

Walker & Dunlop

Third Quarter 2011
Earnings Results

November 10, 2011

Forward Looking Statements

Some of the statements contained in this presentation 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 that are predictions of or indicate future events or trends and that 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 presentation 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.

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 the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2010 and our subsequent SEC filings.

Q3 & YTD 2011 - Highlights and Key Points

- **Financial highlights in Q3 2011**

- Loan origination volume of \$906.7 million, up 104% from Q3'10
- Total revenue of \$33.4 million, up 50% from Q3'10
- Income from operations of \$9.7 million, up 37% from Q3'10
- No Loans 60+ Days Delinquent as of September 30, 2011

- **Loan origination guidance**

- Reiterating full year guidance of \$3.5-\$4.25 billion

- **Financial performance for the first nine months of the year emblematic of our business continuing to perform across the board**

- Loan origination volume growth of 30% over first nine months of 2010; represents 86% of full year 2010 originations
- Income from operations grew 31% over first nine months of 2010; represents 96% of full year 2010 income from operations
- Operating margin 37% versus 34% in the first nine months of 2010, and net income margin is 23% versus pro forma net income margin of 21% in 2010

- **Our focus on commercial real estate finance and not commercial real estate services enhances our ability to perform in times of macro-economic uncertainty**

- Real estate services are largely driven by macro-economic conditions while financing is driven primarily by maturity dates, which are typically every ten years
- Current landscape allows for us to:
 - Grow our Agency lending business with little to no pricing pressure from other sources of capital
 - Expand our business into new areas of lending as a publicly traded, non-bank finance company

W&D's Strategic Plan: Three Initiatives

To be a top 5 lender for Fannie Mae, Freddie Mac, and HUD

- Solidly in the top 5 in the Fannie Mae 2010 league table
- Need to add \$350 - \$500 million in additional annual originations with both Freddie Mac and HUD
- Focus on adding origination talent in all 3 executions and on retaining our people
- Extremely focused on keeping the culture that W&D built in its 74 year history
- Traction we gain from Cushman & Wakefield alliance and Interim Loan Fund also will help achieve this objective

To build out our Capital Markets business across the country

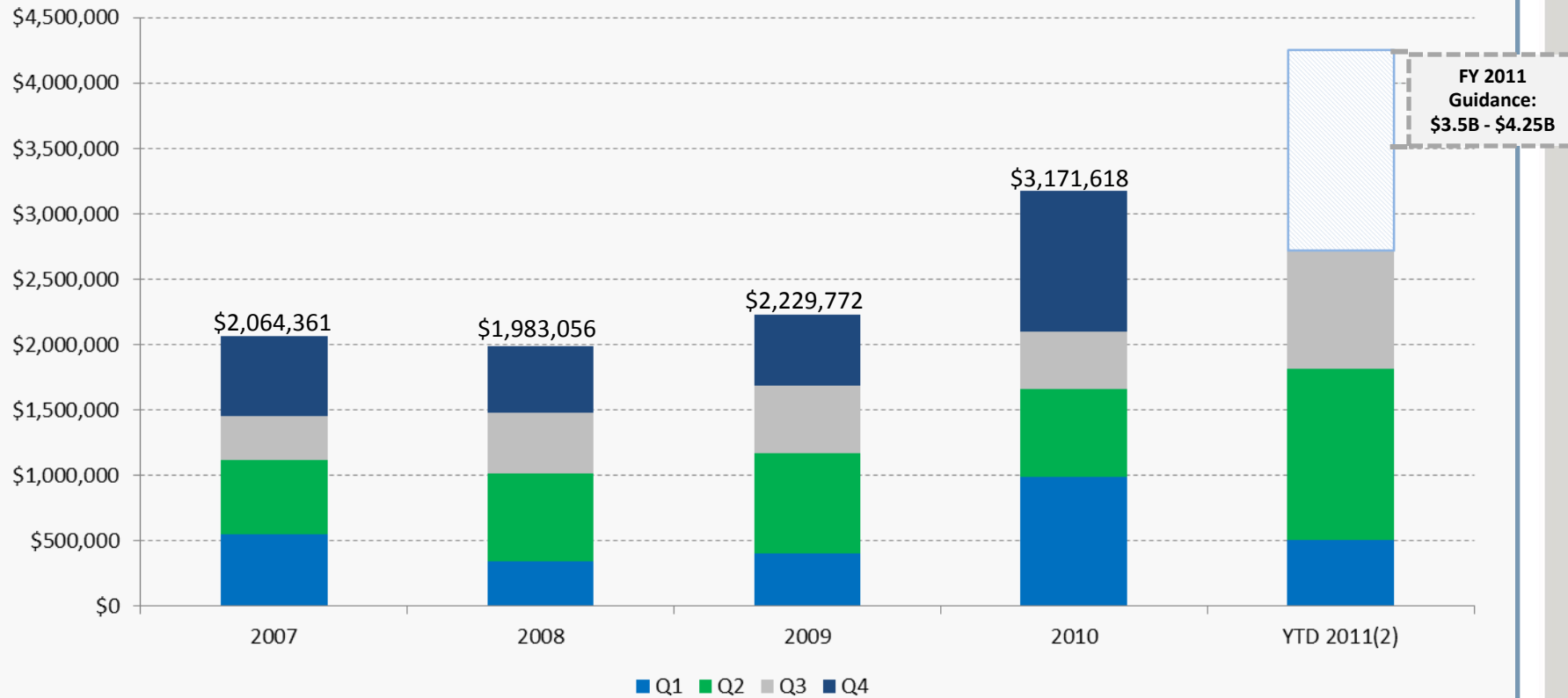
- This will allow us to capture more deal flow and broaden sources of capital
- No intention of becoming solely a brokerage firm

To add new, proprietary sources of capital to W&D

- This will allow us to diversify W&D's sources of capital beyond Fannie Mae and Freddie Mac and establish a proprietary funding source for non-multifamily assets

Originations Volumes

Loan Origination Volume⁽¹⁾ by Quarter



⁽¹⁾ Dollars in thousands

⁽²⁾ YTD 2011: Data as of September 30, 2011

Q3 & YTD 2011 Highlights

	3Q'11	3Q'10	% Change	YTD 2011 ⁽²⁾	YTD 2010 ⁽³⁾	% Change
<u>Financial Performance</u> (\$ in thousands)						
Total Loan Originations	\$906,667	\$444,439	104%	\$2,723,546	\$2,101,967	30%
Revenues	\$33,356	\$22,164	50%	\$104,759	\$85,779	22%
Income from Operations	\$9,652	\$7,057	37%	\$38,735	\$29,526	31%
Operating Margin	29%	32%	-9%	37%	34%	9%
Net Income/2010 pro forma net income ⁽¹⁾	\$6,079	\$4,375	39%	\$23,849	\$18,306	30%
<u>Servicing Portfolio and Credit</u>						
Servicing Portfolio (<i>in thousands</i>)	\$15,940,799	\$14,165,850	13%	\$15,940,799	\$14,165,850	13%
Weighted-average servicing fee rate (bps)	22	20	10%	22	20	10%
60+ Day delinquencies as a % of the at risk portfolio	0.00%	0.83%	-100%	0.00%	0.83%	-100%

⁽¹⁾ 2010 pro forma net income: adjusted for taxes

⁽²⁾ YTD: For the nine months ended September 30, 2011

⁽³⁾ YTD: For the nine months ended September 30, 2010

Providing Comparable Financial Results

	For the three months ended September 30 ⁽¹⁾ ,		% Change
	2011	2010	
Revenues	\$ 33,356	\$ 22,164	50%
Expenses	(23,704)	(15,107)	57%
Income from operations, as reported	9,652	7,057	37%
Income tax expense, as reported	(3,573)	—	
Net Income, as reported	<u>6,079</u>	7,057	-14%
Pro forma adjustments for income tax expense		(2,682)	
Pro forma net income		<u>4,375</u>	39%
Basic and diluted earnings per share	\$ 0.28	\$ 0.30	-6.7%

