

Walker & Dunlop

The Integration of CWCapital LLC

September 13, 2012

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. Forward-looking statements include, but are not limited to, statements relating to the following: (i) the expected benefits of the CWCapital acquisition, the impacts of the CWCapital acquisition on the Company's financial results, the combined company's financial results, expected revenue, cost, margin and synergies, the expected impact for customers and employees, future capital expenditures, expenses, revenues, earnings, economic performance, financial condition, losses and future prospects; (ii) the anticipated benefits of geographic diversity resulting from the CWCapital acquisition; (iii) future industry developments and trends; and (iv) any assumptions underlying the foregoing statements. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "could," "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 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 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. Such risks, uncertainties, assumptions and changes include, but are not limited to, the following: the ability to integrate CWCapital into the business of Walker & Dunlop successfully and the amount of time and expense spent and incurred in connection with the integration; the risk that the economic benefits, cost savings and other synergies that the Company anticipates as a result of the CWCapital acquisition are not fully realized or take longer than expected; intense competition; legislative and regulatory reform applicable to the Company's business operations; increases in security interest rates by our investors; and our ability to hire and retain qualified loan originators and maintain our relationships with key loan correspondents.

While forward-looking statements reflect our good faith projections, assumptions and expectations, they are not guarantees of future results. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company. No statement in this announcement should be interpreted to mean that the earnings per share, net income, margins or cash flows of the Company for the current or future periods would necessarily match or exceed the historically published figures. Actual events may differ materially from what is expressed in the Company's forward-looking statements due to numerous factors.

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.

Transaction Summary

Transaction Value

- ▶ \$231 million
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Final Terms

- ▶ \$80 million in cash
 - ▶ 11.6 million shares of Walker & Dunlop stock equal to \$151 million, based on the September 4, 2012 closing price
 - ▶ An affiliate of Fortress is now Walker & Dunlop's largest shareholder and is subject to a lock-up period of 180 days from date of closing
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Walker & Dunlop's current Board of Directors will expand from 8 to 11 members

- ▶ An affiliate of Fortress has the right to designate two directors to Walker & Dunlop's Board of Directors
 - ▶ An additional independent director will be appointed to Walker & Dunlop's Board of Directors to preserve an independent majority
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Received Required Approvals

- ▶ Hart-Scott-Rodino filing
 - ▶ Freddie Mac, Fannie Mae, FHA and Ginnie Mae
 - ▶ Walker & Dunlop shareholders
-

Closing Date

- ▶ September 4, 2012
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Produces the Largest Independent CRE Lender

Total Originations: As a Lender

- 1 Wells Fargo
- 2 MetLife Real Estate Investments
- 3 PNC Real Estate
- 4 Deutsche Bank Commercial Real Estate
- 5 Prudential Mortgage Capital Company
- 6 J.P. Morgan (CMBS)
- 7 KeyBank Real Estate Capital
- 8 CBRE Capital Markets, Inc.
- 9 New York Life Investments
- 10 Northwestern Mutual
- 11 Berkadia
- 12 **CWCapital**
- 13 **Walker & Dunlop**
- 14 Goldman Sachs
- 15 Red Mortgage Capital, LLC

Total Originations: Fannie Mae

- 1 Wells Fargo
- 2 Deutsche Bank Commercial Real Estate
- 3 **Walker & Dunlop**
- 4 **CWCapital**
- 5 Beech Street Capital, LLC
- 6 PNC Real Estate
- 7 CBRE Capital Markets, Inc.
- 8 Meridian Capital Group, LLC
- 9 M&T Realty Capital Corporation
- 10 Red Mortgage Capital, LLC
- 11 Oak Grove Capital
- 12 KeyBank Real Estate Capital
- 13 Centerline Capital Group
- 14 Northmarq Capital LLC
- 15 HFF, L.P.

