as defined in Section 18(B) hereof, such Section shall govern. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to the Indemnitee with respect to any action taken or omitted by the Indemnitee prior to such amendment, alteration or repeal.

(B) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors and officers of the Company, the Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available and upon any "Change in Control" the Company shall use commercially reasonable efforts to obtain or arrange for continuation and/or "tail" coverage for the Indemnitee to the maximum extent obtainable at such time.

(C) Except as otherwise provided in Section 18(B) hereof, in the event of any payment under this Agreement, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all actions necessary to secure such

rights, including execution of such documents as are necessary to enable the Indemnitor to bring suit to enforce such rights.

(D) Except as otherwise provided in Section 18(B) hereof, the Indemnitor shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, or otherwise.

11. CONTINUATION OF INDEMNITY

(A) All agreements and obligations of the Indemnitor contained herein shall continue during the period the Indemnitee is an officer or a member of the Board of Directors of the Company and shall continue thereafter so long as the Indemnitee shall be subject to any threatened, pending or completed Proceeding by reason of such Indemnitee's Corporate Status and during the period of statute of limitations for any act or omission occurring during the Indemnitee's term of Corporate Status. This Agreement shall be binding upon the Indemnitor and its respective successors and assigns and shall inure to the benefit of the Indemnitee and such Indemnitee's heirs, executors and administrators.

(B) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

12. SEVERABILITY

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable.

13. EXCEPTIONS TO RIGHT OF INDEMNIFICATION OR ADVANCEMENT OF EXPENSES

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Notwithstanding any other provisions of this Agreement, the Indemnitee shall not be entitled to indemnification or advancement of reasonable Expenses under this Agreement with respect to (i) any Proceeding initiated by such Indemnitee against the Indemnitor other than a proceeding commenced pursuant to paragraph 8 hereof, or (ii) any Proceeding for an accounting of profits arising from the purchase and sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, rules and regulations promulgated thereunder, or any similar provisions of any federal, state or local statute.

14. NOTICE TO THE COMPANY STOCKHOLDERS

Any indemnification of, or advancement of reasonable Expenses, to an Indemnitee in accordance with this Agreement, if arising out of a Proceeding by or in the right of the Company, shall be reported in writing to the stockholders of the Company with the notice of the next Company stockholders' meeting or prior to the meeting.

15. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

16. MODIFICATION AND WAIVER

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. NOTICES

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and received by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, if so delivered or mailed, as the case may be, to the following addresses:

If to the Indemnitee, to the address set forth in the records of the Company.

If to the Indemnitor, to:

Walker & Dunlop, Inc.
7272 Wisconsin Avenue
Suite 1300
Bethesda, MD 20814

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or to such other address as may have been furnished to the Indemnitee by the Indemnitor or to the Indemnitor by the Indemnitee, as the case may be.

18. CONTRIBUTION

(A) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, penalties, fines and settlements and reasonable expenses actually incurred by or on behalf of an Indemnitee, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

(B) The Company acknowledges and agrees that as between the Company and any other entity that has provided indemnification rights in respect of Indemnitee's service as a director of the Company at the request of such entity (an "Additional Indemnitor"), the Company shall be primarily liable to Indemnitee as set forth in this Agreement for any indemnification claim (including, without limitation, any claim for advancement of Expenses) by Indemnitee in respect of any Proceeding for which Indemnitee is entitled to indemnification hereunder. In the event the Additional Indemnitor is liable to any extent to Indemnitee by virtue of indemnification rights provided by the Additional Indemnitor to Indemnitee in respect of Indemnitee's service on the Board at the request of the Additional Investor and Indemnitee is also entitled to indemnification under this Agreement (including, without limitation, for advancement of Expenses) as a result of any Proceeding, the Company shall pay, in the first instance, the entire amount of any indemnification claim (including, without limitation, any claim for advancement of Expenses) brought by the Indemnitee against the Company under this Agreement (including, without limitation, any claim for advancement of Expenses) without requiring the Additional Indemnitor to contribute to such payment and the Company hereby waives and relinquishes any right of contribution, subrogation or any other right of recovery of any kind it may have against the Additional Indemnitor in respect thereof. The Company further agrees that no advancement or payment by the Additional Indemnitor on behalf of Indemnitee with respect to any claim for which Indemnitee has sought

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indemnification from the Company shall affect the foregoing and the Additional Indemnitor shall be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company.

19. GOVERNING LAW

The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without application of the conflict of laws principles thereof.

20. NO ASSIGNMENTS

The Indemnitee may not assign its rights or delegate obligations under this Agreement without the prior written consent of the Indemnitor. Any assignment or delegation in violation of this paragraph 20 shall be null and void.

21. NO THIRD PARTY RIGHTS

Except for the rights of an Additional Indemnitor under paragraph 18(B) hereof: (a), nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement; and (b) this Agreement and all of its provisions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns.

22. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together constitute an agreement binding on all of the parties hereto.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WALKER & DUNLOP, INC.

By: /s/ Daniel J. Groman

Name: Daniel J. Groman

Title: Interim General Counsel & Secretary

INDEMNITEE:

By: /s/ Gary S. Pinkus

Name: Gary S. Pinkus

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: **August 8, 2024** November 7, 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: **August 8, 2024** November 7, 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 **June 30, 2024** **September 30, 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: **August 8, 2024** November 7, 2024

By: /s/ William M. Walker

William M. Walker

Chairman and Chief Executive Officer

Date: **August 8, 2024** November 7, 2024

By: /s/ Gregory A. Florkowski

Gregory A. Florkowski

Executive Vice President and Chief Financial Officer

DISCLAIMER

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