⁽¹⁾ Dollars in thousands

W&D Income Statement Quarterly Comparison

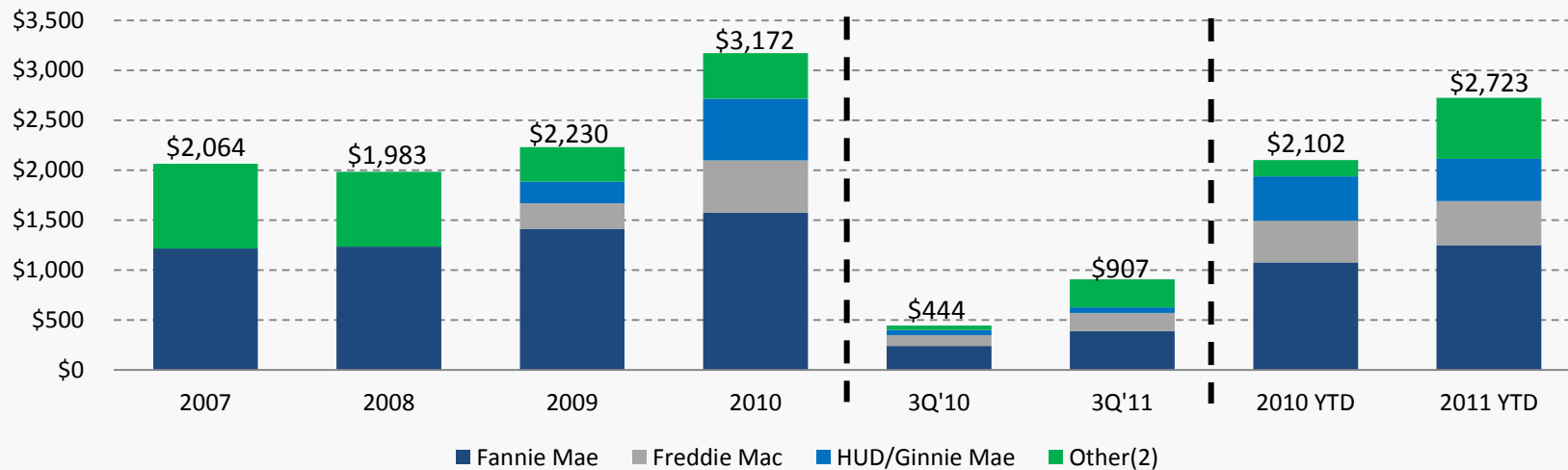
	For the three months ended September 30, ⁽¹⁾		% Change
	2011	2010	
Revenues			
Gains from mortgage banking activities	\$ 21,562	\$ 12,332	75%
Servicing fees	8,757	6,989	25%
Net warehouse interest income	1,052	771	36%
Escrow earnings and other interest income	342	518	-34%
Other	1,643	1,554	6%
Total revenues	\$ 33,356	\$ 22,164	50%
Expenses			
Personnel	\$ 11,343	\$ 5,464	108%
Amortization and depreciation	6,267	4,231	48%
Provision for risk-sharing obligations	937	1,817	-48%
Interest expense on corporate debt	180	342	-47%
Other operating expenses	4,977	3,253	53%
Total expenses	\$ 23,704	\$ 15,107	57%
Income from operations	\$ 9,652	\$ 7,057	37%
Income tax expense	3,573	-	
Net income	\$ 6,079	\$ 7,057	

Gains from Mortgage Banking Activities			
Origination Related Fees	\$ 9,657	\$ 5,089	90%
Mortgage Servicing Rights ("MSRs")	11,905	7,243	64%
Total	\$ 21,562	\$ 12,332	75%

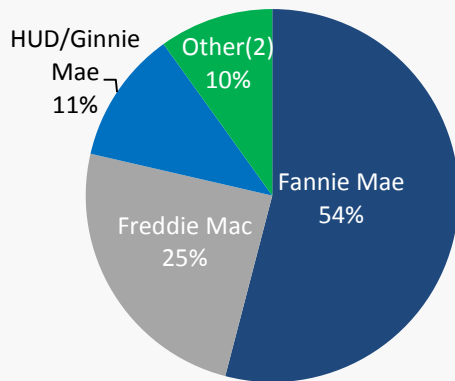
⁽¹⁾ Dollars in thousands

W&D Growth Oriented

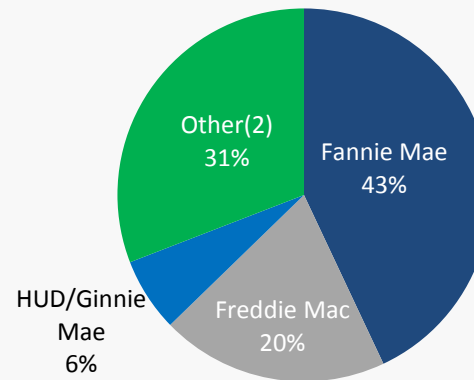
Loan Origination Volume⁽¹⁾



3Q'10



3Q'11



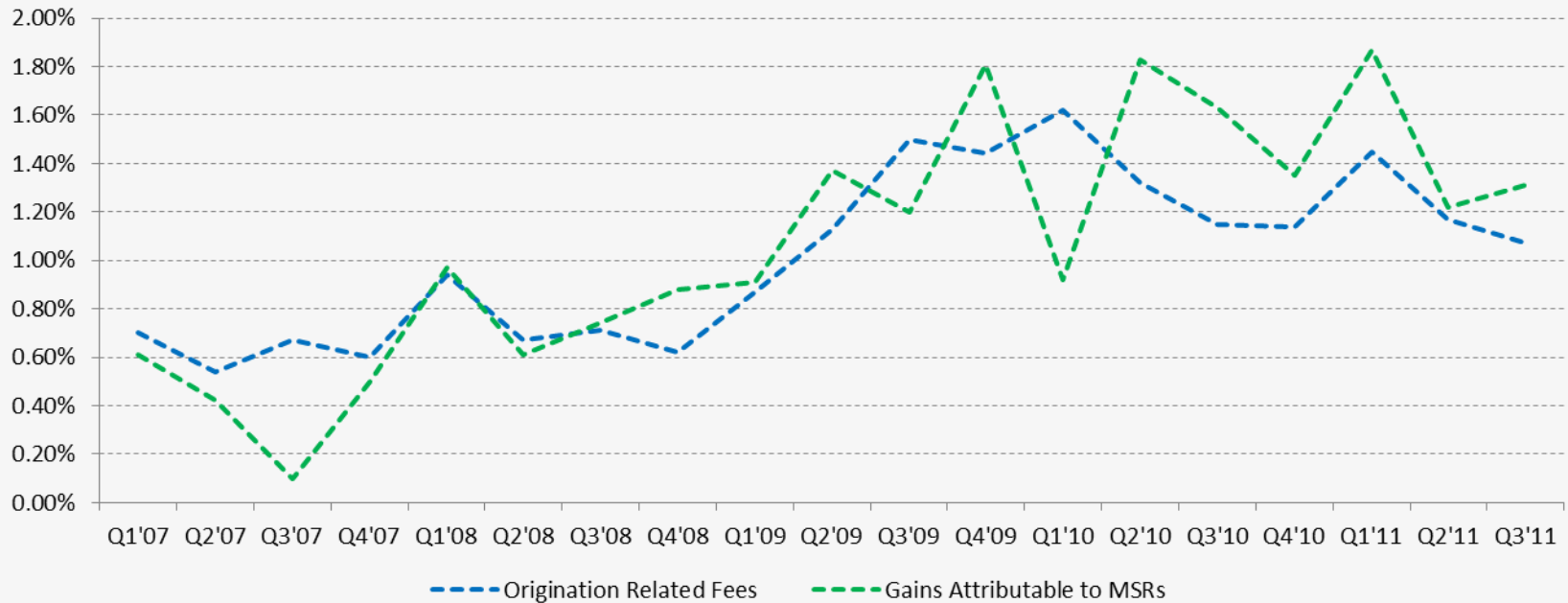
⁽¹⁾ Dollars in millions

⁽²⁾ Other includes CMBS, life insurance and commercial banks

Note: YTD 2010 and YTD 2011 are for the nine months ended September 30, 2010 and 2011.

