Walker & Dunlop, Inc.
Form S-1/A
December 01, 2010

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As filed with the Securities and Exchange Commission on December 1, 2010

Registration No. 333-168535

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

AMENDMENT NO. 4
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Walker & Dunlop, Inc.
(Exact Name of Registrant as Specified in its charter)

Maryland	**6199**	**80-0629925**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

7501 Wisconsin Avenue
Suite 1200
Bethesda, MD 20814
(301) 215-5500
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

William M. Walker
Chairman, President and Chief Executive Officer
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(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ý (Do not check if a smaller reporting company)	Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)(4)
Common Stock, $0.01 par value per share	$184,000,000	$820

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the initial public offering price of common stock that may be purchased by the underwriters upon the exercise of their overallotment option.

(3) Calculated in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

(4)

The aggregate amount of $12,300 was previously paid in connection with the company's previous filings on August 4, 2010 and October 21, 2010 for an initial maximum aggregate offering price of $172,500,000 and $820 is paid herewith for a total proposed maximum aggregate offering price of $184,000,000.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale of the securities is not permitted.

Subject to Completion dated December 1, 2010

PROSPECTUS

10,000,000 Shares

Common Stock

We are one of the leading providers of commercial real estate financial services in the United States, with a primary focus on multifamily lending. We originate, sell and service a range of multifamily and other commercial real estate financing products.

This is our initial public offering and no public market currently exists for our common stock. We are offering 6,666,667 shares of our common stock, and the selling stockholders named in this prospectus are selling 3,333,333 shares of our common stock. We will not receive any proceeds from the sale of the shares of our common stock by the selling stockholders. We expect the initial public offering price of our common stock to be between $14.00 and $16.00 per share. Our common stock has been approved for listing on the New York Stock Exchange, or the NYSE, subject to official notice of issuance, under the symbol "WD."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 13 of this prospectus for a discussion of the risks that you should consider before making a decision to invest in our common stock.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to the selling stockholders	$	$

We have granted the underwriters the right to purchase up to 1,500,000 additional shares of our common stock at the initial public offering price, less the underwriting discounts and commissions, within 30 days after the date of this prospectus to cover overallotments, if any.

Neither the Securities and Exchange Commission nor any jurisdiction or other securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of common stock sold in this offering are expected to be ready for delivery on or about , 2010.

Credit Suisse **Keefe, Bruyette & Woods** **Morgan Stanley**

William Blair & Company	**JMP Securities**	**Stifel Nicolaus Weisel**

The date of this prospectus is , 2010.

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You should rely only on the information contained in this prospectus or in any free writing prospectus prepared by us. We have not, and the selling stockholders and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the selling stockholders and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any free writing prospectus prepared by us is accurate only as of their respective dates or on the date or dates which are specified in those documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

Until , (25 days after the date of this prospectus), all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

This prospectus contains registered trademarks that are the exclusive property of their respective owners, which are companies other than us, including Fannie Mae, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the U.S. Department of Housing and Urban Development and the Government National Mortgage Association. None of the owners of the trademarks appearing in this prospectus, their parents, subsidiaries or affiliates or any of their respective officers, directors, members, managers, stockholders, owners, agents or employees, which we refer to collectively as the "trademark owners," are issuers or underwriters of the shares of common stock being offered hereby, play (or will play) any role in the offer or sale of the shares of common stock, or have any responsibility for the creation or contents of this prospectus. In addition, none of the trademark owners have or will have any liability or responsibility whatsoever arising out of or related to the sale or offer of the shares of common stock being offered hereby, including any liability or responsibility for any financial statements, projections or other financial information or other information contained in this prospectus or otherwise disseminated in connection with the offer or sale

of the shares of common stock offered hereby. You must understand that, if you purchase our common stock in this offering, your sole recourse for any alleged or actual impropriety relating to the offer and sale of the common stock and the operation of our business will be against us (and/or, as may be applicable, any selling stockholder of such shares of common stock) and in no event may you seek to impose liability arising from or related to such activity, directly or indirectly, upon any of the trademark owners.

We use market data and industry forecasts and projections throughout this prospectus, including data from publicly available information and industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on industry surveys and the preparers' experience in the industry and there can be no assurance that any of the forecasts or projections will be achieved. We believe that the surveys and market research others have performed are reliable, but we have not, and the selling stockholders and the underwriters have not, independently verified this information.

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SUMMARY

This summary highlights some of the information in this prospectus. It does not contain all of the information that you should consider before making a decision to invest in our common stock. You should read carefully the more detailed information set forth under "Risk Factors" and the historical financial statements, including the related notes, and the other information included in this prospectus. Except where the context suggests otherwise, the terms "company," "we," "us" and "our" refer to Walker & Dunlop, Inc., a Maryland corporation, together with its consolidated subsidiaries, after giving effect to the formation transactions described in this prospectus.

Unless indicated otherwise, the information in this prospectus assumes (i) the formation transactions described in this prospectus have been completed, (ii) the common stock to be sold in this offering is sold at $15.00 per share, which is the midpoint of the initial public offering price range shown on the cover page of this prospectus, (iii) the grant of 481,684 shares of restricted stock under our Equity Incentive Plan to certain of our employees, including our executive officers, and non-employee directors, vesting over time and (iv) no exercise by the underwriters of their overallotment option to purchase up to an additional 1,500,000 shares of our common stock.

Our Company

We are one of the leading providers of commercial real estate financial services in the United States, with a primary focus on multifamily lending. We originate, sell and service a range of multifamily and other commercial real estate financing products. Our clients are owners and developers of commercial real estate across the country. We originate and sell loans through the programs of Fannie Mae and the Federal Home Loan Mortgage Corporation ("Freddie Mac," and together with Fannie Mae, the government-sponsored enterprises, or 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"), with which we have long-established relationships. We retain servicing rights and asset management responsibilities on nearly all loans that we originate for GSE and HUD programs. We are approved as a Fannie Mae Delegated Underwriting and Servicing ("DUS") lender nationally, a Freddie Mac Program Plus lender in seven states, the District of Columbia and the metropolitan New York area, a HUD Multifamily Accelerated Processing ("MAP") lender nationally, and a Ginnie Mae issuer. We also originate and service loans for a number of 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.

In 2009, we originated more than $2.2 billion in commercial real estate loans, of which approximately $1.9 billion were sold through GSE or HUD programs and approximately $343 million were placed with institutional investors. As of September 30, 2010, we serviced approximately $14.2 billion in commercial real estate loans covering approximately 1,630 properties in 46 states and the District of Columbia. We also provide investment consulting and related services for two commercial real estate funds that invest in commercial real estate securities and loans for a number of institutional investors.

For the year ended December 31, 2009, according to the Mortgage Bankers Association, by principal amount of loans directly funded or serviced by us, we were:

- the 9th largest lender of commercial real estate loans in the United States;
- the 5th largest originator of multifamily commercial real estate loans for Fannie Mae;
- one of only three institutions that was a top 10 originator for each of Fannie Mae, Freddie Mac and HUD; and
- the 7th largest servicer of commercial real estate loans for Fannie Mae and Freddie Mac, collectively.

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We have not historically originated loans for our balance sheet. The sale of each loan through GSE and HUD programs is negotiated prior to closing on the loan with the borrower. For loans originated pursuant to the Fannie Mae DUS program, we generally are required to share the risk of loss, with our maximum loss capped at 20% of the unpaid principal balance of a loan. In addition to our risk-sharing obligations, we may be obligated to repurchase loans that are originated for GSE and HUD programs if certain representations and warranties that we provide in connection with such originations are breached. We have never been required to repurchase a loan. We have established a strong credit culture over decades of originating loans and are committed to disciplined risk management from the initial underwriting stage through loan payoff. From January 1, 2000 through September 30, 2010, we settled risk-sharing obligations of $4.5 million, or an average 1 basis point annually of the average at risk Fannie Mae portfolio balance.

Our total revenues were $85.8 million for the nine months ended September 30, 2010 and $88.8 million for the year ended December 31, 2009. Our income from operations was $29.5 million for the nine months ended September 30, 2010 and $28.6 million for the year ended December 31, 2009.

We have been in business for 73 years. Since becoming a Fannie Mae DUS lender in 1988, we have had major institutions as investors in our business. In January 2009, we acquired from Column Guaranteed LLC ("Column"), an affiliate of Credit Suisse Securities (USA) LLC, its $5.0 billion servicing portfolio, together with its Fannie Mae, Freddie Mac and HUD operations, which significantly expanded our GSE and HUD loan origination capabilities. Our extensive borrower and lender relationships, knowledge of the commercial real estate capital markets, expertise in commercial real estate financing, and strong credit culture have enabled us to establish a significant market presence and grow rapidly and profitably in recent years. We believe our business model and expertise, combined with the additional capital from this offering, will enable us to continue to grow and enhance our position as a leading provider of commercial real estate financial services in the United States.

Industry and Market Opportunity

We believe that sizeable demand for commercial real estate loans, principally driven by impending debt maturities and an anticipated rebound in commercial real estate investment activity, presents significant growth opportunities for companies that have an established market presence, demonstrated origination experience, deep relationships with active investors and a disciplined risk management strategy.

Historically, multifamily and other commercial real estate loans have been funded by a large number of investors, including commercial banks, insurance companies and other institutional investors, as well as GSEs and HUD. Since reaching their highs in 2007, commercial real estate values have declined substantially as a result of the global recession and the related significant contraction in capital available to the commercial real estate market. This contraction in capital has been exacerbated by the near shut down in investor demand for commercial mortgage-backed securities ("CMBS") and by financial institutions significantly reducing their commercial real estate portfolios and lending activity in an effort to retain capital, reduce leverage, mitigate risk and meet regulatory capital requirements.

A substantial amount of commercial real estate loans is scheduled to mature in the coming years. According to the Federal Reserve Flow of Funds Accounts of the United States, approximately $3.2 trillion of commercial real estate loans were outstanding as of June 30, 2010, of which approximately $843 billion were multifamily loans. It is estimated that $28 billion to $40 billion of multifamily loans held by investors other than commercial banks will mature each year from 2011 to 2014, according to the Survey of Loan Maturity Volumes, Mortgage Bankers Association. This amount would be considerably higher if it included multifamily loans held by commercial banks. As this debt matures, real estate owners will be required to repay or restructure their loans. In these scenarios, new debt will almost always be required, which we believe will provide significant opportunities for us. We further believe that demand for multifamily and other commercial real estate loans will increase as the overall economy improves, which should have a positive impact on our origination volume.

Our Competitive Strengths

We distinguish ourselves from other commercial mortgage originators and servicers through five core strengths developed over decades of experience:

Strong Client Relationships and Demonstrated Loan Origination Experience. Throughout our history, we have established and maintained deep client relationships with major owners and operators of commercial real estate across the country. We understand the financial needs of our borrowers, the geographic markets in which they operate, the market conditions for different types of commercial properties, and how to structure commercial real estate loans to meet those needs. Many of our clients are repeat customers, and some have worked with us for multiple generations. We also have decades of origination experience and were one of only three institutions in 2009 that was a top 10 originator for each of Fannie Mae, Freddie Mac and HUD.

Disciplined Credit Culture. We maintain a strong credit culture and disciplined risk management underpins everything we do. From January 1, 2000 through September 30, 2010, we settled risk-sharing obligations of $4.5 million, or an average 1 basis point annually of the average at risk Fannie Mae portfolio balance. We have received numerous awards from Fannie Mae for excellence in asset and risk management, including, in 2009, the Excellence in Asset Management Award and the Excellence in Loss Mitigation Award. We believe underwriting and active asset management are key components of our business model.