Total Originations: Freddie Mac

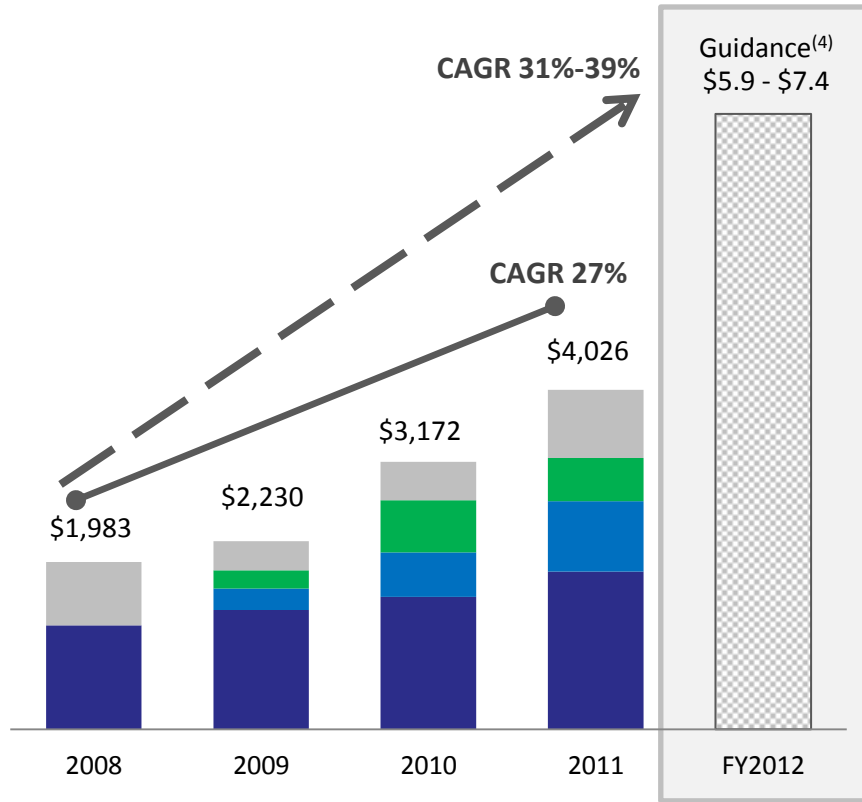
- 1 CBRE Capital Markets, Inc.
- 2 Northmarq Capital LLC
- 3 Berkadia
- 4 Wells Fargo
- 5 HFF, L.P.
- 6 Grandbridge Real Estate Capital LLC
- 7 **CWCapital**
- 8 KeyBank Real Estate Capital
- 9 Jones Lang LaSalle
- 10 **Walker & Dunlop**
- 11 Deutsche Bank Commercial Real Estate
- 12 Prudential Mortgage Capital Company
- 13 PNC Real Estate
- 14 Centerline Capital Group
- 15 Beech Street Capital, LLC

Total Originations: FHA/Ginnie Mae

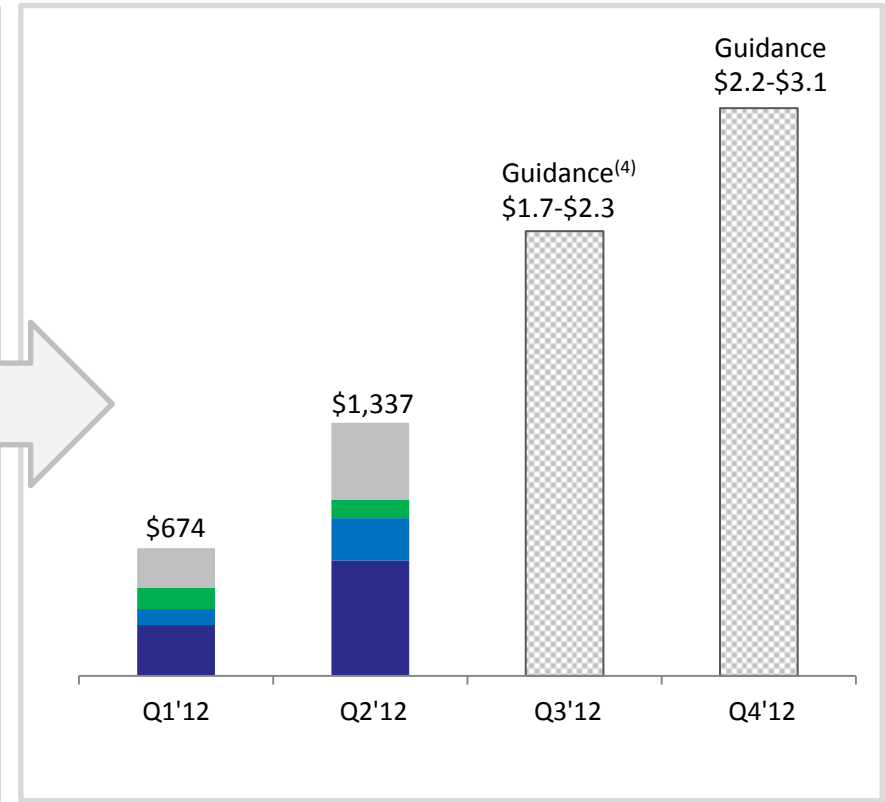
- 1 Wells Fargo
- 2 Red Mortgage Capital, LLC
- 3 Berkadia
- 4 Greystone Servicing Corporation, Inc.
- 5 Oppenheimer Multifamily Housing & Healthcare Finance, Inc.
- 6 Prudential Mortgage Capital Company
- 7 Love Funding
- 8 P/R Mortgage & Investment Corp.
- 9 Capital Funding, LLC
- 10 **CWCapital**
- 11 **Walker & Dunlop**
- 12 Deutsche Bank Commercial Real Estate
- 13 Oak Grove Capital
- 14 Draper and Kramer, Incorporated - SAM Member
- 15 Gershman Mortgage