Origination Revenues

Components of Gain on Sale Margin⁽¹⁾



Gains from Mortgage Banking Activities:

	2008	2009	2010	YTD 2011 ⁽²⁾
Origination related fees ⁽¹⁾	0.71%	1.24%	1.33%	1.19%
Gains Attributable to MSR's ⁽¹⁾	0.77%	1.35%	1.36%	1.37%
Total gain on sale margin:	1.48%	2.59%	2.69%	2.56%

⁽¹⁾ Origination related fees and Gains Attributable to MSR's, are presented as a percentage of total origination volume, respectively

⁽²⁾ YTD 2011: For the nine months ended September 30, 2011

Diversified Servicing Portfolio – Growth in Portfolio & Fees

Loan Servicing Portfolio ⁽¹⁾ as of:	at September 30,		at December 31,
	2011	2010	2010
Fannie Mae	\$10,136,692	\$9,172,093	\$9,459,813
Fannie Mae Full Risk	6,299,110	5,736,752	5,865,285
Fannie Mae Modified Risk	2,312,804	2,001,830	1,994,847
Fannie Mae No Risk	1,524,778	1,433,511	1,599,681
Freddie Mac	2,715,788	2,119,877	2,467,567
HUD/Ginnie Mae	1,262,989	683,241	836,924
Other⁽²⁾	1,825,330	2,190,639	1,854,990
Total	\$15,940,799	\$14,165,850	\$14,619,294
Weighted Average Servicing Fee (basis points)	22	20	20

Calculation of At Risk Servicing Portfolio

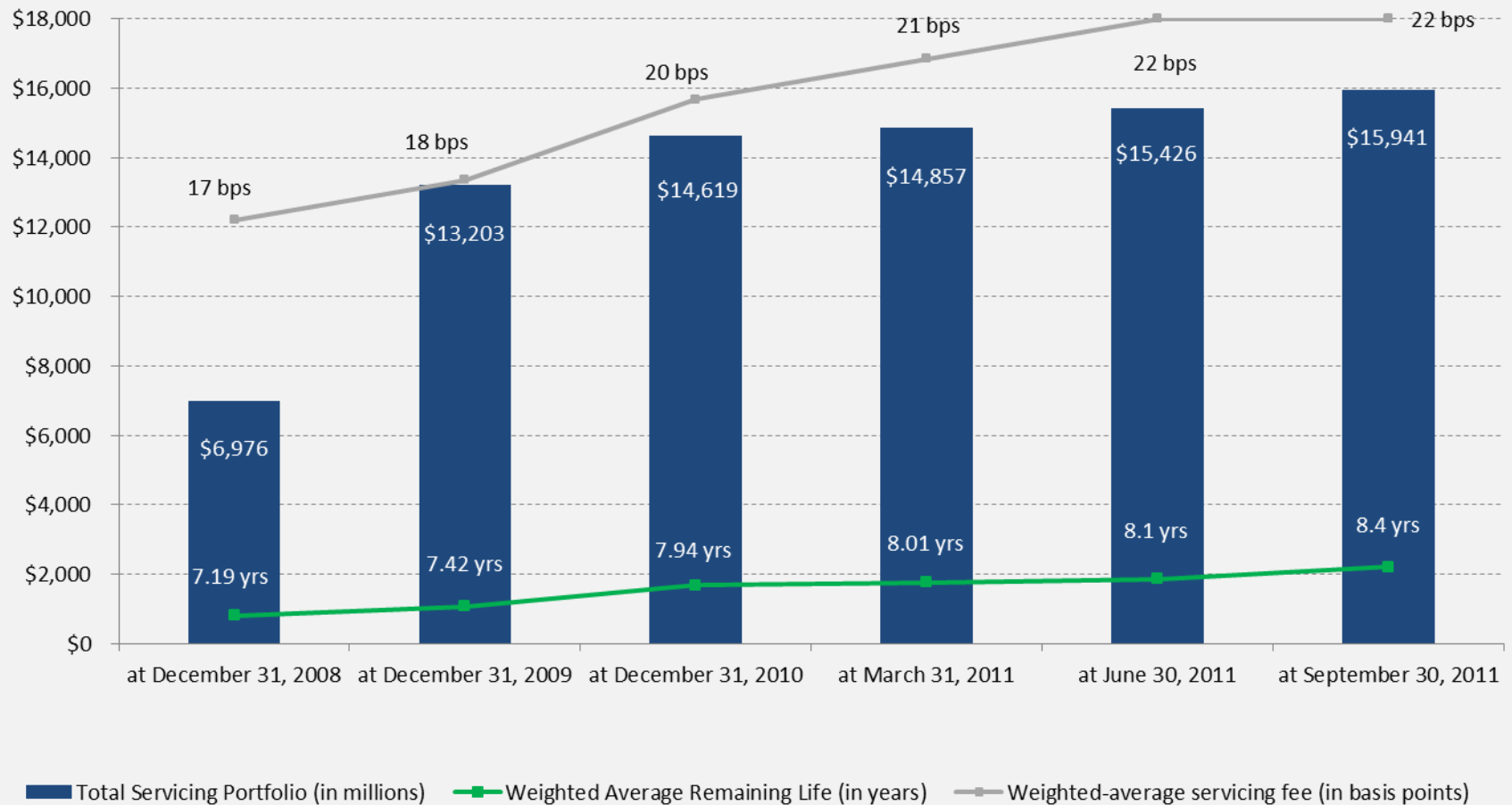
	at September 30, 2011		at September 30, 2010		at December 31, 2010	
	Unpaid Principal Balance	At Risk ⁽³⁾	Unpaid Principal Balance	At Risk ⁽³⁾	Unpaid Principal Balance	At Risk ⁽³⁾
Fannie Mae Full Risk	\$6,299,110	\$6,299,110	\$5,736,752	\$5,736,752	\$5,865,285	\$5,865,285
Fannie Mae Modified Risk	2,312,804	943,564	2,001,830	799,972	1,994,847	816,657
Fannie Mae No Risk	1,524,778	0	1,433,511	0	1,599,681	0
Total	\$10,136,692	\$7,242,674	\$9,172,093	\$6,536,724	\$9,459,813	\$6,681,942

⁽¹⁾ Unpaid principal balance, dollars in thousands

⁽²⁾ Other includes CMBS, life insurance and commercial banks

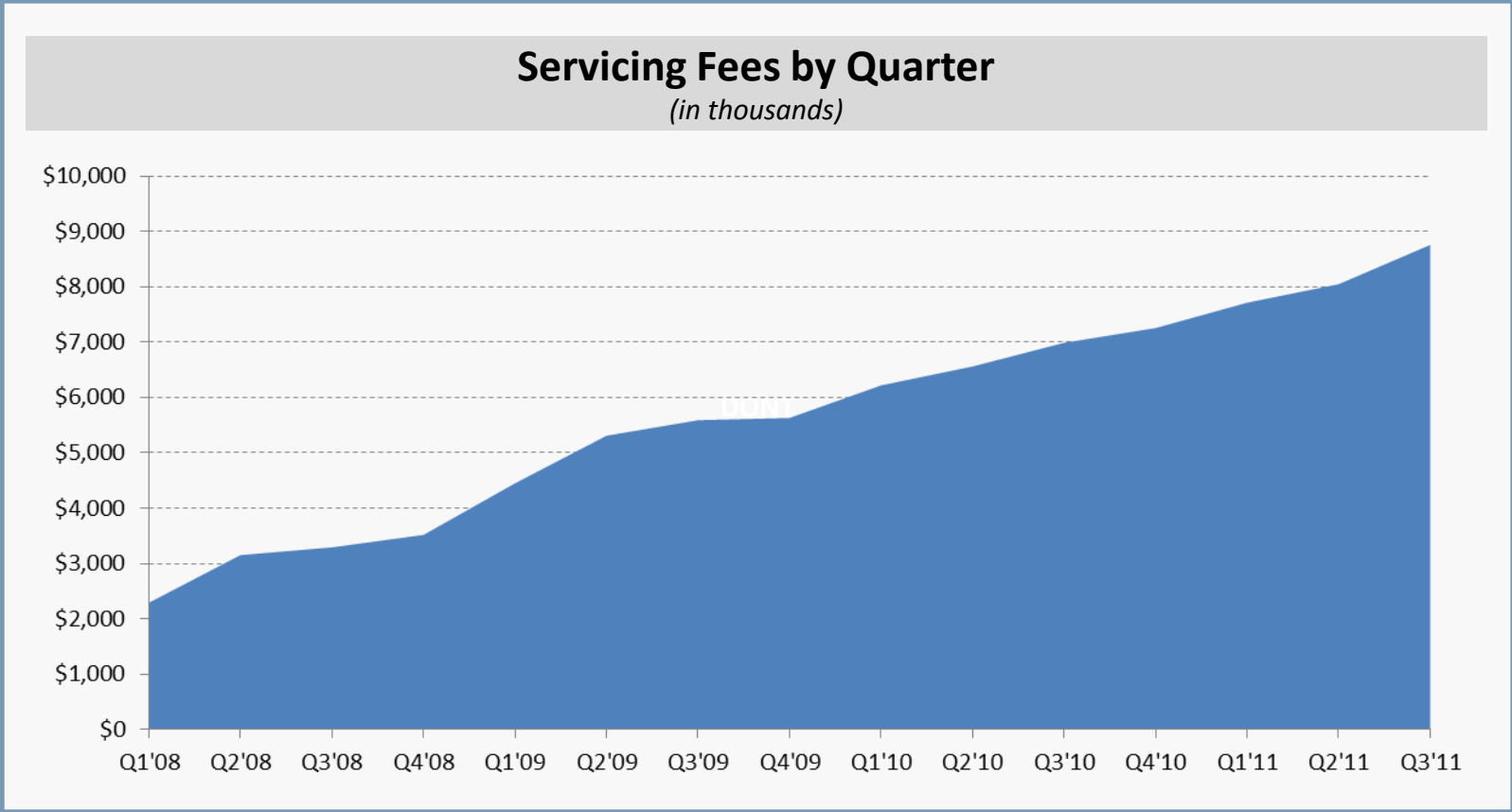
⁽³⁾ At Risk defined as balance of servicing portfolio subject to full Fannie Mae DUS risk sharing formula