Deep Investor Relationships. We have relationships with Fannie Mae, Freddie Mac and HUD that are backed by decades of experience. We understand GSE and HUD program requirements and standards for originating, underwriting and servicing large volumes of loans. We also have extensive relationships with other institutional sources of commercial real estate capital. We were one of the first companies to obtain a Fannie Mae DUS license and have been a top 10 originator during 19 of the past 20 years. Currently, 25 companies are approved as Fannie Mae DUS lenders, 26 companies are approved as Freddie Mac Program Plus lenders, and 49 companies are approved as both HUD MAP lenders and Ginnie Mae issuers. We believe that obtaining new lender licenses from the GSEs is difficult, creating a significant barrier to entry.

Servicing and Asset Management Expertise. As of September 30, 2010, we serviced and provided asset management for approximately $14.2 billion in commercial real estate loans representing approximately 1,630 properties in 46 states and the District of Columbia. Our asset managers monitor individual investments with special emphasis on financial performance and risk management to anticipate potential property, borrower and market issues. Because of our active servicing and asset management, we believe that we provide a more full-service, hands-on experience to our customers and award-winning risk management to our investors.

Experienced Management Team with Substantial Ownership. Our named executive officers have an average of more than 20 years of experience in the commercial real estate finance industry. We have a senior management team that has time-tested, hands-on experience with a high degree of market knowledge and a thorough understanding of a broad range of commercial real estate asset classes. This team led our company during the credit crisis over the last few years with consistent quarterly growth in both revenues and profits. Our named executive officers will own approximately 18.2% of our outstanding shares of common stock on a fully diluted basis following the completion of the formation transactions and this offering, closely aligning their interests with those of our stockholders.

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Our Growth Strategy

We believe we are well positioned to grow our business by taking advantage of opportunities in the commercial real estate finance market. During the recent credit crisis, we not only maintained our position in the market, but also expanded our business through the Column transaction in 2009, which added licenses to originate and service loans for Freddie Mac and HUD. We also significantly expanded our capabilities in the healthcare lending business through the Column transaction. As a result, while commercial real estate originations dropped nationwide by 46% from 2008 to 2009 and multifamily originations dropped nationwide by 35% from 2008 to 2009, according to the Mortgage Bankers Association's 2009 Annual Origination Volume Summation, our originations grew by 12% to approximately $2.2 billion in 2009 from approximately $2.0 billion in 2008. While some of our competitors suffered extensive loan losses and negative earnings, we sustained limited credit losses and remained profitable during the same period. We believe that our performance during this period of significant market dislocation has given us access to new clients and talented professionals and enhanced our brand awareness across the commercial real estate finance industry.

We seek to use this momentum and market position to profitably grow our business by focusing on the following areas:

Capitalize on Refinancing Needs and Commercial Real Estate Recovery. According to the Survey of Loan Maturity Volumes, Mortgage Bankers Association, $420 billion in non-bank commercial real estate debt is expected to mature between 2011 and 2014, of which $130 billion is non-bank multifamily debt. We believe that these figures would be considerably higher if multifamily loans held by commercial banks were included. While some of this debt may be extended or restructured by existing lenders, we believe much of it will need to be refinanced, creating a significant market opportunity. With our strong market position and borrower relationships in multifamily debt financing, we believe that we are well positioned to benefit from an increase in lending activity for multifamily properties. Furthermore, we believe the commercial real estate recovery will generate opportunities for us to expand our originations of commercial real estate loans outside of the multifamily sector.

Add to Our Origination Capabilities. We intend to expand our business by adding to our origination capabilities. We currently have approximately 30 originators located in eight offices nationwide, supplemented by 23 independently owned mortgage banking companies with whom we have correspondent relationships. We originate loans nationally and believe that we will have significant opportunities to continue broadening our origination network. This expansion may include organic growth, recruitment of talented origination professionals and potentially acquisitions of competitors with strong origination capabilities.

Increase Originations in Healthcare Finance. Through the Column transaction, we significantly increased our ability to compete in the healthcare real estate lending space, which includes skilled nursing facilities, senior housing facilities and hospitals. The most active sources of capital in this space today are HUD and Fannie Mae. From January 2009 through September 30, 2010, we have originated over $420 million in hospital and skilled nursing facility loans. According to the U.S. Department of Health and Human Services, average annual health spending growth is anticipated to outpace average annual growth in the overall economy from 2009-2019, reaching approximately $4.5 trillion and representing 19.3% of GDP in 2019. Health spending growth is primarily attributable to the increasing average age of the U.S. population, as the 65 and over population is expected to grow 36.2% from 2010 to 2020, according to the U.S. Census Bureau. Given the significant and growing size of this market, along with our demonstrated origination capabilities, we believe that healthcare lending will represent a growing portion of our future business.

Acquire Complementary Businesses. Dislocation in the commercial real estate market has left many competitors weakened. While we have no present intention or agreement, we may choose to broaden the services we provide by acquiring complementary businesses that have deep client relationships and expertise in areas such as investment sales and special asset management. Through the Column transaction, we have demonstrated our ability to successfully acquire and integrate a significant business and believe that we have the ability to do so in the future should opportunities arise.

Expand Our Commercial Real Estate Loan Product Offerings. We anticipate offering additional commercial real estate loan products to our clients as their financial needs evolve. For example, we have experienced strong demand for interim financing for multifamily properties that would feed into our permanent GSE multifamily loan programs. While we have the structuring, underwriting, credit and asset management expertise to offer this type of product, we do not currently have the balance sheet to provide the necessary short-term financing for these loans. We believe proceeds from this offering, together with third-party financing sources, will allow us to meet client demand for additional products that are within our expertise.

Summary of Risk Factors

You should carefully consider the matters discussed in the "Risk Factors" section beginning on page 13 of this prospectus prior to deciding whether to invest in our common stock. Some of these risks include:

The loss of or changes in our relationships with GSEs, HUD and institutional investors would adversely affect our ability to originate commercial real estate loans through GSE and HUD programs, which would materially and adversely affect us.

A change to the conservatorship of Fannie Mae and Freddie Mac and related actions, along with any changes in laws and regulations affecting the relationship between Fannie Mae and Freddie Mac and the U.S. federal government, could materially and adversely affect our business.

We are subject to risk of loss in connection with defaults on loans sold under the Fannie Mae DUS program that could materially and adversely affect our results of operations and liquidity.

If we fail to act proactively with delinquent borrowers in an effort to avoid a default, the number of delinquent loans could increase, which could have a material adverse effect on us.

A significant portion of our revenue is derived from loan servicing fees, and declines in or terminations of servicing engagements or breaches of servicing agreements, including as a result of non-performance by third parties that we engage for back-office loan servicing functions, could have a material adverse effect on us.

If one or more of our warehouse facilities, on which we are highly dependent, are terminated, we may be unable to find replacement financing on favorable terms, or at all, which would have a material adverse effect on us.

We are subject to the risk of failed loan deliveries, and even after a successful closing and delivery, may be required to repurchase the loan or to indemnify the investor if we breach a representation or warranty made by us in connection with the sale of the loan through a GSE or HUD program, any of which could have a material adverse effect on us.

We expect to offer new loan products to meet evolving borrower demands, including loans that we originate for our balance sheet. Balance sheet lending would increase our risk of loss, and because we are not as experienced with such loan products, we may not be successful or profitable in offering such products.

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Our business is significantly affected by general business, economic and market conditions and cycles, particularly in the multifamily and commercial real estate industry, including changes in government fiscal and monetary policies, and, accordingly, we could be materially harmed in the event of a continued market downturn or changes in government policies.

For most loans that we service under the Fannie Mae and HUD programs, we are required to advance payments due to investors if the borrower is delinquent in making such payments, which requirements could adversely impact our liquidity and harm our results of operations.

The loss of our key management or an inability to hire and retain qualified loan originators and maintain relationships with key correspondents could result in a material adverse effect on our business.

There is currently no public market for our common stock, an active trading market for our common stock may never develop or continue following this offering and the trading and market price of our common stock may be volatile and could decline substantially following this offering.

Our History and the Formation Transactions

Walker & Dunlop was founded in 1937 and has been under three generations of Walker family leadership. We became one of the first Fannie Mae DUS lenders in 1988 and have been a top 10 originator under the Fannie Mae DUS Program for 19 of the past 20 years. We are headquartered in Bethesda, Maryland and have seven additional offices across the country.

In January 2009, W&D, Inc., its affiliate Green Park Financial Limited Partnership ("Green Park"), and Column contributed their assets to a newly formed entity, Walker & Dunlop, LLC. The transaction brought together Walker & Dunlop's competencies in debt origination, loan servicing, asset management, investment consulting and related services, Green Park's Fannie Mae DUS origination capabilities and Column's Fannie Mae, Freddie Mac and HUD operations, including its healthcare real estate lending business, to form one of the leading providers of commercial real estate financial services in the United States. Substantially all of the assets and liabilities of W&D, Inc. and Green Park, including its wholly owned subsidiary Green Park Express, LLC, were transferred to Walker & Dunlop, LLC in exchange for 5% and 60% interests, respectively, in Walker & Dunlop, LLC, and certain assets and liabilities of Column were transferred to Walker & Dunlop, LLC for a 35% interest in Walker & Dunlop, LLC.

Concurrently with the closing of this offering, we will complete certain formation transactions through which Walker & Dunlop, LLC will become a wholly owned subsidiary of Walker & Dunlop, Inc., a newly formed Maryland corporation. In connection with the formation transactions, members of the Walker family, certain of our directors and executive officers and certain other individuals and entities who currently own direct and indirect equity interests in Walker & Dunlop, LLC will contribute their respective interests in such entities to Walker & Dunlop, Inc. in exchange for shares of our common stock.

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The following chart shows the anticipated structure and ownership of our company, including operating subsidiaries, after giving effect to the formation transactions and this offering on a fully diluted basis (assuming no exercise by the underwriters of their overallotment option):

Material Benefits to Related Parties

Upon completion of the formation transactions and this offering, former direct and indirect equity holders of Walker & Dunlop, LLC, including certain of our executive officers and directors and Column, will receive the material financial and other benefits described below:

In connection with the formation transactions, certain of our directors and executive officers and other individuals or entities, including Column, will receive shares of our common stock in consideration for their direct and indirect interests in Walker & Dunlop, LLC.

Mallory Walker and Taylor Walker, two of our stockholders, are selling an aggregate of 3,333,333 shares of our common stock in this offering.

We will enter into a registration rights agreement with respect to shares of our common stock issued to former direct and indirect equity holders of Walker & Dunlop, LLC, including certain of our executive officers and directors and Column. The registration rights agreement will provide certain demand and tag along registration rights, subject to limitations.

We will assume from certain entities that were former direct and indirect equity holders of Walker & Dunlop, LLC (i) an outstanding loan that was incurred in connection with the acquisition of partnership interests in Green Park from a third party (the "GPFA loan"), (ii) an outstanding loan that was incurred in connection with the acquisition of shares in Walker & Dunlop Multifamily, Inc. from a former executive (the "Multifamily loan"), (iii) outstanding notes that were incurred in connection with the acquisition of subsidiary equity from certain exiting employees in 2008 (the "GPFA notes") and (iv) certain indemnification obligations incurred in connection with the Column transaction. As of September 30, 2010, the GPFA loan, Multifamily loan and GPFA notes balances were $27.9 million, $0.6 million and $0.5 million, respectively.

