
Section 1: 8-K (8-K)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 10, 2018**

Walker & Dunlop, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

001-35000
(Commission File Number)

80-0629925
(IRS Employer Identification No.)

**7501 Wisconsin Avenue
Suite 1200E
Bethesda, MD**
(Address of principal executive offices)

20814
(Zip Code)

Registrant's telephone number, including area code: **(301) 215-5500**

Not applicable

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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.

Item 1.01. Entry into a Material Definitive Agreement.

On September 10, 2018, Walker & Dunlop, Inc. (the "Company") and Walker & Dunlop, LLC, the operating subsidiary of the Company (the "Borrower"), entered into a Second Amendment to Second Amended and Restated Warehousing Credit and Security Agreement (the

“Amendment”) with PNC Bank, National Association, as Lender (“PNC”). The Amendment amends that certain Second Amended and Restated Warehousing Credit and Security Agreement, dated as of September 11, 2017 (the “Warehousing Agreement”), by and among the Borrower, the Company and PNC to, among other things, extend the maturity date thereunder until September 9, 2019, and lower the minimum interest rate from 30-day London Interbank Offered Rate (“LIBOR”) plus 130 basis points to 30-day LIBOR plus 120 basis points. The Company continues to guarantee the Borrower’s obligations under the Warehousing Agreement, as amended by the Amendment.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

PNC and its affiliates have various relationships with the Company involving the provision of financial services, including, cash management, trust and other services. In addition, affiliates of the Company have entered into forward delivery commitments and other derivative arrangements in the ordinary course of business with PNC and its affiliates.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| 10.1 | Second Amendment to Second Amended and Restated Warehousing Credit and Security Agreement, dated as of September 10, 2018, by and among Walker & Dunlop, LLC, Walker & Dunlop, Inc. and PNC Bank, National Association, as Lender. |

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EXHIBIT INDEX

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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 hereunto duly authorized.

WALKER & DUNLOP, INC.
(Registrant)

Date: September 13, 2018

By: /s/ Stephen P. Theobald
Name: Stephen P. Theobald
Title: Executive Vice President and Chief Financial Officer

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1

SECOND AMENDMENT TO SECOND AMENDED AND RESTATED WAREHOUSING CREDIT AND SECURITY AGREEMENT

THIS SECOND AMENDMENT TO SECOND AMENDED AND RESTATED WAREHOUSING CREDIT AND SECURITY AGREEMENT (this “**Second Amendment**”) is made effective as of the 10th day of September, 2018, by and among WALKER & DUNLOP, LLC, a Delaware limited liability company (“**Borrower**”), WALKER & DUNLOP, INC., a Maryland corporation (“**Parent**”), and PNC BANK, NATIONAL ASSOCIATION (“**Lender**”).

RECITALS

WHEREAS, Lender, Borrower and Parent are parties to that certain Second Amended and Restated Warehousing Credit and

Security Agreement, dated as of September 11, 2017, by and among Borrower, Parent, and Lender, as amended by that First Amendment to Second Amended and Restated Warehousing Credit and Security Agreement, dated as of September 15, 2017 (as amended, the “**Credit Facility Agreement**”), whereby upon the satisfaction of certain terms and conditions set forth therein, the Lender agreed to make Warehousing Advances from time to time, up to the Warehousing Credit Limit (each such term as defined in the Credit Facility Agreement).

WHEREAS, Borrower has requested, and Lender has agreed, pursuant to the terms hereof, to modify certain terms of the Credit Facility Agreement as set forth in this Second Amendment.

NOW, THEREFORE, for and in consideration of the premises, the mutual entry of this Second Amendment by the parties hereto and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Recitals. The Recitals are hereby incorporated into this Second Amendment as a substantive part hereof.

Section 2. Definitions. Terms used herein and not otherwise defined shall have the meanings set forth in the Credit Facility Agreement.

Section 3. Amendments to Credit Facility Agreement. The Credit Facility Agreement is hereby amended as follows:

(a) Section 1.2 of the Credit Facility Agreement is hereby deleted and replaced with the following:

“The Warehousing Commitment expires on the earlier of (“Warehousing Maturity Date”): (a) September 9, 2019 (the “Stated Maturity Date”), on which date the Warehousing Commitment will expire of its own term and the Warehousing Advances together with all accrued and unpaid interest and costs and expenses will become due and payable without the necessity of Notice or action by Lender; and (b) the date the Warehousing Commitment is terminated and the Warehousing Advances become due and payable under Section 10.2(a) or 10.2(b).”