The Servicing Portfolio



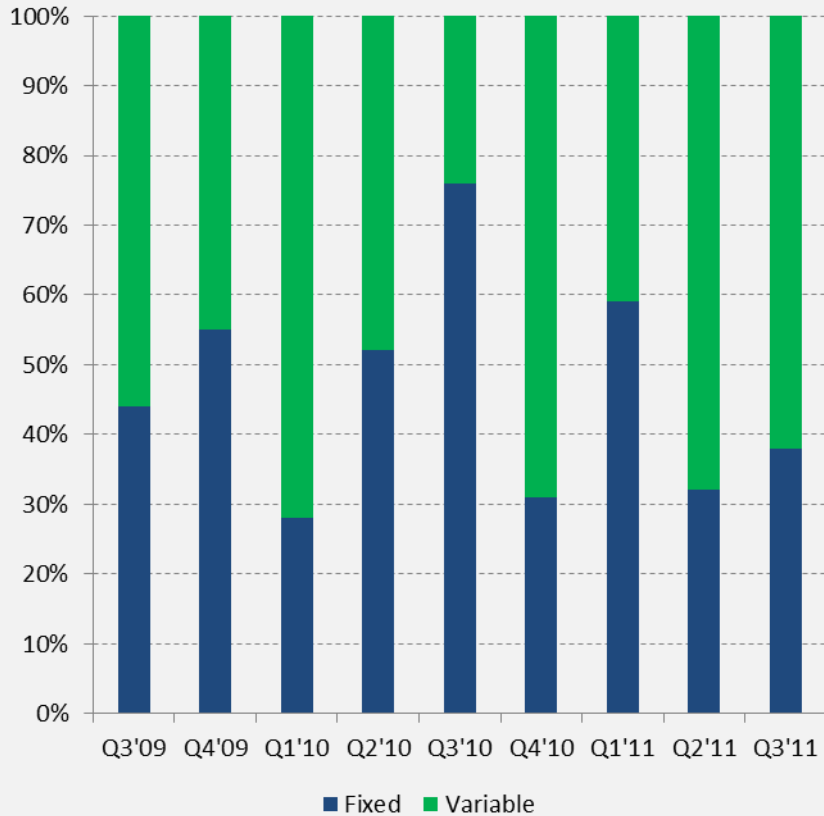
Balance, Average Fees and Remaining Life are Growing

Significant Growth in Servicing Fee Income Over Time

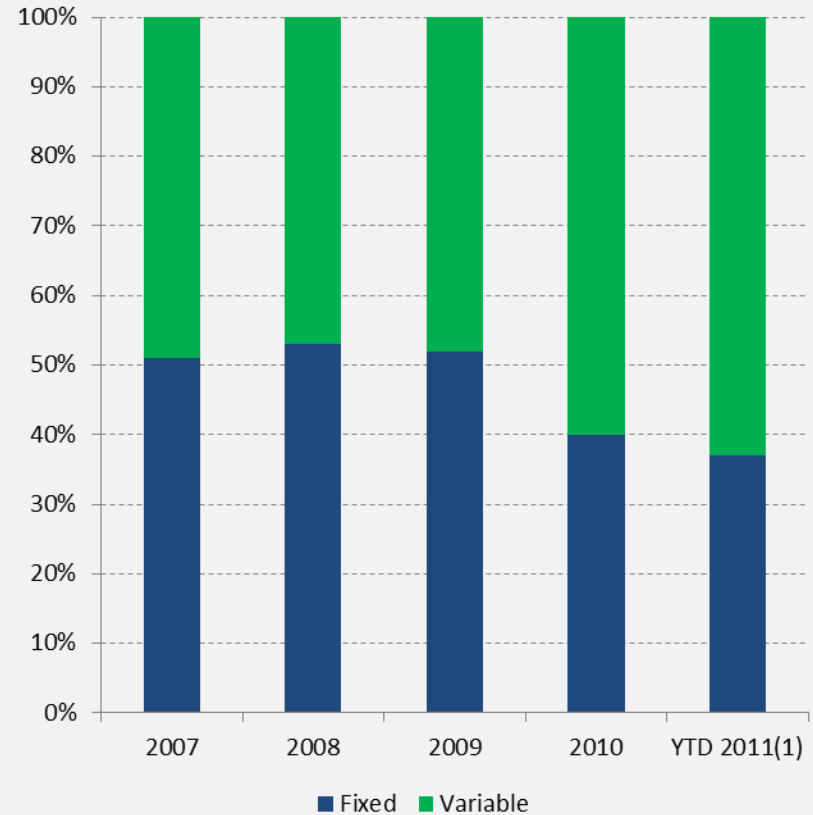


Personnel Expense is Largest Expense and Variable

Components of Personnel Expense by Quarter



Components of Personnel Expense by Year



⁽¹⁾ YTD 2011: For the nine months ended September 30, 2011

Key Expense and Margin Metrics

Key Expense and Margin Metrics: (as a percentage of total revenues)	Year Ended December 31,						
	2008	2009	2010	YTD 2010 ⁽¹⁾	YTD 2011 ⁽²⁾	Q3'10	Q3'11
Personnel expense	35%	36%	35%	34%	32%	25%	34%
Other operating expenses	13%	13%	11%	11%	12%	15%	15%
Total Expenses	71%	68%	67%	66%	63%	68%	71%
Provision for risk sharing	2%	3%	6%	5%	3%	8%	3%
Operating Margin	29%	32%	33%	34%	37%	32%	29%

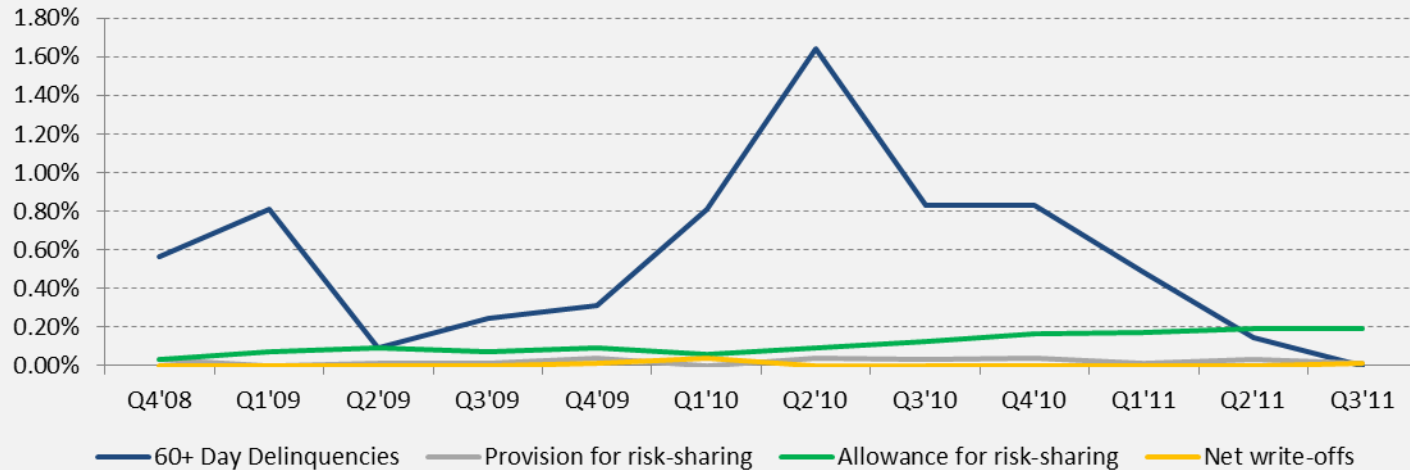
⁽¹⁾ YTD 2010: For the nine months ended September 30, 2010