Credit Suisse Securities (USA) LLC, an affiliate of Column, is an underwriter for this offering. We have agreed to nominate two Column designees, currently Edmund Taylor and Robert Wrzosek, for election as directors at our 2011 annual meeting of stockholders.

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In addition, William Walker, our Chairman, President and Chief Executive Officer, and Mallory Walker, the father of William Walker and the former Chairman of the company, have agreed to vote the shares of common stock owned by them for the Column designees at the 2011 annual meeting of stockholders.

In addition, members of our board of directors and our executive officers, William M. Walker, our Chairman, President and Chief Executive Officer, Howard W. Smith, our Executive Vice President and Chief Operating Officer, Deborah A. Wilson, our Executive Vice President, Chief Financial Officer, Secretary and Treasurer, Richard C. Warner, our Executive Vice President and Chief Credit Officer, and Richard M. Lucas, our Executive Vice President and General Counsel, will receive the material financial and other benefits described below.

Concurrently with the closing of this offering, an aggregate of 197,335 shares of our restricted stock will be granted under our Equity Incentive Plan to our executive officers and our non-employee directors, which shares vest over three years (or in one year in the case of our non-employee directors).

We will enter into employment agreements with each of our executive officers that will provide for salary, bonus and other benefits, including severance benefits in the event of a termination of employment in certain circumstances.

We will enter into indemnification agreements with each of our executive officers and directors that will provide for indemnification by us for certain liabilities and expenses incurred as a result of actions brought, or threatened to be brought, against them as an officer and/or director of our company.

For a more detailed discussion of these benefits, see "Management" and "Certain Relationships and Related Transactions."

Corporate Information

We were formed as a Maryland corporation on July 29, 2010. Our principal executive office is located at 7501 Wisconsin Avenue, Suite 1200, Bethesda, Maryland 20814. Our telephone number is (301) 215-5500. Our web address is *www.walkerdunlop.com*. The information on, or otherwise accessible through, our website does not constitute a part of this prospectus.

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The Offering

Common stock offered by us	6,666,667 shares (plus up to an additional 1,500,000 shares of our common stock that are issuable by us upon the exercise of the underwriters' overallotment option).
Common stock offered by the selling stockholders	3,333,333 shares
Common stock to be outstanding after this offering	21,889,855 shares (1)(2)
Use of proceeds	We estimate that the net proceeds we will receive from this offering will be approximately $89.5 million after deducting the underwriting discounts and commissions of $7.0 million and estimated offering expenses of approximately $3.5 million payable by us at closing (or, if the underwriters exercise their overallotment option in full, approximately $110.4 million, after deducting the underwriting discounts and commissions and estimated offering expenses). We currently intend to use these net proceeds to execute our growth strategy and fund working capital and for other general corporate purposes. We will not receive any of the net proceeds from the sale of shares of our common stock in this offering by the selling stockholders. See "Use of Proceeds" on page 33.
Risk factors	Investing in our common stock involves risks. You should carefully read and consider the information set forth under the heading "Risk Factors" beginning on page 13 and other information included in this prospectus before making a decision to invest in our common stock.
Proposed NYSE symbol	"WD"
Conflicts of interest	An affiliate of Credit Suisse Securities (USA) LLC will own approximately 24.0% of our common stock on a fully diluted basis upon completion of this offering (assuming no exercise of the underwriters' overallotment option) and two members of our board of directors are affiliated with Credit Suisse Securities (USA) LLC. Because of this relationship, this offering is being conducted in accordance with NASD Rule 2720. This rule requires, among other things, that a qualified independent underwriter has participated in the preparation of, and has exercised the usual standards of "due diligence" with respect to, this prospectus and the registration statement of which this prospectus is a part. Keefe, Bruyette & Woods, Inc. is acting as the qualified independent underwriter. See "Underwriting (Conflicts of Interest) Conflicts of Interest."

(1) Excludes (i) 1,500,000 shares of our common stock issuable upon the exercise of the underwriters' overallotment option and (ii) 1,658,316 additional shares of our common stock issuable under our Equity Incentive Plan after this offering.

(2) Includes an aggregate amount of 481,684 shares of restricted stock to be granted under our Equity Incentive Plan, which includes 467,684 shares of restricted stock to certain of our employees, including our executive officers, vesting ratably on each anniversary date of grant over the next three years, and 14,000 shares of restricted stock to our non-employee directors, vesting on the one-year anniversary date of grant.

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Summary Selected Financial Data

The following table sets forth summary selected financial and operating data on a consolidated and combined historical basis for our predecessor. We have not presented historical financial information for Walker & Dunlop, Inc. because we have not had any corporate activity since our formation other than the issuance of shares of common stock in connection with the initial nominal capitalization of our company and because we believe that a presentation of the results of Walker & Dunlop, Inc. would not be meaningful. The term "predecessor" refers to, collectively, Walker & Dunlop, LLC, Walker & Dunlop Multifamily, Inc., Walker & Dunlop GP, LLC, GPF Acquisition, LLC, W&D, Inc., Green Park Financial Limited Partnership, Walker & Dunlop II, LLC, Green Park Express, LLC and W&D Balanced Real Estate Fund I GP, LLC.

You should read the following summary selected financial and operating data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated and combined financial statements and related notes of our predecessor included elsewhere in this prospectus.

The unaudited summary selected historical financial information at September 30, 2010, and for the nine months ended September 30, 2010 and 2009, have been derived from the unaudited condensed consolidated and combined financial statements of our predecessor included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of such data. The interim results for the nine months ended September 30, 2010 are not necessarily indicative of the results for 2010. Furthermore, historical results are not necessarily indicative of the results to be expected in future periods.

The summary selected historical financial information at December 31, 2009 and 2008, and for the years ended December 31, 2009, 2008 and 2007, have been derived from the consolidated and combined financial statements of our predecessor audited by KPMG LLP, an independent registered public accounting firm, whose report thereon is included elsewhere in this prospectus.

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$ in thousands, except per share data	Nine Months Ended September 30, 2010 (unaudited)	Nine Months Ended September 30, 2009 (unaudited)	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Statement of Income Data(1)(2)					
Revenues					
Gains from mortgage banking activities	$ 58,545	$ 40,149	$ 57,946	$ 29,428	$ 21,930
Servicing fees	19,769	15,350	20,981	12,257	12,327
Net warehouse interest income	2,944	3,122	4,186	1,787	17
Escrow earnings and other interest income	1,632	1,289	1,769	3,428	8,993
Other	2,889	2,355	3,879	2,272	7,005
Total Revenue	$ 85,779	$ 62,265	$ 88,761	$ 49,172	$ 50,272
Expenses					
Personnel	$ 28,877	$ 24,515	$ 32,177	$ 17,008	$ 16,779
Amortization and depreciation	12,394	9,137	12,917	7,804	9,067
Provision for risk-sharing obligations, net	4,397	(34)	2,265	1,101	
Interest expense on corporate debt	1,039	1,312	1,684	2,679	3,853
Other operating expenses	9,546	9,538	11,114	6,548	4,240
Total Expenses	$ 56,253	$ 44,468	$ 60,157	$ 35,140	$ 33,939
Income from Operations	$ 29,526	$ 17,797	$ 28,604	$ 14,032	$ 16,333
Gain on Bargain Purchase(3)		10,922	10,922		
Net Income	$ 29,526	$ 28,719	$ 39,526	$ 14,032	$ 16,333
Pro forma income tax expense (unaudited)(1)(4)	11,220	6,763	10,869	5,332	6,207
Pro forma net income (unaudited)(1)(4)	$ 18,306	$ 21,956	$ 28,657	$ 8,700	$ 10,126
Pre-offering pro forma basic and diluted earnings per share (unaudited)(1)(4)	$ 1.24	$ 1.55	$ 2.00	$ 0.90	$ 1.00
Pre-offering pro forma weighted average basic and diluted number of shares (unaudited)(1)(4)	14,741,504	14,124,492	14,306,873	9,710,521	10,156,385
Balance Sheet Data(1)					
Cash and cash equivalents	$ 20,058(5)	$ 10,706	$ 10,390	$ 6,812	$ 17,437
Restricted cash and pledged securities	16,818	19,498	19,159	12,031	10,250
Mortgage servicing rights	99,682	74,720	81,427	38,943	32,956
Loans held for sale	122,922	65,363	101,939	111,711	22,543
Total Assets	284,093	197,736	243,732	183,347	89,463
Warehouse notes payable	119,108	63,454	96,612	107,005	22,300
Notes payable	28,968	34,276	32,961	38,176	45,508
Total Liabilities	191,370	135,906	173,921	169,497	81,354
Total Equity	92,723	61,830	69,811	13,850	8,114
Supplemental Data(2)					
Income from operations, as a % of total revenue	34%	29%	32%	29%	32%
Total originations	$ 2,101,967	$ 1,682,077	$ 2,229,772	$ 1,983,056	$ 2,064,361
Servicing portfolio	$ 14,165,850	$ 12,844,826	$ 13,203,317	$ 6,976,208	$ 6,054,186

(1) We have historically operated as pass-through tax entities (partnerships, LLCs and S-corporations). Accordingly, our historical earnings have resulted in only nominal federal and state corporate level expense. The tax liability has been the obligation of our owners. Upon consummation of the formation transactions, our income will be subject to both federal and state corporate tax. The change in tax status is expected to result in the recognition of an estimated $30 million to $40 million of net deferred tax liabilities and a corresponding tax expense in the quarter in which the formation transactions are consummated. We used a combined effective federal and state tax rate of 38% to estimate our pro forma tax expense and estimated net deferred tax liability.

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The estimated net deferred tax liability includes the following ($ in thousands):

Loans held for sale	$ (1,400)
Derivatives, net	(1,300)
Mortgage servicing rights	(37,900)
Accounts payable	1,200
Guaranty obligation	3,300
Allowance for risk-sharing obligations	2,800
Servicing fees receivable	(1,100)
Estimated net deferred tax liability	$ (34,400)

To provide a more meaningful presentation of recurring operations, the initial recognition of the income tax expense corresponding to the net deferred tax liability, which will be established as a result of the termination of the entities' pass-through status, is not included in our pro forma presentations.

(2) Statement of Income Data for the year ended December 31, 2009 and the nine months ended September 30, 2009 includes the results for 11 of the 12 months and 8 of the 9 months of the operations acquired in the Column transaction. The results of these operations in January 2009 were not significant.

(3) We recognized a one time gain on bargain purchase of $10.9 million in connection with the Column transaction in January 2009. The gain on bargain purchase represents the difference between the fair value of the assets acquired and the purchase price paid.

(4) Concurrent with the closing of this offering, we will complete certain formation transactions through which certain individuals and entities who currently own direct and indirect equity interests in Walker & Dunlop, LLC will contribute their respective interests in such entities to Walker & Dunlop, Inc. in exchange for shares of our common stock. For purposes of calculating pre-offering pro forma basic and diluted earnings per share, we have estimated 14.7 million shares will be issued in this exchange. The pre-offering pro forma basic and diluted weighted average shares outstanding reflect the respective changes, issuance and repurchase of members' ownership interests that occurred within the periods presented. We have excluded from our computations the 6.7 million shares expected to be issued and 0.5 million restricted shares to be granted in connection with this offering.