(b) Section 9.7 of the Credit Facility Agreement is hereby deleted in its entirety and replaced with the following:

“9.7 Special Representations and Warranties Concerning Eligibility as Freddie Mac Multifamily Approved Seller/Servicer.

9.7(a) Borrower represents and warrants to Lender, as of the date of this Agreement and as of the date of each Warehousing Advance Request and the making of each Warehousing Advance, that Borrower is approved, qualified, in good standing and permitted to originate the following Freddie Mac Direct Purchase Mortgage Loans: (i) Freddie Mac Multifamily Approved Seller/Servicer for Conventional Loans; (ii) Freddie Mac Multifamily Approved Seller/Servicer for Seniors Housing Loans; and (iii) Freddie Mac Multifamily Approved Seller/Servicer for Targeted Affordable Loans.”

(c) The following defined terms set forth in Section 12.1 of the Credit Facility Agreement are hereby deleted in their entirety and replaced with the following:

“Applicable Base Rate” means for any day, a fluctuating per annum rate of interest equal to the sum of (a) the higher of (i) the Prime Rate and (ii) the Federal Funds Open Rate plus forty basis points (0.40%), and (b) one and 20/100th percent (1.20%). The calculation and determination of the Applicable Base Rate shall be made daily by the Lender and such determination shall, absent manifest error, be final, conclusive and binding upon Borrower and the Lender. Changes in the Applicable Base Rate shall become effective on the same day as the Lender changes its Prime Rate or a change occurs in the Federal Funds Open Rate, depending upon which rate is applicable on that day to the determination of the Base Rate.’

“Applicable Daily Floating LIBO Rate” means, for any day, a rate per annum equal to the Daily LIBO Rate for such day, plus one and 20/100th percent (1.20%).’

(d) The term “Freddie Mac Program Plus,” as defined in Section 12.1 of the Credit Facility Agreement and as used throughout the Credit Facility Agreement, is hereby deleted and replaced with the term “Freddie Mac Programs” in all such instances. As used throughout the Credit Facility Agreement, the term “Freddie Mac Programs” shall mean, collectively: (i) Freddie Mac Multifamily Seller/Servicer programs for Conventional Loans, (ii) Freddie Mac Multifamily Seller/Servicer programs for Seniors Housing Loans, and (iii) Freddie Mac Multifamily Seller/Servicer programs for Targeted Affordable Loans.

Section 4. Ratification, No Novation, Effect of Modifications. Except as may be amended or modified hereby, the terms of the Credit Facility Agreement are hereby ratified, affirmed and confirmed and shall otherwise remain in full force and effect. Nothing in this Second Amendment shall be construed to extinguish, release, or discharge or constitute, create or effect a novation of, or an agreement to extinguish, release or discharge, any of the obligations, indebtedness and liabilities of Borrower or any other party under the provisions of the Credit Facility Agreement or any of the other Loan Documents, unless specifically herein provided.

Section 5. Amendments. This Second Amendment may be amended or supplemented by and only by an instrument executed and delivered by each party hereto.

Section 6. Waiver. The Lenders shall not be deemed to have waived the exercise of any right which they hold under the Credit Facility Agreement unless such waiver is made expressly and in writing (and no delay or omission by any Lender in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. Without limiting the operation and effect of the foregoing provisions hereof, no act done or omitted by any Lender pursuant to the powers and rights granted to it hereunder shall be deemed a waiver by any Lender of any of its rights and remedies under any of the provisions of the Credit Facility Agreement, and this Second Amendment is made and accepted without prejudice to any of such rights and remedies.

Section 7. Governing Law. This Second Amendment shall be given effect and construed by application of the law of the Commonwealth of Pennsylvania.

Section 8. Headings. The headings of the sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

Section 9. Severability. No determination by any court, governmental body or otherwise that any provision of this Second Amendment or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (i) any other such provision or (ii) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

Section 10. Binding Effect. This Second Amendment shall be binding upon and inure to the benefit of Borrower, Parent, Lender, and their respective permitted successors and assigns.

Section 11. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, each of the parties hereto have executed and delivered this Second Amendment under their respective seals as of the day and year first written above.

WALKER & DUNLOP, LLC, as Borrower

By: /s/ Stephen P. Theobald
Name: Stephen P. Theobald
Title: Executive Vice President and Chief Financial Officer

WALKER & DUNLOP, INC., as Parent

By: /s/ Stephen P. Theobald
Name: Stephen P. Theobald
Title: Executive Vice President and Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Terri Wyda
Name: Terri Wyda
Title: Senior Vice President

[Signature Page to Second Amendment to Second Amended and Restated Warehousing Credit and Security Agreement]