⁽²⁾ YTD 2011: For the nine months ended September 30, 2011

Risk Management is a Core Competency

Credit Remains a Strength of WD⁽¹⁾

(as of and for the periods then ended)



Key Credit Metrics⁽²⁾

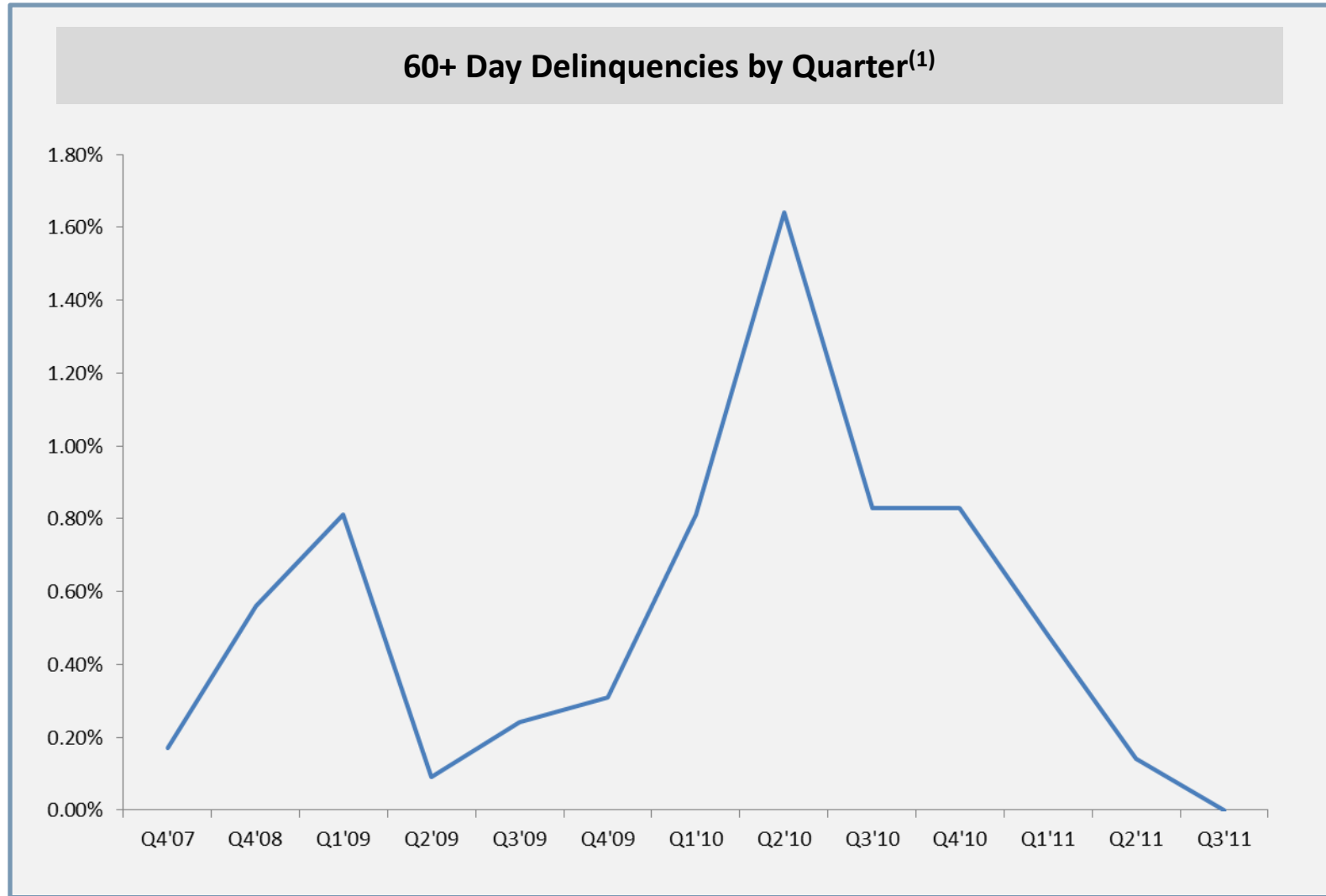
(as a percent of the at risk servicing portfolio)

	Year Ended December 31,				
	Q3'10	2010	Q1'11	Q2'11	Q3'11
As of period end:					
60+ Day Delinquencies	0.83%	0.85%	0.48%	0.14%	0.00%
Allowance for risk-sharing	0.12%	0.16%	0.17%	0.19%	0.19%
For the period ended:					
Provision for risk-sharing	0.03%	0.11%	0.01%	0.03%	0.01%
Net write-offs	0.00%	0.03%	0.00%	0.00%	0.01%

⁽¹⁾ As a percentage of the at risk servicing portfolio

⁽²⁾ Quarterly data, not annualized

Credit Remains a Strength of W&D



⁽¹⁾ As a percentage of the at risk servicing portfolio

W&D Income Statement YTD Comparison

	For the nine months ended September 30, ⁽¹⁾		% Change
	2011	2010	
Revenues			
Gains from mortgage banking activities	\$ 69,678	\$ 58,545	19%
Servicing fees	24,517	19,769	24%
Net warehouse interest income	2,828	2,944	-4%
Escrow earnings and other interest income	1,115	1,632	-32%
Other	6,621	2,889	129%
Total revenues	\$ 104,759	\$ 85,779	22%
Expenses			
Personnel	\$ 33,413	\$ 28,877	16%
Amortization and depreciation	16,258	12,394	31%
Provision for risk-sharing obligations	3,447	4,397	-22%
Interest expense on corporate debt	646	1,039	-38%
Other operating expenses	12,260	9,546	28%
Total expenses	\$ 66,024	\$ 56,253	17%
Income from operations	\$ 38,735	\$ 29,526	31%
Income tax expense	14,886	-	
Net income	\$ 23,849	\$ 29,526	

Gains from Mortgage Banking Activities			
Origination Related Fees	\$ 32,410	\$ 29,848	9%
Mortgage Servicing Rights ("MSRs")	37,313	28,587	31%
Total	\$ 69,678	\$ 58,545	19%

⁽¹⁾ Dollars in thousands

A Look at 2012

- **Origination fees**

- No significant change to date in our loan origination fees as a percentage of total originations
- Could see moderate compression of fees going into 2012 due to:
 - Continued growth of Capital Markets platform
 - Continued origination of large deals

- **Compensation expense**

- Aggregate compensation expense could increase as we focus on the hiring and retaining exceptional talent

- **Credit Performance**

- We continue to have exceptional credit performance and are pleased with no loans 60+ days delinquent in our at risk portfolio; however losses are a normal part of our business and we do expect to have losses in line with historical averages over the past five years

- **Gains attributable MSR**s

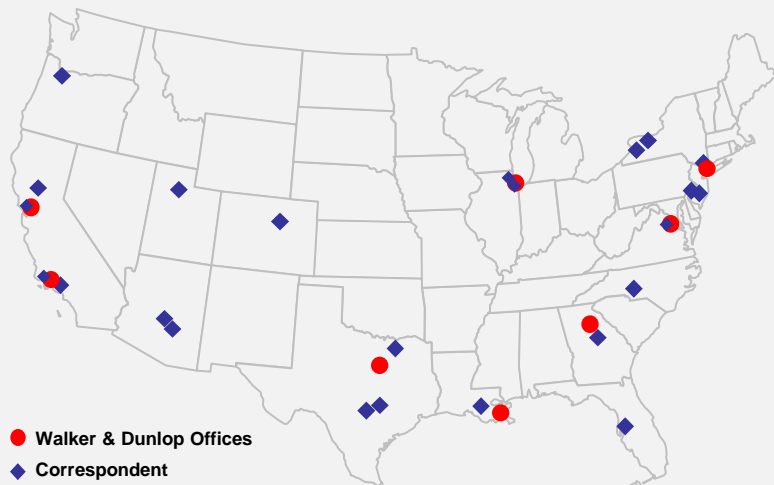
- We expect a reduction in the Gains Attributable to MSR's as the portion of value driven by earnings on escrow accounts is impacted by continued compression in short term interest rate environment