(5) On October 27, 2010, we declared our quarterly distribution in the normal course of business with respect to the third quarter 2010 in the amount of $5 million, which will be paid to indirect equity owners of Walker & Dunlop, LLC prior to the closing of this offering.

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RISK FACTORS

Investing in our common stock involves risks. You should carefully consider the following risk factors, together with all the other information contained in this prospectus, before making an investment decision to purchase our common stock. The realization of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and the market price and liquidity of our common stock, which could cause you to lose all or a significant part of your investment in our common stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Forward-Looking Statements."

Risks Relating to Our Business

The loss of or changes in our relationships with GSEs, HUD and institutional investors would adversely affect our ability to originate commercial real estate loans through GSE and HUD programs, which would materially and adversely affect us.

Currently, we originate substantially all of our loans for sale through GSE or HUD programs. We are approved as a Fannie Mae DUS lender nationwide, a Freddie Mac Program Plus lender in seven states, the District of Columbia and the metropolitan New York area, a HUD MAP lender nationwide, and a Ginnie Mae issuer. Our status as an approved lender affords us a number of advantages and may be terminated by the applicable GSE or HUD at any time. The loss of such status would, or changes in our relationships could, prevent us from being able to originate commercial real estate loans for sale through the particular GSE or HUD, which would materially and adversely affect us. It could also result in a loss of similar approvals from other GSEs or HUD.

We also originate loans on behalf of certain life insurance companies, investment banks, commercial banks, pension funds and other institutional investors that directly underwrite and provide funding for the loans at closing. In cases where we do not fund the loan, we act as a loan broker. If these investors discontinue their relationship with us and replacement investors cannot be found on a timely basis, we could be adversely affected.

A change to the conservatorship of Fannie Mae and Freddie Mac and related actions, along with any changes in laws and regulations affecting the relationship between Fannie Mae and Freddie Mac and the U.S. federal government, could materially and adversely affect our business.

There continues to be substantial uncertainty regarding the future of Fannie Mae and Freddie Mac, including whether they both will continue to exist in their current form.

Due to increased market concerns about the ability of Fannie Mae and Freddie Mac to withstand future credit losses associated with securities on which they provide guarantees and loans held in their investment portfolios without the direct support of the U.S. federal government, in September 2008, the Federal Housing Finance Agency (the "FHFA") placed Fannie Mae and Freddie Mac into conservatorship and, together with the U.S. Treasury, established a program designed to boost investor confidence in Fannie Mae and Freddie Mac by supporting the availability of mortgage financing and protecting taxpayers. The U.S. government program includes contracts between the U.S. Treasury and each of Fannie Mae and Freddie Mac that seek to ensure that each GSE maintains a positive net worth by providing for the provision of cash by the U.S. Treasury to Fannie Mae and Freddie Mac if FHFA determines that its liabilities exceed its assets. Although the U.S. government has described some specific steps that it intends to take as part of the conservatorship process, efforts to stabilize these entities may not be successful and the outcome and impact of these events remain highly uncertain.

The problems faced by Fannie Mae and Freddie Mac resulting in their placement into conservatorship and their delistings from the New York Stock Exchange have stirred debate among some U.S. federal policymakers regarding the continued role of the U.S. government in providing liquidity for mortgage loans. Future legislation could further change the relationship between Fannie Mae and Freddie Mac and the U.S. government, could change their business charters or structure, or could nationalize or eliminate such entities entirely. We cannot predict whether, or when any such legislation may be enacted.

In June 2009, as part of the Obama administration's financial industry recovery proposal, the U.S. Treasury announced that it and HUD, in consultation with other government agencies, plan to engage in a wide-ranging initiative to develop recommendations on the future of Fannie Mae and Freddie Mac and the Federal Home Loan Bank system. The U.S. Treasury noted that there are a number of options for the reform of Fannie Mae and Freddie Mac, including: (i) returning them to their previous status as government-sponsored enterprises with the paired interests of maximizing returns for private shareholders and pursuing public policy home ownership goals; (ii) gradual wind-down of their operations and liquidation of their assets; (iii) incorporating each of Fannie Mae's and Freddie Mac's function into a federal agency; (iv) creating a public utility model where the government regulates Fannie Mae's and Freddie Mac's profit margin, sets guarantee fees and provides explicit backing for guarantee commitments; (v) a conversion to providing insurance for covered bonds; and (vi) the dissolution of Fannie Mae and Freddie Mac into many smaller companies. Treasury Secretary Geithner testified in March 2010 that the administration expects to present its proposals for housing finance reform to Congress "next year." On April 14, 2010, the Obama administration released seven broad questions for public comment on the future of the housing finance system, including Fannie Mae and Freddie Mac, and announced that it would hold a series of public forums across the country on housing finance reform. On August 17, 2010, the U.S. Treasury and HUD hosted the Obama Administration's "Conference on the Future of Housing Finance" to bring together academic experts, consumer and community organizations, industry groups, market participants and other stakeholders for an open discussion about housing finance reform. No definitive decisions were made at the conference.

It is widely anticipated that the U.S. Congress will address GSEs as part of its next major legislative undertaking, although it is not known when, or if, that will occur. In Section 1491 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), signed into law on July 21, 2010, Congress stated that the "hybrid public-private status of Fannie Mae and Freddie Mac is untenable and must be resolved" and, further, "[i]t is the sense of the Congress that efforts to enhance by [sic] the protection, limitation, and regulation of the terms of residential mortgage credit and the practices related to such credit would be incomplete without enactment of meaningful structural reforms of Fannie Mae and Freddie Mac."

Currently, we originate a substantial majority of our loans for sale through Fannie Mae and Freddie Mac programs. Furthermore, a substantial majority of our servicing rights derive from loans we sell through Fannie Mae and Freddie Mac programs. Changes in the business charters, structure or existence of Fannie Mae or Freddie Mac could eliminate or substantially reduce the number of loans we originate, which would have a material adverse effect on us.

We are subject to risk of loss in connection with defaults on loans sold under the Fannie Mae DUS program that could materially and adversely affect our results of operations and liquidity.

Under the Fannie Mae DUS program, we originate and service multifamily loans for Fannie Mae without having to obtain Fannie Mae's prior approval for certain loans, as long as the loans meet the underwriting guidelines set forth by Fannie Mae. In return for the delegated authority to make loans and the commitment to purchase loans by Fannie Mae, we must maintain minimum collateral and generally are required to share risk of loss on loans sold through Fannie Mae. Under the full risk-sharing formula, we are required to absorb the first 5% of any losses on the unpaid principal balance of a loan, and above 5% we are required to share the loss with Fannie Mae, with our maximum loss capped at 20% of the unpaid principal balance of a loan. Our risk-sharing obligations have been modified and reduced on some Fannie Mae DUS loans. In addition, Fannie Mae can double

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or triple our risk-sharing obligations if the loan does not meet specific underwriting criteria or if the loan defaults within 12 months of its sale to Fannie Mae. In September 2010, we received notice from Fannie Mae that our risk-sharing obligation has been increased on a $4.6 million loan that defaulted within 12 months of the sale to Fannie Mae. We have recommended that Fannie Mae initiate foreclosure on the defaulted loan. We are currently evaluating our collateral level on the Fannie Mae loan, but do not currently expect to incur a loss from this default. As of September 30, 2010, we had pledged securities of $13.6 million as collateral against future losses under $6.5 billion of Fannie Mae DUS loans outstanding that are subject to risk-sharing obligations, as more fully described under "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Credit Quality and Allowance for Risk-Sharing Obligations," which we refer to as our "at risk balance." As of September 30, 2010, our allowance for risk-sharing as a percentage of the at risk balance was 0.12%, or $7.8 million, and reflects our current estimate of our future payouts under our risk-sharing obligations. We cannot assure you that our estimate will be sufficient to cover future write offs. While we originate loans that meet the underwriting guidelines defined by Fannie Mae, in addition to our own internal underwriting guidelines, underwriting criteria may not always protect against loan defaults. In addition, commercial real estate values have generally declined in recent years, in some cases to levels below the current outstanding principal balance of the loan. Also, underwriting standards, including loan-to-value ratios, have become stricter. These factors create a risk that some older loans may not be able to be refinanced at maturity and thus may experience maturity defaults. Other factors may also affect a borrower's decision to default on a loan, such as property, cash flow, occupancy, maintenance needs, and other financing obligations. As of September 30, 2010, our 60 or more days delinquency rate was 0.83% of the Fannie Mae DUS at risk portfolio. If loan defaults continue to increase, actual risk-sharing obligation payments under the Fannie Mae DUS program may increase, and such defaults and payments could have a material adverse effect on our results of operations and liquidity. In addition, any failure to pay our share of losses under the Fannie Mae DUS program could result in the revocation of our license from Fannie Mae and the exercise of various remedies available to Fannie Mae under the Fannie Mae DUS program.

If we fail to act proactively with delinquent borrowers in an effort to avoid a default, the number of delinquent loans could increase, which could have a material adverse effect on us.

As a loan servicer, we maintain the primary contact with the borrower throughout the life of the loan and are responsible, pursuant to our servicing agreements with GSEs, HUD and institutional investors, for asset management. We are also responsible, together with the applicable GSE, HUD or institutional investor, for taking actions to mitigate losses. We believe we have developed an extensive asset management process for tracking each loan that we service. However, we may be unsuccessful in identifying loans that are in danger of underperforming or defaulting or in taking appropriate action once those loans are identified. While we can recommend a loss mitigation strategy for GSEs and HUD, decisions regarding loss mitigation are within the control of GSEs and HUD. Recent turmoil in the real estate, credit and capital markets have made this process even more difficult and unpredictable. When loans become delinquent, we incur additional expenses in servicing and asset managing the loan, we are typically required to advance principal and interest payments and tax and insurance escrow amounts, we could be subject to a loss of our contractual servicing fee and we could suffer losses of up to 20% (or more for loans that do not meet specific underwriting criteria or default within 12 months) of the unpaid principal balance of a Fannie Mae DUS loan with full risk-sharing, as well as potential losses on Fannie Mae DUS loans with modified risk-sharing. These items could have a negative impact on our cash flows and a negative effect on the net carrying value of the MSR on our balance sheet and could result in a charge to our earnings. As a result of the foregoing, a continuing rise in delinquencies could have a material adverse effect on us.

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A reduction in the prices paid for our loans and services or an increase in loan or security interest rates by investors could materially and adversely affect our results of operations and liquidity.

Our results of operations and liquidity could be materially and adversely affected if GSEs, HUD or institutional investors lower the price they are willing to pay to us for our loans or services or adversely change the material terms of their loan purchases or service arrangements with us. A number of factors determine the price we receive for our loans. With respect to Fannie Mae related originations, our loans are generally sold as Fannie Mae-insured securities to third-party investors. With respect to HUD related originations, our loans are generally sold as Ginnie Mae securities to third-party investors. In both cases, the price paid to us reflects, in part, the competitive market bidding process for these securities.

We sell loans directly to Freddie Mac. Freddie Mac may choose to hold, sell or later securitize such loans. We believe terms set by Freddie Mac are influenced by similar market factors as those that impact the price of Fannie Mae insured or Ginnie Mae securities, although the pricing process differs. With respect to loans that are placed with institutional investors, the origination fees that we receive from borrowers are determined through negotiations, competition and other market conditions.