Creates the 8th Largest CRE Lender in the U.S.⁽¹⁾

Loan Origination Volume⁽²⁾



2012 Volume⁽²⁾



■ Fannie Mae ■ Freddie Mac ■ HUD/Ginnie Mae ■ Other⁽³⁾

⁽¹⁾ According to the 2011 Mortgage Bankers Association Origination Rankings.

⁽²⁾ Historical volumes in millions, and guidance in billions.

⁽³⁾ Other includes CMBS, life insurance, commercial banks and interim loans.

⁽⁴⁾ Excludes origination volumes from CWCapital LLC for the first eight months of 2012.

What to Expect as We Integrate

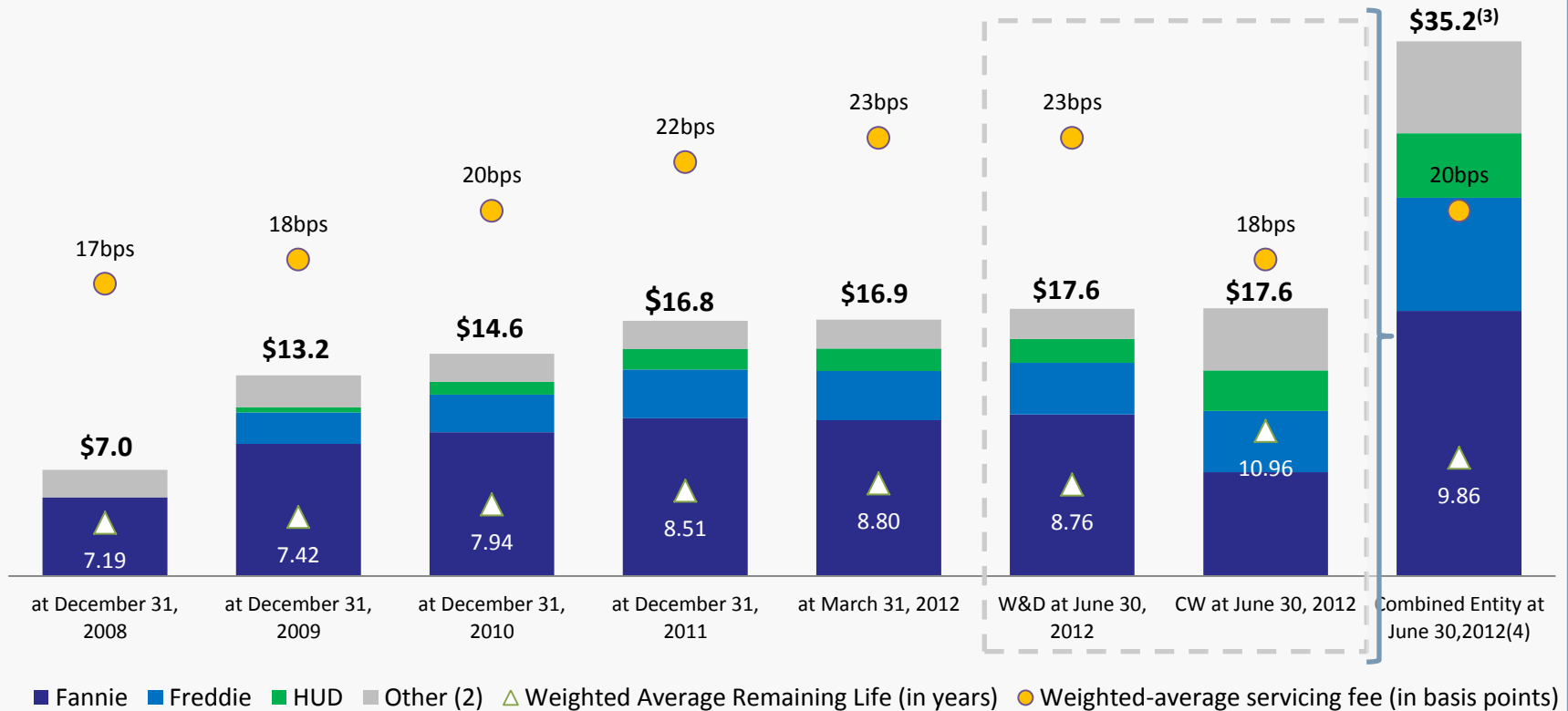
Walker & Dunlop will benefit from economies of scale as we integrate CWCapital, resulting in a low 30's annual operating margin following integration