Walker & Dunlop

Appendix

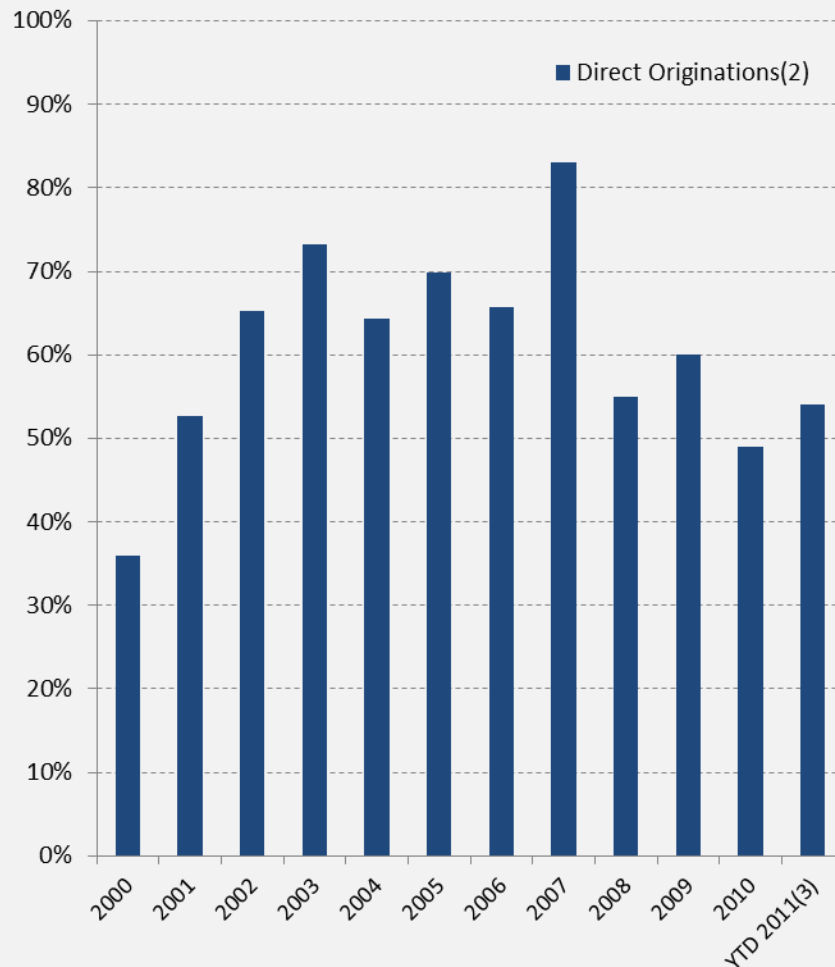
Walker & Dunlop's Established National Platform

National Lending Platform



- 8 WD offices and 24 correspondent relationships in 14 states⁽¹⁾
- Strategic Alliance with Cushman & Wakefield adds to origination network
- Ability to build out our current offices with more origination talent

Direct & Indirect Sourcing Model



⁽¹⁾ Data as of 9.22.11

⁽²⁾ Direct originations as a percent of total loan originations

⁽³⁾ YTD 2011: As of September 30, 2011

2010 Rankings Reflect Wide Product Offerings and Growth

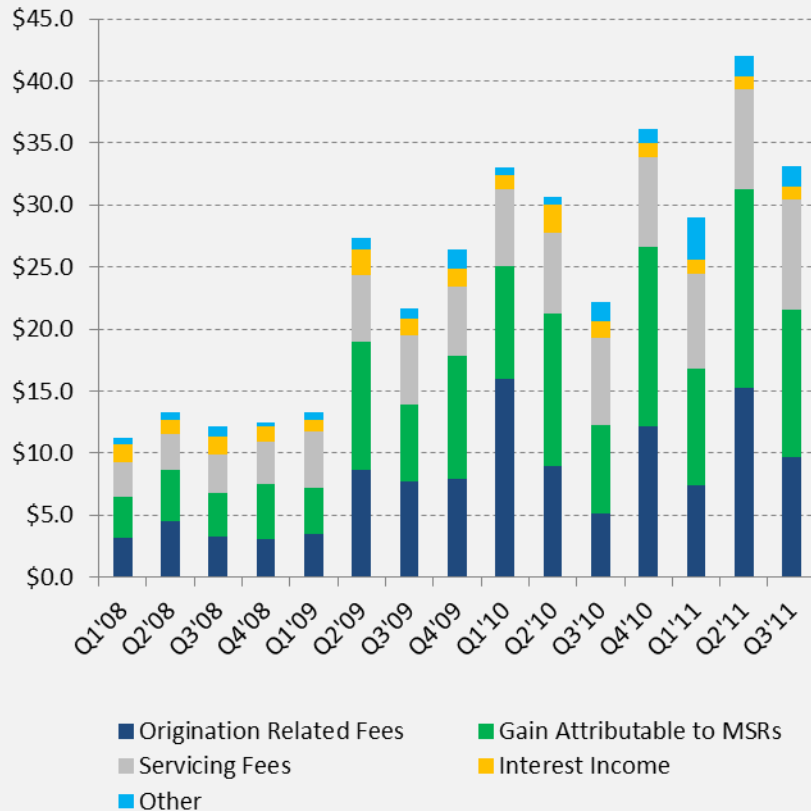
Total Originations: As a Lender					Total Originations: Fannie Mae				
Rank	Company Name	Amount*	Number	Avg. Size*	Rank	Company Name	Amount*	Number	Avg. Size*
1	Wells Fargo Bank	\$36,948	7,001	\$5.30	1	Wells Fargo Bank	\$2,004	173	\$11.60
2	Prudential Mortgage Capital Company	\$8,812	504	\$17.50	2	Walker & Dunlop	\$1,574	134	\$11.70
3	MetLife Real Estate Investments	\$8,410	96	\$87.60	3	Deutsche Bank Commercial Real Estate	\$1,281	129	\$9.90
4	Deutsche Bank Commercial Real Estate	\$7,200	265	\$27.20	4	PNC Real Estate	\$1,230	109	\$11.30
5	PNC Real Estate	\$4,446	446	\$10.00	5	CWCapital	\$1,116	48	\$23.30
6	CBRE Capital Markets, Inc.	\$4,206	253	\$16.60	6	M&T Realty Capital Corporation	\$1,065	86	\$12.40
7	Berkadia Commercial Mortgage LLC	\$4,125	325	\$12.70	7	CBRE Capital Markets, Inc.	\$1,022	71	\$14.40
8	Northwestern Mutual	\$3,464	59	\$58.70	8	Prudential Mortgage Capital Company	\$913	50	\$18.30
9	New York Life Investments LLC	\$2,754	58	\$47.50	9	Meridian Capital Group, LLC	\$814	99	\$8.20
10	CWCapital	\$2,722	142	\$19.20	10	Greystone Servicing Corporation, Inc.	\$805	308	\$2.60
11	Walker & Dunlop⁽¹⁾	\$2,715	205	\$13.20	11	Berkadia Commercial Mortgage LLC	\$701	61	\$11.60
12	KeyBank Real Estate Capital	\$2,335	132	\$17.70	12	Red Mortgage Capital, LLC	\$673	71	\$9.50
Total Originations: FHA/Ginnie Mae					Total Originations: Freddie Mac				
Rank	Company Name	Amount*	Number	Avg. Size*	Rank	Company Name	Amount*	Number	Avg. Size*
1	Prudential Mortgage Capital Company	\$2,021	89	\$22.70	1	CBRE Capital Markets, Inc.	\$2,924	167	\$17.50
2	Berkadia Commercial Mortgage LLC	\$1,688	124	\$13.60	2	Berkadia Commercial Mortgage LLC	\$1,736	141	\$12.40
3	Wells Fargo Bank	\$1,140	91	\$12.50	3	Wells Fargo Bank	\$1,613	68	\$23.70
4	Red Mortgage Capital, LLC	\$1,115	134	\$8.30	4	Northmarq Capital, LLC	\$1,467	102	\$14.40
5	CWCapital	\$925	50	\$18.50	5	HFF, L.P.	\$1,037	62	\$16.70
6	Greystone Servicing Corporation, Inc.	\$795	67	\$11.90	6	Deutsche Bank Commercial Real Estate	\$869	56	\$15.50
7	P/R Mortgage & Investment Corp.	\$735	90	\$8.20	7	PNC Real Estate	\$837	54	\$15.50
8	Walker & Dunlop	\$616	48	\$12.80	8	CWCapital	\$691	44	\$15.70
9	Gershman Mortgage	\$450	37	\$12.20	9	Grandbridge Real Estate Capital LLC	\$689	56	\$12.30
10	Draper and Kramer, Incorporated	\$443	36	\$12.30	10	Walker & Dunlop	\$527	24	\$21.90
11	Deutsche Bank Commercial Real Estate	\$386	36	\$10.70	11	KeyBank Real Estate Capital	\$397	30	\$13.20
12	KeyBank Real Estate Capital	\$340	21	\$16.20	12	Prudential Mortgage Capital Company	\$346	43	\$8.00