Loan servicing fees are based, in part, on the risk-sharing obligations associated with the loan and the market pricing of credit risk. The credit risk premium offered by Fannie Mae for new loans can change periodically but remains fixed once we enter into a commitment to sell the loan. Over the past several years, Fannie Mae loan servicing fees have been higher due to the market pricing of credit risk. There can be no assurance that such fees will continue to remain at such levels or that such levels will be sufficient if delinquencies occur.

Servicing fees for loans placed with institutional investors are negotiated with each institutional investor pursuant to agreements that we have with them. These fees for new loans vary over time and may be materially and adversely affected by a number of factors, including competitors that may be willing to provide similar services at better rates.

We originate mostly multifamily and other commercial real estate loans that are eligible for sale through GSE or HUD programs, which focus may expose us to greater risk if the CMBS market recovers or alternative sources of liquidity become more readily available to the commercial real estate finance market.

We originate mostly multifamily and other commercial real estate loans that are eligible for sale through GSE or HUD programs. Over the past few years, the number of multifamily loans financed by GSE and HUD programs has represented a significantly greater percentage of overall multifamily loan origination volume than in prior years. We believe that this increase is the result, in part, of market dislocation and illiquidity in the secondary markets for non-GSE or HUD loans. To the extent the CMBS market recovers or liquidity in the commercial real estate finance market significantly increases, there may be less demand for loans that are eligible for sale through GSE or HUD programs, and our loan origination volume may be adversely impacted, which could materially and adversely affect us.

A significant portion of our revenue is derived from loan servicing fees, and declines in or terminations of servicing engagements or breaches of servicing agreements, including as a result of non-performance by third parties that we engage for back-office loan servicing functions, could have a material adverse effect on us.

For the year ended December 31, 2009, 24% of our revenues were from loan servicing fees. We expect that loan servicing fees will continue to constitute a significant portion of our revenues for the foreseeable future. Nearly all of these fees are derived from loans that we originate and sell through GSE and HUD programs or place with institutional investors. A decline in the number or value of loans that we originate for these investors or terminations of our servicing engagements will decrease these fees. HUD has the right to terminate our current servicing engagements for cause. In addition to termination for cause, Fannie Mae and Freddie Mac may terminate our servicing engagements without cause by paying a termination fee. Our institutional investors typically may terminate our servicing engagements at any time with or without cause, without paying a termination fee. We are also subject to losses that may arise as a result of servicing errors, such as a failure to maintain insurance, pay taxes or provide notices. In addition, we have contracted with a third party to perform certain routine back-office aspects of loan servicing. If we or this third party fails to perform, or we breach or the third-party causes us to breach our servicing obligations to GSEs, HUD and institutional investors, our servicing engagements may be terminated. Declines or terminations of servicing engagements or breaches of such obligations could materially and adversely affect us.

If one or more of our warehouse facilities, on which we are highly dependent, are terminated, we may be unable to find replacement financing on favorable terms, or at all, which would have a material adverse effect on us.

We require a significant amount of funding capacity on an interim basis for loans we originate. As of September 30, 2010, we had $300 million of committed loan funding available through two commercial banks, $250 million of uncommitted funding available through Fannie Mae As Soon As Pooled ("ASAP") program, and an unlimited amount of uncommitted funding available for Fannie Mae and Freddie Mac loans through Kemps Landing Capital Company, LLC, an affiliate of Guggenheim Partners. Consistent with industry practice, three of our existing warehouse facilities are short-term, requiring annual renewal. If any of our committed facilities are terminated or are not renewed or our uncommitted facilities are not honored, we may be unable to find replacement financing on favorable terms, or at all, and we might not be able to originate loans, which would have a material adverse effect on us.

If we fail to meet or satisfy any of the financial or other covenants included in our warehouse facilities, we would be in default under one or more of these facilities and our lenders could elect to declare all amounts outstanding under the facilities to be immediately due and payable, enforce their interests against loans pledged under such facilities and restrict our ability to make additional borrowings. These facilities also contain cross-default provisions, such that if a default occurs under any of our debt agreements, generally the lenders under our other debt agreements could also declare a default. These restrictions may interfere with our ability to obtain financing or to engage in other business activities, which could materially and adversely affect us. As of June 30, 2010, we were in breach of a covenant in one of our warehouse facilities that required the delinquency rate of the Fannie Mae loans on which we have risk-sharing to not increase more than 0.5% from quarter-end to quarter-end. Our delinquency rate increased 0.71% from March 31, 2010 to June 30, 2010. The delinquency rate is calculated based on the unpaid principal amount of Fannie Mae DUS loans on which we have risk-sharing that are sixty or more days delinquent. The lenders under this warehouse line waived the breach, and all related cross-defaults were waived. The covenant was subsequently amended to increase the maximum delinquency rate increase to 1% from quarter-end to quarter-end. While we were in compliance with all financial and other covenants included in our warehouse facilities as of September 30, 2010, there can be no assurance that we will not experience another default of this nature in the future.

We are subject to the risk of failed loan deliveries, and even after a successful closing and delivery, may be required to repurchase the loan or to indemnify the investor if we breach a representation or warranty made by us in connection with the sale of the loan through a GSE or HUD program, any of which could have a material adverse effect on us.

We bear the risk that a borrower will choose not to close on a loan that has been pre-sold to an investor or that the investor will choose not to close on the loan, including because a catastrophic change in the condition of a property occurs after we fund the loan and prior to the investor purchase date. We also have the risk of serious errors in loan documentation which prevent timely delivery of the loan prior to the investor purchase date. A complete failure to deliver a loan could be a default under the warehouse line used to finance the loan. Although we have experienced only one failed delivery in our history, we can provide no assurance that we will not experience additional failed deliveries in the future or that any losses will not be material or will be mitigated through property insurance or payment protections.

We must make certain representations and warranties concerning each loan originated by us for GSE or HUD programs. The representations and warranties relate to our practices in the origination and servicing of the loans and the accuracy of the information being provided by us. For example, we are generally required to provide the following, among other, representations and warranties: we are authorized to do business and to sell or assign the loan; the loan conforms to the requirements of the GSE or HUD and certain laws and regulations; the underlying mortgage represents a valid lien on the property and there are no other liens on the property; the loan documents are valid and enforceable; taxes, assessments, insurance premiums, rents and similar other payments have been paid or escrowed; the property is insured, conforms to zoning laws and remains intact; and we do not know of any issues regarding the loan that are reasonably expected to cause the loan to be delinquent or unacceptable for investment or adversely affect its value. We are permitted to satisfy certain of these representations and warranties by furnishing a title insurance policy.

In the event of a breach of any representation or warranty, investors could, among other things, increase the level of risk-sharing on the Fannie Mae DUS loan or require us to repurchase the full amount of the loan and seek indemnification for losses from us. Our obligation to repurchase the loan is independent of our risk-sharing obligations. The GSE or HUD could require us to repurchase the loan if representations and warranties are breached, even if the loan is not in default. Because the accuracy of many such representations and warranties generally is based on our actions or on third-party reports, such as title reports and environmental reports, we may not receive similar representations and warranties from other parties that would serve as a claim against them. Even if we receive representations and warranties from third parties and have a claim against them in the event of a breach, our ability to recover on any such claim may be limited. Our ability to recover against a borrower that breaches its representations and warranties to us may be similarly limited. Our ability to recover on a claim against any party would also be dependent, in part, upon the financial condition and liquidity of such party. Although we believe that we have capable personnel at all levels, use qualified third parties and have established controls to ensure that all loans are originated pursuant to requirements established by the GSEs and HUD, in addition to our own internal requirements, there can be no assurance that we, our employees or third parties will not make mistakes. Although we have never been required to repurchase any loan, there can be no assurance that we will not be required to do so in the future. Any significant repurchase or indemnification obligations imposed on us could have a material adverse effect on us.

We expect to offer new loan products to meet evolving borrower demands, including loans that we originate for our balance sheet. Balance sheet lending would increase our risk of loss, and because we are not as experienced with such loan products, we may not be successful or profitable in offering such products.

Currently, we do not originate loans for our balance sheet, and all loans are pre-sold or placed with an investor before we close on the loan with the borrower. In the future, we expect to offer new loan products to meet evolving borrower demands, including loans that we originate for our balance sheet. Carrying loans for longer periods of time on our balance sheet would expose us to greater risks of loss than we currently face for loans that are pre-sold or placed with investors, including, without limitation, 100% exposure for defaults, impairment charges and interest rate movements. We may initiate new loan product and service offerings or acquire them through acquisitions of operating businesses. Because we may not be as experienced with new loan products or services, we may require

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additional time and resources for offering and managing such products and services effectively or may be unsuccessful in offering such new products and services at a profit.

Our business is significantly affected by general business, economic and market conditions and cycles, particularly in the multifamily and commercial real estate industry, including changes in government fiscal and monetary policies, and, accordingly, we could be materially harmed in the event of a continued market downturn or changes in government policies.

We are sensitive to general business, economic and market conditions and cycles, particularly in the multifamily and commercial real estate industry. These conditions include changes in short-term and long-term interest rates, inflation and deflation, fluctuations in the real estate and debt capital markets and developments in national and local economies, unemployment rates, commercial property vacancy and rental rates. Any sustained period of weakness or weakening business or economic conditions in the markets in which we do business or in related markets could result in a decrease in the demand for our loans and services, which could materially harm us. In addition, the number of borrowers who become delinquent, become subject to bankruptcy laws or default on their loans could increase, resulting in a decrease in the value of our MSRs and servicer advances and higher levels of loss on our Fannie Mae loans for which we share risk of loss, and could materially and adversely affect us.

We also are significantly affected by the fiscal and monetary policies of the U.S. government and its agencies. We are particularly affected by the policies of the Board of Governors of the Federal Reserve System (the "Federal Reserve"), which regulates the supply of money and credit in the United States. The Federal Reserve's policies affect interest rates, which have a significant impact on the demand for commercial real estate loans. Significant fluctuations in interest rates as well as protracted periods of increases or decreases in interest rates could adversely affect the operation and income of multifamily and other commercial real estate properties, as well as the demand from investors for commercial real estate debt in the secondary market. In particular, higher interest rates tend to decrease the number of loans originated. An increase in interest rates could cause refinancing of existing loans to become less attractive and qualifying for a loan to become more difficult. Changes in fiscal and monetary policies are beyond our control, are difficult to predict and could materially and adversely affect us.

We are dependent upon the success of the multifamily real estate sector and conditions that negatively impact the multifamily sector may reduce demand for our products and services and materially and adversely affect us.

We provide commercial real estate financial products and services primarily to developers and owners of multifamily properties. Accordingly, the success of our business is closely tied to the overall success of the multifamily real estate market. Various changes in real estate conditions may impact the multifamily sector. Any negative trends in such real estate conditions may reduce demand for our products and services and, as a result, adversely affect our results of operations. These conditions include:

- oversupply of, or a reduction in demand for, multifamily housing;
- a favorable interest rate environment that may result in a significant number of potential residents of multifamily properties deciding to purchase homes instead of renting;
- rent control or stabilization laws, or other laws regulating multifamily housing, which could affect the profitability of multifamily developments;
- the inability of residents and tenants to pay rent;

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- increased competition in the multifamily sector based on considerations such as the attractiveness, location, rental rates, amenities and safety record of various properties; and

- increased operating costs, including increased real property taxes, maintenance, insurance and utilities costs.