Personnel	<ul style="list-style-type: none">▶ Recognize approximately \$3.0 million in severance costs and reduce work force by 25 people▶ Expenses relating to cash and stock retention plans▶ After considering the annual shared services allocation of approximately \$12 million from CW Financial Services to CWCapital, and possible addition of support positions due to increased scale, G&A savings expected to be about \$5-\$7 million
Servicing	<ul style="list-style-type: none">▶ Decrease cost of servicing 40-50% by moving CW servicing platform to Walker & Dunlop model▶ Gain economies of scale by nearly doubling the servicing portfolio▶ Benefits will show up in 2013
Office Space	<ul style="list-style-type: none">▶ In the process of analyzing space needs – expect one-time charges as we consolidate or “re-work” the footprint in locations where we have overlap
Warehouse Costs	<ul style="list-style-type: none">▶ Decrease warehouse fees by 18 – 20 bps while nearly doubling capacity
Incremental Interest Expense	<ul style="list-style-type: none">▶ Increase interest expense on corporate debt by \$2.7 million annually from approximately \$62 million of additional borrowings
One Time Deal Expenses	<ul style="list-style-type: none">▶ Expect to recognize \$2.7 million of additional expenses related to banking and legal deal costs in Q3'12▶ Incur \$1 million per month from September to November for transition services agreement with CWCapital Financial Services

Creating the 11th Largest Servicer in the U.S.⁽¹⁾

The Servicing Portfolio

(dollars in billions)



⁽¹⁾ According to the 2011 Mortgage Bankers Association Commercial/Multifamily Mortgage Servicer Rankings.