⁽¹⁾ Excludes Capital Markets

\$ in Millions, Source: MBA

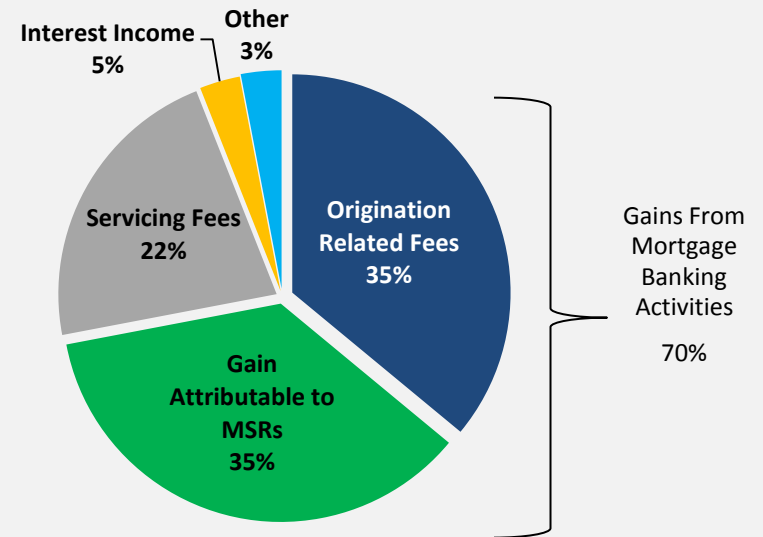
Revenue Mix

Historical Revenue Mix⁽¹⁾
(\$ in millions)



Revenue Mix for 2010

2010 Total Revenues: \$122 million



⁽¹⁾ 2009 excludes gain on bargain purchase recognized in connection with the Column Guaranteed LLC asset purchase in January 2009.

Key Metrics – Origination Volume and Servicing

Loan Origination Volume⁽¹⁾ for the years ended:	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	YTD 2011⁽³⁾
Fannie Mae	\$1,215,760	\$1,234,273	\$1,413,144	\$1,572,096	\$1,248,972
Freddie Mac	-	-	255,997	526,661	443,218
HUD/Ginnie Mae	-	-	217,186	616,075	422,331
Other⁽²⁾	848,601	748,783	343,445	456,786	609,025
Total	\$2,064,361	\$1,983,056	\$2,229,772	\$3,171,618	\$2,723,546

Loan Servicing Portfolio⁽¹⁾ as of:	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	YTD 2011⁽³⁾
Fannie Mae	\$4,309,073	\$5,182,824	\$8,695,229	\$9,459,813	\$10,136,692
Freddie Mac	-	-	2,055,821	2,467,567	2,715,788
HUD/Ginnie Mae	-	-	350,676	\$836,924	1,262,989
Other⁽²⁾	\$1,745,113	1,793,384	2,101,591	1,854,990	1,825,330
Total	\$6,054,186	\$6,976,208	\$13,203,317	\$14,619,294	\$15,940,799

⁽¹⁾ Dollars in thousands

⁽²⁾ Other includes CMBS, life insurance and commercial banks

⁽³⁾ YTD 2011: For the nine months ended September 30, 2011

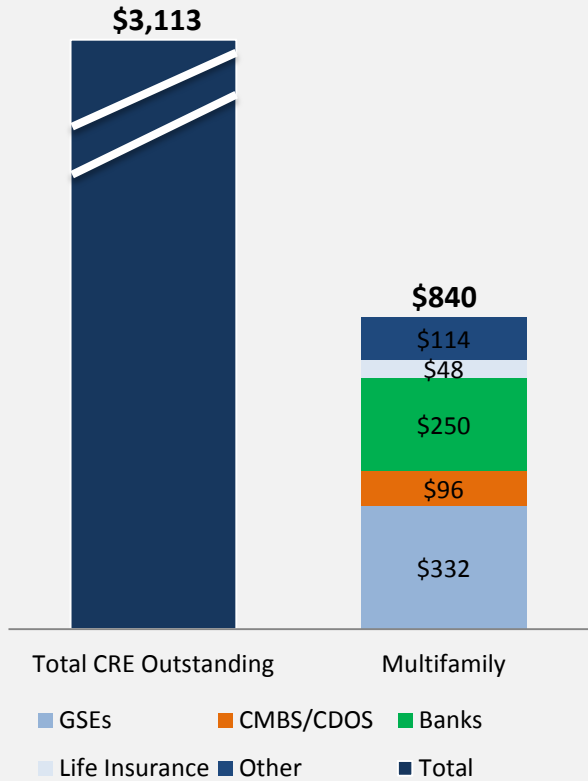
Balance Sheet

in thousands, except share data

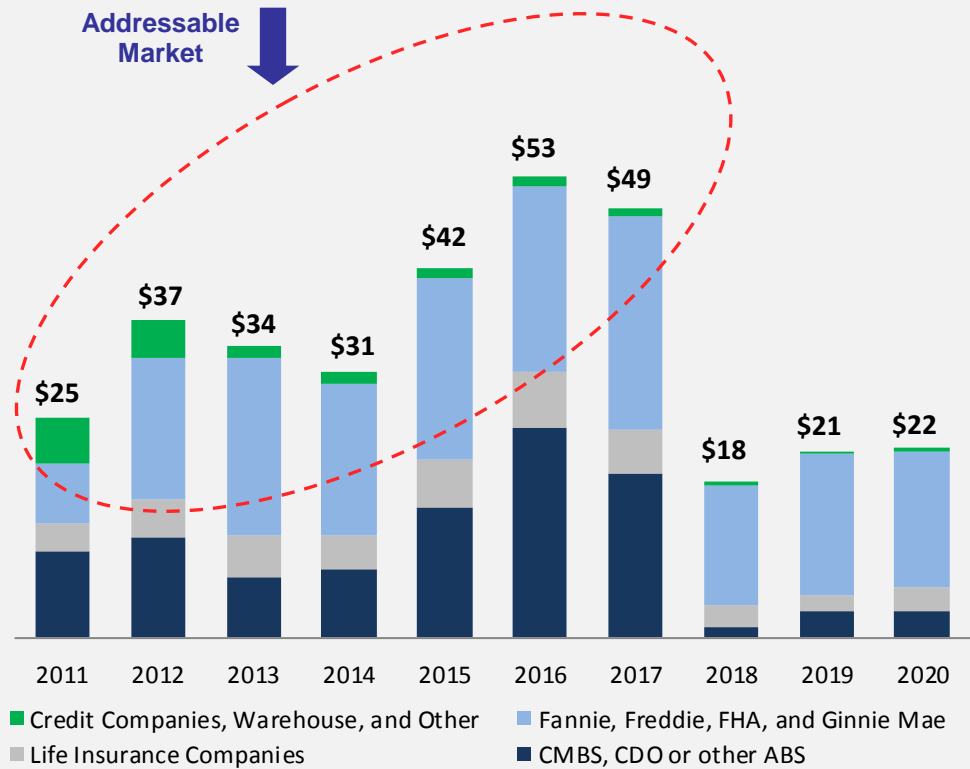
	<u>As of September 30,</u> <u>2011</u>	<u>As of December 31,</u> <u>2010</u>
Assets		
Cash and cash equivalents	\$ 86,086	\$ 33,285
Restricted cash	5,302	4,580
Pledged securities, at fair value	17,558	14,281
Loans held for sale, at fair value	96,330	302,851
Servicing fees and other receivables, net	21,094	13,829
Derivative assets	12,926	6,354
Mortgage servicing rights	130,375	106,189
Intangible assets	1,213	1,266
Other assets	5,530	2,985
Total assets	<u>\$ 376,414</u>	<u>\$ 485,620</u>
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable and other accrued expenses	\$ 66,669	\$ 57,713
Performance deposits from borrowers	9,558	5,970
Derivative liabilities	9,722	1,454
Guaranty obligation, net of accumulated amortization	9,669	8,928
Allowance for risk-sharing obligations	13,640	10,873
Warehouse notes payable	90,119	248,419
Notes payable	24,769	27,621
Total liabilities	<u>\$ 224,146</u>	<u>\$ 360,978</u>
Stockholders' Equity		
Stockholders' Equity:		
Preferred shares, authorized 50,000,000 none issued.	\$ -	\$ -
Common stock, \$0.01 par value. Authorized 200,000,000; issued and outstanding 21,629,463 shares in 2011 and 21,408,171 shares in 2010	216	214
Additional paid-in capital	80,822	77,047
Retained earnings	71,230	47,381
Total stockholders' equity	<u>\$ 152,268</u>	<u>\$ 124,642</u>
Commitments and contingencies		
Total liabilities and stockholders' equity	<u>\$ 376,414</u>	<u>\$ 485,620</u>