Moreover, other factors may adversely affect the multifamily sector, including changes in government regulations and other laws, rules and regulations governing real estate, zoning or taxes, changes in interest rate levels, the potential liability under environmental and other laws and other unforeseen events. Any or all of these factors could negatively impact the multifamily sector and, as a result, reduce the demand for our products and services. Any such reduction could materially and adversely affect us.

For most loans that we service under the Fannie Mae and HUD programs, we are required to advance payments due to investors if the borrower is delinquent in making such payments, which requirement could adversely impact our liquidity and harm our results of operations.

For most loans we service under the Fannie Mae DUS program, we are currently required to advance the principal and interest payments and tax and insurance escrow amounts up to 5% of the unpaid principal balance if the borrower is delinquent in making loan payments. Once the 5% threshold is met, we can apply to Fannie Mae to have the advance rate reduced to 25% of any additional principal and interest payments and tax and insurance escrow amounts, which Fannie Mae may approve at its discretion. We are reimbursed by Fannie Mae for these advances.

Under the HUD program, we are obligated to continue to advance principal and interest payments and tax and insurance escrow amounts on Ginnie Mae securities until the HUD mortgage insurance claim and the Ginnie Mae security have been fully paid. In the event of a default on a HUD insured loan, HUD will reimburse approximately 99% of any losses of principal and interest on the loan and Ginnie Mae will reimburse the remaining losses of principal and interest. Ginnie Mae is currently considering a change to its programs that would eliminate the Ginnie Mae obligation to reimburse us for any losses not paid by HUD in return for our receiving an increased servicing fee. It is uncertain whether these changes will be implemented. An elimination of Ginnie Mae's reimbursement obligation could adversely impact us.

Although we have funded all required advances from operating cash flow in the past, there can be no assurance that we will be able to do so in the future. If we do not have sufficient operating cash flows to fund such advances, we would need to finance such amounts. Such financing could be costly and could prevent us from pursuing our business and growth strategies.

If we securitize our loans in the future, we will be subject to additional risks that we do not currently face.

Although some of our loans back Fannie Mae-insured or Ginnie Mae securities, we currently do not directly securitize the loans that we originate. Securitizing our loans would subject us to numerous additional risks, including:

- delayed operating cash flows;

- conditions in the general securities and securitization markets;

- the need to obtain satisfactory credit enhancements;

- retention of credit enhancing residual interests;

- increased potential for earnings fluctuations; and

- risk of mismatch between securitization yields and borrowing rates on our warehouse and other loan funding debt.

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If we were to securitize our loans, we would have to adequately address these and other related risks. Our failure to do so could have a material adverse effect on us.

The requirements associated with being a public company, which will require us to implement significant control systems and procedures, require significant company resources and management attention.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition and performance within specified time periods and maintain effective disclosure controls and procedures and internal control over financial reporting within specified deadlines. Section 404 of the Sarbanes-Oxley Act requires that our management evaluate, and our independent registered public accountant report on, our internal control over financial reporting on an annual basis. We expect that we will be required to complete our initial internal controls assessment by the time of the filing of our Form 10-K for our fiscal year ending December 31, 2011. As a result, we will incur significant legal, accounting and other expenses that we did not incur prior to the time we became subject to the requirements of the Exchange Act and the Sarbanes-Oxley Act. We have made, and will continue to make, changes to our corporate governance standards, disclosure controls, internal control over financial reporting and financial reporting and accounting systems designed to meet our reporting obligations on a timely basis, including the timely filing of Exchange Act reports. However, if the measures we take are not sufficient to satisfy our obligations, we may incur further costs and experience continued diversion of management attention, adverse reputational effects and possible regulatory sanctions or civil litigation.

The loss of our key management could result in a material adverse effect on our business and results of operations.

Our future success depends to a significant extent on the continued services of our senior management, particularly Mr. Walker, our Chairman, President and Chief Executive Officer, Mr. Smith, our Executive Vice President and Chief Operating Officer, and Mr. Warner, our Executive Vice President and Chief Credit Officer. The loss of the services of any of these individuals could have a material adverse effect on our business and results of operations. We only maintain "key person" life insurance on Mr. Walker.

We may not be able to hire and retain qualified loan originators or grow and maintain our relationships with key loan correspondents, and if we are unable to do so, our ability to implement our business and growth strategies could be limited.

We depend on our loan originators to generate borrower clients by, among other things, developing relationships with commercial property owners, real estate agents and brokers, developers and others, which we believe leads to repeat and referral business. Accordingly, we must be able to attract, motivate and retain skilled loan originators. We currently employ approximately 30 loan originators throughout our eight offices. The market for loan originators is highly competitive and may lead to increased costs to hire and retain them. We cannot guarantee that we will be able to attract or retain qualified loan originators. If we cannot attract, motivate or retain a sufficient number of skilled loan originators, or even if we can motivate or retain them but at higher costs, we could be materially and adversely affected.

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We also depend on our network of loan correspondents, who generate a significant portion of our loan originations. During the nine months ended September 30, 2010 and the year ended December 31, 2009, correspondents generated 39% and 40%, respectively, of the loans that we originated during those periods. Unlike our loan originators, correspondents are not directly employed by us but are paid a percentage of the origination fee and the ongoing servicing fee for each loan that they help originate. In addition, although we have an exclusive relationship with our correspondents with respect to GSE and HUD loan products, we do not have an exclusive arrangement for any other loan products. While we strive to cultivate long-standing relationships that generate repeat business for us by making available co-marketing materials and educational resources to them, correspondents are free to transact business with other lenders and have done so in the past and will do so in the future. Our competitors also have relationships with some of our correspondents and actively compete with us in our efforts to expand our correspondent networks. Competition for loans originated by correspondents was particularly acute when the CMBS market was more robust. Although recent difficulties in the CMBS market have increased demand for GSE and HUD loans, we cannot guarantee that correspondents will continue to provide a strong source of originations for us if and when the CMBS market recovers. We also cannot guarantee that we will be able to maintain or develop new relationships with additional correspondents. If we cannot maintain and enhance our existing relationships and develop new relationships, particularly in geographic areas, specialties or niche markets where our loan originators are not as experienced or well-situated, our growth strategy will be significantly hampered and we would be materially and adversely affected.

We have numerous significant competitors and potential future competitors, many of which may have greater resources and access to capital than we do, and we may not be able to compete effectively in the future.

We face significant competition across our business, including, but not limited to, commercial banks, commercial real estate service providers and life insurance companies, some of which are also investors in loans we originate. Many of these competitors enjoy competitive advantages over us, including:

- greater name recognition;
- a stronger, more established network of correspondents and loan originators;
- established relationships with institutional investors;
- an established market presence in markets where we do not yet have a presence or where we have a smaller presence;
- ability to diversify and grow by providing a greater variety of commercial real estate loan products on more attractive terms, some of which require greater access to capital and the ability to retain loans on the balance sheet; and
- greater financial resources and access to capital to develop branch offices and compensate key employees.

Commercial banks may have an advantage over us in originating loans if borrowers already have a line of credit with the bank. Commercial real estate service providers may have an advantage over us to the extent they also offer an investment sales platform. We compete on the basis of quality of service, relationships, loan structure, terms, pricing and industry depth. Industry depth includes the knowledge of local and national real estate market conditions, commercial real estate, loan product expertise and the ability to analyze and manage credit risk. Our competitors seek to compete aggressively on the basis of these factors and our success depends on our ability to offer attractive loan products, provide superior service, demonstrate industry depth, maintain and capitalize on relationships with investors, borrowers and key loan correspondents and remain competitive in pricing. In addition, future changes in laws, regulations and GSE and HUD program requirements and consolidation in the commercial real estate finance market could lead to the entry of more competitors. We cannot guarantee that we will be able to compete effectively in the future, and our failure to do so would materially and adversely affect us.

The continuation of certain indemnification obligations of certain of our predecessors could have a material adverse effect on us.

In connection with the Column transaction, certain predecessor entities that will become our wholly owned subsidiaries through the formation transactions agreed to indemnify Walker & Dunlop, LLC and its members (including Column) for certain matters, including (i) breaches of representations, warranties and covenants, (ii) any repurchase requirements with respect to loans originated by those subsidiaries, and (iii) liabilities in connection with excluded assets and excluded liabilities. Those indemnification obligations of our subsidiaries will continue following the formation transactions. The survival of those obligations will permit the indemnified parties, including Column, to the extent that they sustain damages resulting from any indemnified matter, to assert claims for indemnification against our subsidiaries for the survival period of those obligations. While we are unaware of any potential claims for indemnification against our subsidiaries, any such claims could have a material adverse effect on us. See "Certain Relationships and Related Transactions" for additional information.

We have experienced significant growth over the past several years, which may be difficult to sustain and which may place significant demands on our administrative, operational and financial resources.

Our recent significant growth may not reflect our future growth potential, and we may not be able to maintain similarly high levels of growth in the future. Our recent growth reflects, in part, the acquisition of certain mortgage banking operations from Column in January 2009, which contributed $5.0 billion to our servicing portfolio and expanded our product lines as well as origination capacity. Much of our growth has also occurred since the onset of the 2008 credit crisis and the resulting tightening of credit standards, as many traditional lenders decreased or ceased their investments in commercial real estate debt. As a result, borrowers looked instead to GSEs, HUD and other sources of lending for multifamily loans. We intend to pursue continued growth by adding more loan originators, expanding our loan product offerings and acquiring complementary businesses, as appropriate, but we cannot guarantee such efforts will be successful. We do not know whether the favorable conditions that enabled our recent growth will continue. Because our recent significant growth is not likely to accurately reflect our future growth or our ability to grow in the future, there can be no assurance that we will continue to grow at the same pace or achieve the same financial results as we have in the past.

In addition, if our growth continues, it could increase our expenses and place additional demands on our management, personnel, information systems and other resources. Sustaining our growth will require us to commit additional management, operational and financial resources to maintain appropriate operational and financial systems to adequately support expansion. There can be no assurance that we will be able to manage any growth effectively and any failure to do so could adversely affect our ability to generate revenue and control our expenses, which could materially and adversely affect us.

If we acquire companies in the future, we may experience high transaction and integration costs, the integration process may be disruptive to our business and the acquired businesses may not perform as we expect.

Our future success will depend, in part, on our ability to expand or modify our business in response to changing borrower demands and competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses rather than through internal growth. The identification of suitable acquisition candidates can be difficult, time consuming and costly, and we may not be able to successfully complete identified acquisitions on favorable terms, or at all. Furthermore, even if we successfully complete an acquisition, we may not be able to successfully integrate newly acquired businesses into our operations, and the process of integration could be expensive and time consuming and may strain our resources. Acquisitions also typically involve significant costs related to integrating information technology, accounting, reporting and management services and rationalizing personnel levels and may require significant time to obtain new or updated regulatory approvals from GSEs, HUD and other authorities. Acquisitions could divert management's attention from the regular operations of our business and result in the potential loss of our key personnel, and we may not achieve the anticipated benefits of the acquisitions, any of which could materially and adversely affect us. In addition, future acquisitions could result in significantly dilutive issuances of equity securities or the incurrence of substantial debt, contingent liabilities or expenses or other charges, which could also materially and adversely affect us.

Risks Relating to Regulatory Matters

If we fail to comply with the numerous government regulations and program requirements of GSEs and HUD, we may lose our approved lender status with these entities and fail to gain additional approvals or licenses for our business. We are also subject to changes in laws, regulations and existing GSE and HUD program requirements, including potential increases in reserve and risk retention requirements that could increase our costs and affect the way we conduct our business, which could materially and adversely affect us.