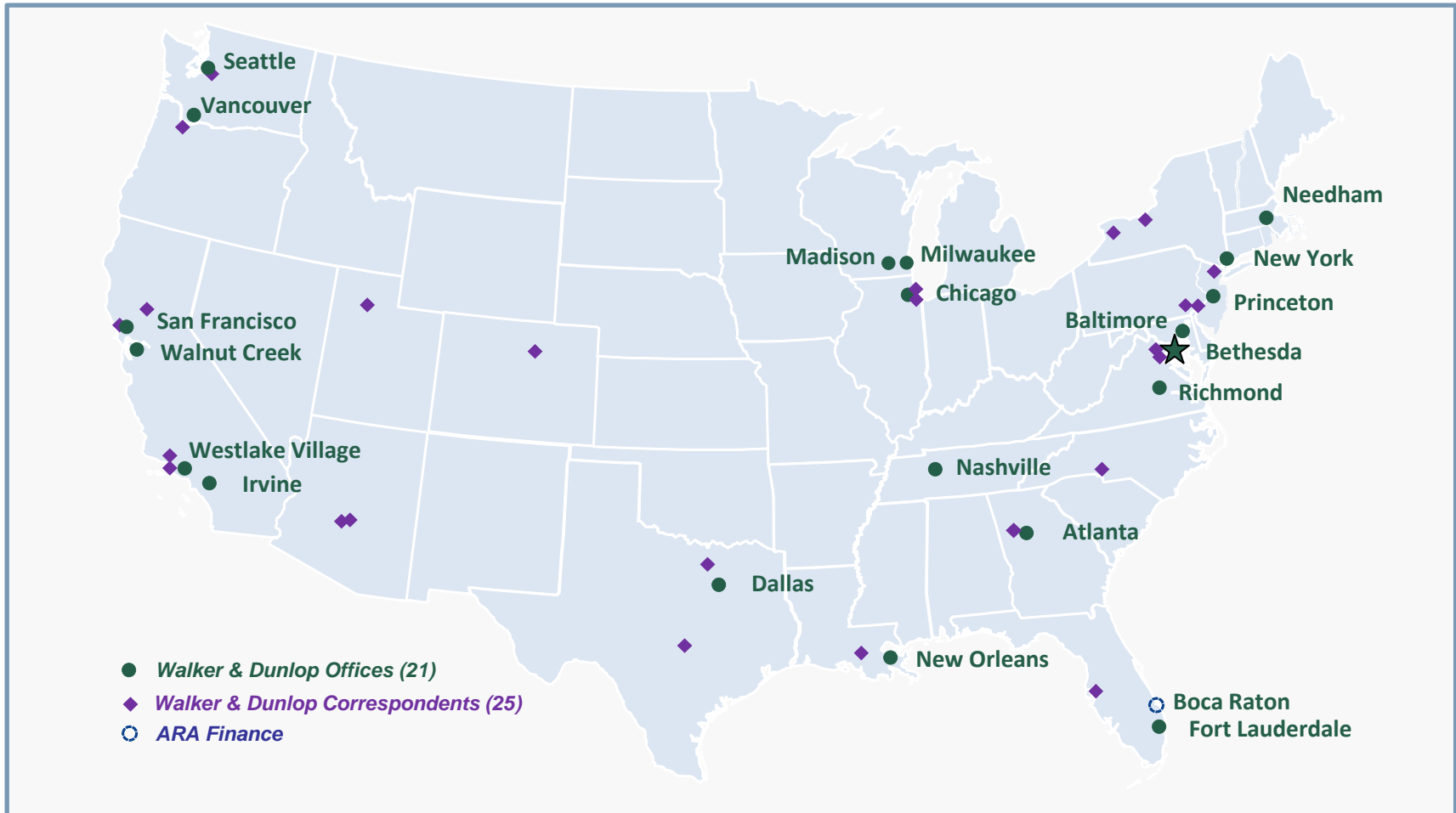
⁽²⁾ Other includes CMBS, life insurance, commercial banks and interim loans.

⁽³⁾ Prior to the closing of the transaction on September 4, 2012, CWC Capital sold \$3.2 billion of CMBS loans included in the June 30, 2012 servicing portfolio above, as a result those loans will not be included in the combined servicing portfolio after the close of the transaction.

⁽⁴⁾ The terms "combined" and "combined entity" reflect the addition of Walker & Dunlop, Inc. and CWC Capital LLC GAAP operating results or other amounts and are not intended to represent pro forma financial information nor projections of the financial results of the combined company following the closing of the acquisition. Management believes this information is useful to provide investors with a sense of size and potential impact of the transaction and combined entity.

Enhanced National Reach

The CWCapital Acquisition Creates Significant Additional Market Presence



Note: Office data as of September 4, 2012.

The Power of Walker & Dunlop

W&D's Enhanced Market Position

- ▶ Combination of W&D and CW creates the 2nd largest multifamily lender and 8th largest commercial real estate lender in the United States ⁽¹⁾
- ▶ Scale will matter a great deal when and if Fannie Mae and Freddie Mac “reform” occurs
- ▶ Enhanced national reach - production force approximately doubled
- ▶ Four additional Freddie Mac licenses acquired in the CW acquisition

W&D's Origination Volume and Increased Capacity

- ▶ Both the acquisition of CW and recent key hires increase W&D's origination capacity
- ▶ Addition of two Capital Markets teams in Q2'12 triples our Capital Markets origination capacity
- ▶ Loan Origination guidance: Q3'12⁽²⁾: \$1.7-2.3 billion Q4'12: \$2.2 – 3.1 billion
FY 2012⁽²⁾: \$5.9 – \$7.4 billion

Servicing Portfolio

- ▶ The addition of CW's loan servicing portfolio provides significant economies of scale for the W&D platform
- ▶ Combined servicing portfolio of approximately \$35 billion⁽³⁾ increases already significant recurring revenue streams

Strategic Outlook

- ▶ Financial wherewithal will benefit capital raising for proprietary products
 - ▶ Accelerates progress toward becoming the premier commercial real estate finance company in the United States
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⁽¹⁾ According to the 2011 Mortgage Bankers Association Origination Rankings.