Growth

Real Estate Debt Outstanding as of 6/30/11 ⁽¹⁾
(\$ in billions)



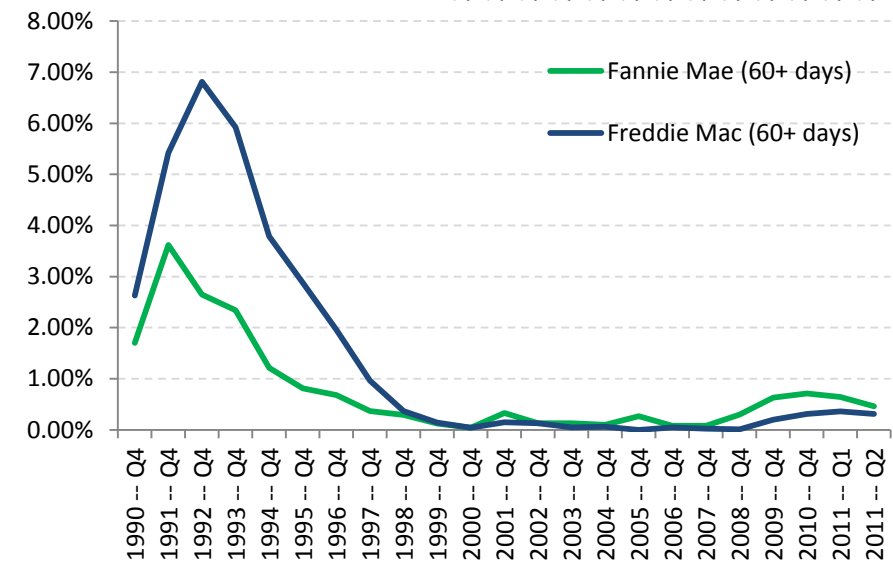
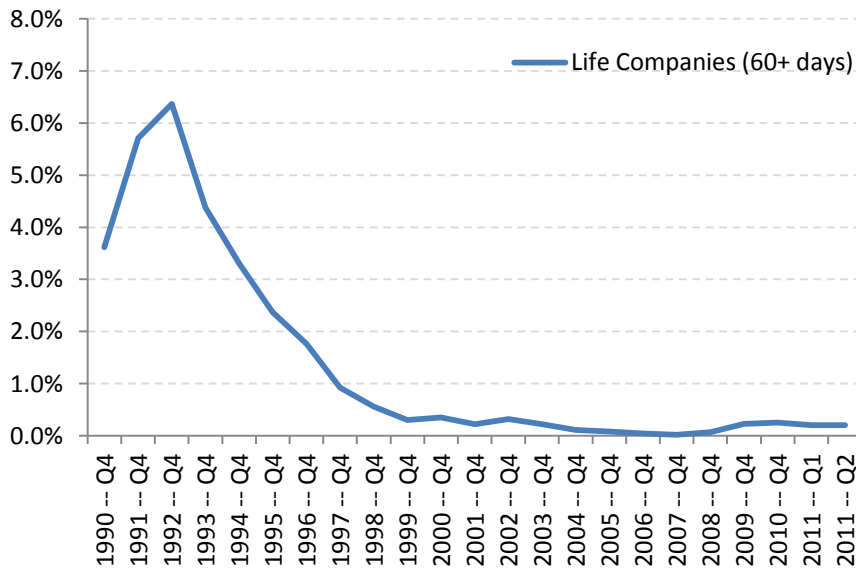
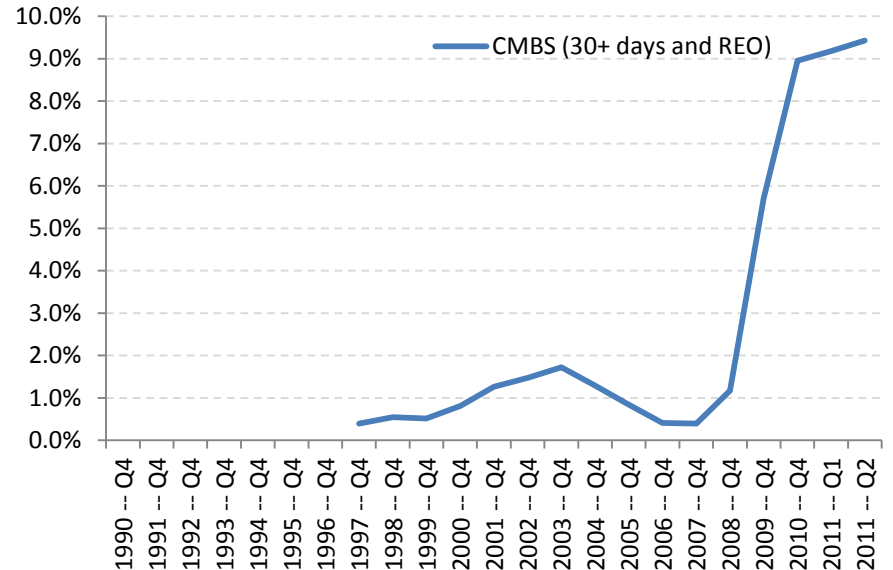
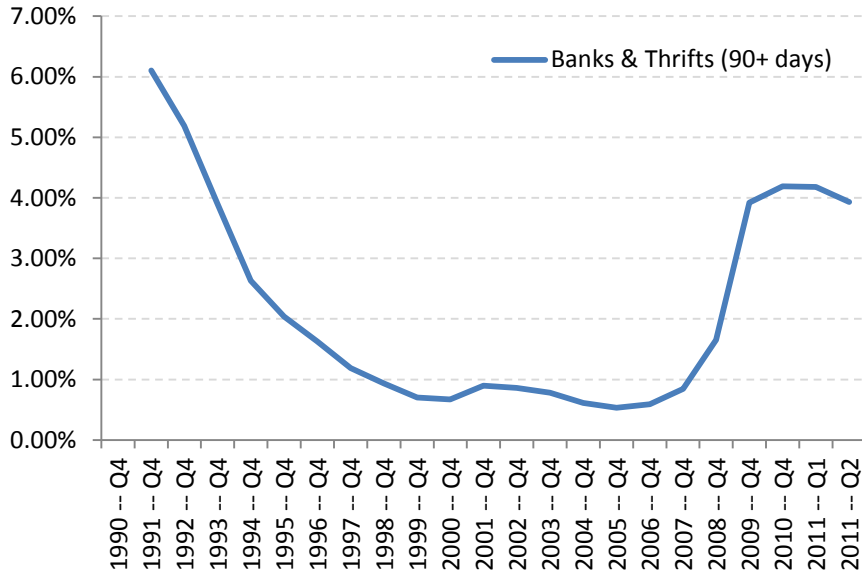
Non-Bank Multifamily Loan Maturities ⁽²⁾
(\$ in billions)



⁽¹⁾ Federal Reserve Flow of Funds Accounts of the United States

⁽²⁾ Mortgage Bankers Association Survey of Loan Maturity Volumes as of December 31, 2010

Commercial/Multifamily Mortgage Delinquencies



Source: Mortgage Bankers Association Q2 2011 Commercial Real Estate / Multifamily Finance Quarterly Data Book and the American Council of Life Insurers