Our operations are subject to regulation by federal, state and local government authorities, various laws and judicial and administrative decisions, and regulations and policies of GSEs and HUD. These laws, regulations, rules and policies impose, among other things, minimum net worth, operational liquidity and collateral requirements. Fannie Mae requires us to maintain operational liquidity based on a formula that considers the balance of the loan and the level of credit loss exposure (level of risk-sharing). Fannie Mae requires Fannie Mae DUS lenders to maintain collateral, which may include pledged securities, for our risk-sharing obligations. The amount of collateral required under the Fannie Mae DUS program is calculated at the loan level and is based on the balance of the loan, the level of risk-sharing, the seasoning of the loans and the rating of the Fannie Mae DUS lender.

Regulatory authorities also require us to submit financial reports and to maintain a quality control plan for the underwriting, origination and servicing of loans. Numerous laws and regulations also impose qualification and licensing obligations on us and impose requirements and restrictions affecting, among other things: our loan originations; maximum interest rates, finance charges and other fees that we may charge; disclosures to consumers; the terms of secured transactions; collection, repossession and claims handling procedures; personnel qualifications; and other trade practices. We also are subject to inspection by GSEs, HUD and regulatory authorities. Our failure to comply with these requirements could lead to, among other things, the loss of a license as an approved GSE or HUD lender, the inability to gain additional approvals or licenses, the termination of contractual rights without compensation, demands for indemnification or loan repurchases, class action lawsuits and administrative enforcement actions.

Regulatory and legal requirements are subject to change. For example, Fannie Mae has recently increased its collateral requirements from 35 basis points to 60 basis points, effective as of January 1, 2011. The incremental collateral required for existing and new loans will be funded over approximately the next three years in accordance with Fannie Mae requirements. Fannie Mae also has indicated that it intends to reassess the adequacy of its collateral requirements on an annual basis, starting as of October 2011. Ginnie Mae has indicated that it is currently considering a change to its programs that would eliminate the Ginnie Mae obligation to reimburse us for any losses not paid by HUD in return for our receiving an increased servicing fee, although it is uncertain whether these changes will be implemented. In addition, Congress has also been considering proposals requiring lenders to retain a portion of all loans sold to GSEs and HUD. The Dodd-Frank Act imposes a requirement that lenders

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retain "not less than 5 percent of the credit risk" of certain securitized loans, particularly those that are not "qualified residential mortgages." It is currently unclear whether and how the Dodd-Frank Act will apply to commercial real estate lenders. The Dodd-Frank Act requires the federal banking agencies, the Federal Trade Commission (the "FTC"), HUD, and FHFA to issue rules implementing this requirement no later than 270 days after Dodd-Frank's enactment. It also requires the federal banking agencies, the FTC, HUD, and FHFA to issue a joint rule defining a "qualified residential mortgage." Therefore, the applicability of this provision to us and its effect upon our business will not be fully known until these agencies issue the joint rule. It is also impossible to predict any future legislation that Congress may enact regarding the selling of loans to GSEs or any other matter relating to GSEs or loan securitizations. GSEs, HUD and other investors may also change underwriting criteria, which could affect the volume and value of loans that we originate. Changes to regulatory and legal requirements could be difficult and expensive with which to comply and could affect the way we conduct our business, which could materially and adversely affect us.

If we do not obtain and maintain the appropriate state licenses, we will not be allowed to originate or service commercial real estate loans in some states, which could materially and adversely affect us.

State mortgage loan finance licensing laws vary considerably. Most states and the District of Columbia impose a licensing obligation to originate, broker or purchase commercial real estate loans. Many of those mortgage loan licensing laws also impose a licensing obligation to service commercial real estate loans. If we are unable to obtain the appropriate state licenses or do not qualify for an exemption, we could be materially and adversely affected.

If these licenses are obtained, state regulators impose additional ongoing obligations on licensees, such as maintaining certain minimum net worth or line of credit requirements. The minimum net worth requirement varies from state to state. Further, in limited instances, the net worth calculation may not include recourse on any contingent liabilities. If we do not meet these minimum net worth or line of credit requirements or satisfy other criteria, regulators may revoke or suspend our licenses and prevent us from continuing to originate, broker or service commercial real estate loans, which would materially and adversely affect us.

If we fail to comply with laws, regulations and market standards regarding the privacy, use and security of customer information, we may be subject to legal and regulatory actions and our reputation would be harmed.

We receive, maintain and store the non-public personal information of our loan applicants. The technology and other controls and processes designed to secure our customer information and to prevent, detect and remedy any unauthorized access to that information were designed to obtain reasonable, not absolute, assurance that such information is secure and that any unauthorized access is identified and addressed appropriately. Accordingly, such controls may not have detected, and may in the future fail to prevent or detect, unauthorized access to our borrower information. If this information is inappropriately accessed and used by a third party or an employee for illegal purposes, such as identity theft, we may be responsible to the affected applicant or borrower for any losses he or she may have incurred as a result of misappropriation. In such an instance, we may be liable to a governmental authority for fines or penalties associated with a lapse in the integrity and security of our customers' information.

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Risks Related to Our Common Stock

There is currently no public market for our common stock, an active trading market for our common stock may never develop or continue following this offering and the trading and market price of our common stock may be volatile and could decline substantially following this offering.

Prior to this offering, there has not been a public market for our common stock. An active trading market for our common stock may never develop or be sustained and securities analysts may choose not to cover us, which may affect the liquidity of our common stock and your ability to sell your common stock when desired, or at all, and could depress the market price of our common stock and the price at which you may be able to sell your common stock. In addition, the initial public offering price will be determined through negotiations among us, the selling stockholders and the representatives of the underwriters and may bear no relationship to the price at which the common stock will trade upon completion of this offering.

The stock markets, including the NYSE (on which our common stock has been approved for listing, subject to official notice of issuance), have experienced significant price and volume fluctuations. As a result, the trading and market price of our common stock is likely to be similarly volatile and subject to wide fluctuations, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The market price of our common stock could decline substantially following the offering in response to a number of factors, including those listed in this "Risk Factors" section of this prospectus and others such as:

- our actual or anticipated financial condition, liquidity and operating performance;
- actual or anticipated changes in our business and growth strategies or the success of their implementation;
- failure to meet, or changes in, our earnings estimates or those of stock analysts;
- publication of research reports about us, the commercial real estate finance market or the real estate industry;
- equity issuances by us, or stock resales by our stockholders, or the perception that such issuances or resales could occur;
- the passage of adverse legislation or other regulatory developments, including those from or affecting GSEs or HUD;
- general business, economic and market conditions and cycles;
- changes in market valuations of similar companies;
- additions to or departures of our key personnel;
- actions by our stockholders;
- actual, potential or perceived accounting problems or changes in accounting principles;
- failure to satisfy the listing requirements of the New York Stock Exchange;

- failure to comply with the requirements of the Sarbanes-Oxley Act;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this prospectus; and
- general market and economic conditions.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on our ability to execute our business and growth strategies.

Common stock eligible for future sale may have adverse effects on the market price of our common stock.

We are offering 6,666,667 shares of our common stock and our selling stockholders are offering 3,333,333 shares of our common stock, as described in this prospectus. Concurrently with the closing of this offering, we will grant an aggregate of 481,684 shares of restricted stock under our Equity Incentive Plan to certain of our employees, including our executive officers, and our non-employee directors. Our executive officers, directors, employees and Walker family members, together with Column, will collectively beneficially own approximately 54.3% of our outstanding common stock on a fully diluted basis (or approximately 50.8% if the underwriters exercise their overallotment option in full) upon completion of this offering and the formation transactions. These persons may sell the shares of our common stock that they own at any time following the expiration of the lock-up period for such shares, which expires 365 days after the date of this prospectus (or earlier with the prior written consent of the representatives of the underwriters).

Upon completion of this offering, we will enter into a registration rights agreement with regard to an aggregate of 11,408,171 shares of our common stock issued in connection with our formation transactions to former direct and indirect equity holders of Walker & Dunlop, LLC, including certain of our executive officers and directors and Column.

We cannot predict the effect, if any, of future issuances or resales of our common stock, or the perception that such issuances or resales may occur, on the market price of our common stock. Accordingly, the market price of our common stock may decline significantly in response to such issuances, resales or perceptions, especially when the lock-up restrictions described above lapse.

Future issuances of debt securities, which would rank senior to our common stock upon our liquidation, and future issuances of equity securities, which would dilute the holdings of our existing common stockholders and may be senior to our common stock for the purposes of paying dividends, periodically or upon liquidation, may negatively affect the market price of our common stock.

In the future, we may issue debt or equity securities or incur other borrowings. Upon liquidation, holders of our debt securities and other loans and preferred stock will receive a distribution of our available assets before common stockholders. We are not required to offer any such additional debt or equity securities to existing common stockholders on a preemptive basis. Therefore, additional common stock issuances, directly or through convertible or exchangeable securities, warrants or options, will dilute our existing common stockholders' ownership in us and such issuances, or the perception that such issuances may occur, may reduce the market price of our common stock. Our preferred stock, if issued, would likely have a preference on dividend payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to pay dividends to common stockholders. Because our decision to issue debt or equity securities or otherwise incur debt in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, common stockholders bear the risk that our future issuances of debt or equity securities or our other borrowing will negatively affect the market price of our common stock and dilute their ownership in us.

We do not expect to pay dividends in the foreseeable future.

We currently intend to retain all future earnings for the operation and expansion of our business and, therefore, do not anticipate declaring or paying cash dividends in the foreseeable future. The payment of any dividends in the future will be at the sole discretion of our board of directors and will depend on our results of operations, liquidity, financial condition, prospects, capital requirements and contractual arrangements, any limitations on payments of dividends present in any of our future financing documentation, applicable law and other factors our board of directors may deem relevant. If we do not pay dividends, a return on your investment will only occur if our stock price appreciates.

New investors in our common stock will experience immediate and substantial dilution after this offering.

If you purchase shares of our common stock in this offering, you will experience immediate dilution of $8.31 per share because the price that you pay will be substantially greater than the adjusted net tangible book value per share of common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the price of the shares of our common stock being sold in this offering when they purchased their shares of our common stock, as well as the equity awards issued concurrently with the closing of this offering. See the section entitled "Dilution" in this prospectus for a more detailed description of this dilution.

We have broad discretion in the use of the net proceeds from our sale of common stock in this offering, and we may not use these proceeds effectively.

All of the net proceeds from our sale of common stock in this offering will be used, as determined by management in its discretion, for working capital and other general corporate purposes. Our management will have broad discretion in the application of the net proceeds from our sale of common stock in this offering and could spend these proceeds in ways that do not necessarily improve our results of operations and cash flows or enhance the value of our common stock. The failure by our management to apply these proceeds effectively could result in financial losses, cause the market price of our common stock to decline or cause us to be unable to execute our business and growth strategies in a timely manner or at all.

Risks Related to Our Organization and Structure

Certain provisions of Maryland law could inhibit changes in control.