⁽²⁾ Excludes origination volumes from CWCapital LLC for the first eight months of 2012 .

⁽³⁾ As of June 30, 2012. Prior to the closing of the transaction on September 4, 2012, CWCapital sold \$3.2 billion of CMBS loans included in the June 30, 2012 servicing portfolio above, as a result those loans will not be included in the combined servicing portfolio after the close of the transaction.

Combined Balance Sheet

As of June 30, 2012 (1)
(in thousands)
(unaudited)

	<u>Walker & Dunlop, Inc.</u>		<u>CWCapital, LLC</u>		<u>Adjustments</u>		<u>Combined Walker & Dunlop, Inc.</u>
Assets							
Cash and cash equivalents	\$ 46,153	\$	28,597	\$	(23,622)	\$	51,128
Restricted cash	4,583		24,679				29,262
Pledged securities, at fair value	21,144		-				21,144
Loans held for sale, at fair value	399,230		532,527				931,757
Loans held for investment	16,392						16,392
Servicing fees and other receivables, net	17,540		9,491				27,031
Derivative assets	9,501		32,290				41,791
Mortgage servicing rights	149,533		121,495				271,028
Goodwill	-		-		66,427		66,427
Other assets	12,120		6,081		13,538		31,739
Total assets	\$ 676,196	\$	755,160	\$	56,343	\$	1,487,699
Liabilities and Stockholders' Equity							
Liabilities							
Accounts payable and other accrued expenses	\$ 66,942	\$	17,442	\$	75	\$	84,459
Due to related parties	-		1,793				1,793
Performance deposits from borrowers	7,552		3,922				11,474
Derivative liabilities	1,899		31,857				33,756
Guaranty obligation, net of accumulated amortization	10,746		-				10,746
Allowance for risk-sharing obligations	13,629		28,550				42,179
Notes payable	22,069		-		60,931		83,000
Interim loan warehouse notes payable	12,375						12,375
Warehouse notes payable	360,620		515,868				876,488
Total liabilities	\$ 495,832	\$	599,432	\$	61,006	\$	1,156,270
Stockholders' Equity							
Stockholders' equity:							
Common stock	\$ 218	\$	-	\$	117	\$	335
Additional paid-in capital	82,770		105,280		45,668		233,718
Retained earnings	97,376		50,448		(50,448)		97,376
Total stockholders' equity	\$ 180,364	\$	155,728	\$	(4,663)	\$	331,429
Commitments and contingencies							
Total liabilities and stockholders' equity	\$ 676,196	\$	755,160	\$	56,343	\$	1,487,699

(1) Refer to note (3) on slide 6 regarding the combined entity

Combined Income Statement

For the six months ended June 30, 2012 (1)

(in thousands)

(unaudited)

	<u>Walker & Dunlop, Inc.</u>	<u>CWCapital, LLC</u>	<u>Adjustments</u>	<u>Combined Walker & Dunlop, Inc.</u>
Revenues				
Gains from mortgage banking activities	\$ 53,736	\$ 50,925	\$ -	\$ 104,661
Servicing fees	19,206	16,173	-	35,379
Net warehouse interest income	2,011	1,277	-	3,288
Escrow earnings and other interest income	1,064	605	-	1,669
Other	5,105	2,525	-	7,630
Total revenues	<u>\$ 81,122</u>	<u>\$ 71,505</u>	<u>\$ -</u>	<u>\$ 152,627</u>
Expenses				
Personnel	\$ 29,004	\$ 28,555	\$ -	\$ 57,559
Amortization and depreciation	14,002	604	-	14,606
Provision for risk-sharing obligations	1,974	(1,600)	-	374
Fair value adjustments - MSRs	-	20,288	-	20,288
Interest expense on corporate debt	331	-	1,308	1,639
Other operating expenses	11,208	8,393	-	19,601
Total expenses	<u>\$ 56,519</u>	<u>\$ 56,240</u>	<u>\$ 1,308</u>	<u>\$ 114,067</u>
Income from operations	24,603	15,265	(1,308)	38,560
Income tax expense	9,472	-	(504)	8,968
Net income	<u>\$ 15,131</u>	<u>\$ 15,265</u>	<u>\$ (805)</u>	<u>\$ 29,591</u>

(1) Refer to note (3) on slide 6 regarding the combined entity