Certain provisions of the Maryland General Corporation Law (the "MGCL") may have the effect of deterring a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-prevailing market price of our common stock. We will be subject to the "business combination" provisions of the MGCL that, subject to limitations, prohibit certain business combinations (including a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities) between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of our then outstanding voting capital stock or an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of our then outstanding voting capital stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder. After the five-year prohibition, any business combination between us and an interested stockholder generally must be recommended by our board of directors and approved by the affirmative vote of at least (i) 80% of the votes entitled to be cast by holders of outstanding shares of our voting capital stock; and (ii) two-thirds of the votes entitled to be cast by holders of voting capital stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder. These super-majority vote requirements do not apply if our common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares. These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a board of directors prior to the time that the interested stockholder becomes an interested stockholder.

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The "control share" provisions of the MGCL provide that "control shares" of a Maryland corporation (defined as shares which, when aggregated with other shares controlled by the stockholder (except solely by virtue of a revocable proxy) entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct and indirect acquisition of ownership or control of issued and outstanding "control shares") have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding votes entitled to be cast by the acquirer of control shares, our officers and our personnel who are also our directors.

Certain provisions of the MGCL permit our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to adopt certain mechanisms, some of which (for example, a classified board) we do not yet have. These provisions may have the effect of limiting or precluding a third party from making an acquisition proposal for us or of delaying, deferring or preventing a transaction or a change in control of our company under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then current market price. Our charter contains a provision whereby we elect, at such time as we become eligible to do so, to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our board of directors. See "Certain Provisions of Maryland Law and Our Charter and Bylaws."

Our authorized but unissued shares of common and preferred stock may prevent a change in our control.

Our charter authorizes us to issue additional authorized but unissued shares of common or preferred stock. In addition, our board of directors may, without stockholder approval, amend our charter to increase the aggregate number of shares of our common stock or the number of shares of stock of any class or series that we have authority to issue and classify or reclassify any unissued shares of common or preferred stock and set the preferences, rights and other terms of the classified or reclassified shares. As a result, our board of directors may establish a class or series of common or preferred stock that could delay, defer, or prevent a transaction or a change in control of our company that might involve a premium price for shares of our common stock or otherwise be in the best interests of our stockholders.

Our rights and the rights of our stockholders to take action against our directors and officers are limited, which could limit your recourse in the event actions are taken that are not in your best interests.

Under Maryland law generally, a director is required to perform his or her duties in good faith, in a manner he or she reasonably believes to be in the best interests of the company and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Under Maryland law, directors are presumed to have acted with this standard of care. In addition, our charter limits the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or

- active and deliberate dishonesty by the director or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our charter and bylaws obligate us to indemnify our directors and officers for actions taken by them in those capacities to the maximum extent permitted by Maryland law. In addition, we are obligated to advance the defense costs incurred by our directors and officers. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter and bylaws or that might exist with companies domiciled in jurisdictions other than Maryland.

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Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our management.

Our charter provides that a director may only be removed for cause upon the affirmative vote of holders of two-thirds of the votes entitled to be cast in the election of directors. Vacancies may be filled only by a majority of the remaining directors in office, even if less than a quorum. These requirements make it more difficult to change our management by removing and replacing directors and may delay, defer or prevent a change in control of our company that is in the best interests of our stockholders.

We are a holding company with no direct operations and will rely on funds received from our subsidiaries for our cash requirements.

We are a holding company and will conduct all of our operations through Walker & Dunlop, LLC, our operating company. We do not have, apart from our ownership of this operating company, any independent operations. As a result, we will rely on distributions from our operating company to pay any dividends we might declare on shares of our common stock. We will also rely on distributions from this operating company to meet any of our cash requirements, including tax liability on taxable income allocated to us.

In addition, because we are a holding company, your claims as common stockholders will be structurally subordinated to all existing and future liabilities (whether or not for borrowed money) and any preferred equity of our operating company. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our operating company will be able to satisfy the claims of our common stockholders only after all of our and our operating company's liabilities and any preferred equity have been paid in full.

Our principal stockholders, directors and executive officers will continue to own a large percentage of our common stock after this offering, which will allow them to exercise significant influence over matters subject to stockholder approval.

Our executive officers, directors and stockholders holding 5% or more of our outstanding common stock will beneficially own or control approximately 50.6% of the outstanding shares of our common stock on a fully diluted basis, after giving effect to the formation transactions and the completion of this offering. Accordingly, these executive officers, directors and principal stockholders, collectively, will have substantial influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transaction. These stockholders may also delay or prevent a change of control or otherwise discourage a potential acquirer from attempting to obtain control of us, even if such a change of control would benefit our other stockholders. Furthermore, we have agreed to nominate two Column designees, currently Edmund Taylor and Robert Wrzosek, for election as directors at our 2011 annual meeting of stockholders. William Walker, our Chairman, President and Chief Executive Officer, and Mallory Walker, the father of William Walker and our former Chairman, have agreed to vote the shares of common stock owned by them for the Column designees at the 2011 annual meeting of stockholders. This significant concentration of stock ownership may adversely affect the market price and liquidity of our common stock due to investors' perception that conflicts of interest may exist or arise.

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FORWARD-LOOKING STATEMENTS

Some of the statements contained in this prospectus 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 prospectus 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 GSEs and their 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;
- availability of and our ability to retain qualified personnel and our ability to develop relationships with key borrowers and lenders;
- degree and nature of our competition;
- the outcome of pending litigation;
- changes in governmental regulations and policies, tax law 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;
- trends in the commercial real estate finance market, interest rates, commercial real estate values, the credit and capital markets or the general economy; and
- general volatility of the capital markets and the market price of our common stock.

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 above entitled "Risk Factors."

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USE OF PROCEEDS

We are offering 6,666,667 shares of our common stock at the anticipated public offering price of $15.00 per share, which is the midpoint of the initial public offering price range shown on the cover page of this prospectus. We estimate that the net proceeds we will receive from this offering will be approximately $89.5 million after deducting the underwriting discounts and commissions of $7.0 million and estimated offering expenses of approximately $3.5 million payable by us at closing (or, if the underwriters exercise their overallotment option in full, approximately $110.4 million, after deducting the underwriting discounts and commissions and estimated offering expenses).

We currently intend to use the net proceeds we will receive from this offering to execute our growth strategy and fund working capital and for other general corporate purposes. We also may use a portion of these net proceeds for acquisitions of businesses or products that are complementary to our business, although we have no current understandings, commitments or agreements to do so. We cannot specify with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering. The expected use of net proceeds of this offering represents our current intentions based upon our present plans and business conditions.

Accordingly, our management will have broad discretion in the application of the net proceeds, and investors will be relying on the judgment of our management regarding the application of the proceeds of this offering. Pending their uses, we plan to invest the net proceeds of this offering in U.S. government securities and other short-term, investment-grade, interest-bearing instruments or high-grade corporate notes.

We will not receive any of the net proceeds from the sale of shares of our common stock in this offering by the selling stockholders.

DIVIDEND POLICY

We currently intend to retain all future earnings for the operation and expansion of our business and, therefore, do not anticipate declaring or paying cash dividends in the foreseeable future. The payment of any dividends in the future will be at the sole discretion of our board of directors and will depend on our results of operations, liquidity, financial condition, prospects, capital requirements and contractual arrangements, any limitations on payments of dividends present in any of our future financing arrangements, applicable law, and other factors our board of directors may deem relevant. If we do not pay dividends, a return on your investment will only occur if our stock price appreciates.

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CAPITALIZATION

The following table presents capitalization information as of September 30, 2010:

- on a historical basis for our predecessor;
- on a pro forma basis for our formation transactions; and
- on a pro forma as adjusted basis for our company taking into account (i) the formation transactions, (ii) this offering and the application of the net proceeds as described in "Use of Proceeds" and (iii) the grant of an aggregate amount of 481,684 shares of our restricted stock to certain of our employees, including our executive officers, and our non-employee directors, as if they had occurred on September 30, 2010.

You should read the following capitalization table in conjunction with "Use of Proceeds," "Selected Financial Data," "Management Discussion and Analysis of Financial Condition and Results of Operations," and the more detailed information contained in our predecessor's consolidated and combined financial statements and notes thereto included elsewhere in this prospectus.

	As of September 30, 2010		
$ in thousands, except per share data	**Walker & Dunlop (Historical Predecessor)**	**Pro Forma Walker & Dunlop, Inc.**	**Pro Forma As Adjusted Walker & Dunlop, Inc.**
Notes payable (1)	$ 28,968	$ 28,968	$ 28,968
Stockholders' equity/members' capital:			
Members' capital and non-controlling interests	38,856		
Common stock, $0.01 par value, 100,000 shares authorized, 100 shares issued and outstanding, historical; 200 million shares authorized, 14,741,504 shares issued and outstanding, pro forma; 200 million shares authorized, 21,889,855 shares issued and outstanding, pro forma, as adjusted (2)		147	219
Preferred stock, $0.01 par value, no shares authorized, issued and outstanding, historical; 50 million shares authorized, no shares issued and outstanding, pro forma; 50 million shares authorized, no shares issued and outstanding, pro forma, as adjusted			
Additional paid-in capital		38,709	128,137
Retained earnings (3)	53,867	19,467	19,467
Total stockholders' equity/members' capital	$ 92,723	$ 58,323	$ 147,823
Total capitalization	$ 121,691	$ 87,291	$ 176,791

(1) Does not include amounts outstanding or available under warehouse financing facilities.

(2) Includes an aggregate amount of 481,684 shares of restricted stock to be granted to certain of our employees, including our executive officers, and non-employee directors concurrently with the closing of this offering as if such grants had occurred on September 30, 2010. Excludes (i) up to 1,500,000 shares of common stock issuable upon exercise of the underwriters' overallotment option and (ii) an additional 1,658,316 shares issuable under our Equity Incentive Plan after this offering.

(3)

Pro forma and pro forma as adjusted amounts include $34.4 million of estimated net deferred tax liabilities expected to be recognized as a result of the termination of our predecessor's pass through tax reporting status, as if the formation transactions occurred on September 30, 2010.

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DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share and the pro forma net tangible book value per share of our common stock after this offering. Net tangible book value per share is determined by dividing the number of outstanding shares of our common stock into our total tangible assets (total assets less intangible assets) less total liabilities and any outstanding preferred stock. The pro forma net tangible book value of our common stock was approximately $57.0 million, or approximately $3.87 per share, based on the number of shares of our common stock outstanding as of September 30, 2010, giving effect to the formation transactions as if they had occurred on that date.

Investors participating in this offering will incur immediate and substantial dilution. After giving effect to the sale of common stock offered in this offering at an assumed initial public offering price of $15.00 per share (which is the midpoint of the price range shown on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2010 would have been approximately $146.5 million, or approximately $6.69 per share of common stock. This represents an immediate increase in pro forma as adjusted net tangible book value of $2.82 per share to existing common stockholders, and an immediate dilution of $8.31 per share to investors participating in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share	$	15.00
Pro forma net tangible book value per share as of September 30, 2010, after giving effect to the formation transactions as if they had occurred on September 30, 2010	$	3.87
Pro forma increase in net tangible book value per share attributable to existing common stockholders	$	2.82
Pro forma as adjusted net tangible book value per share after this offering	$	6.69
Pro forma dilution per share to investors participating in this offering	$	8.31

If the underwriters exercise their overallotment option in full to purchase additional shares of common stock from us, the pro forma as adjusted net tangible book value per share after this offering would be $7.16, the increase in the pro forma net tangible book value per share attributable to existing common stockholders would be $3.29 and the pro forma dilution per share to investors participating in this offering would be $7.84.

The pro forma as adjusted net tangible book value per share of our common stock after this offering includes the dilution from the 481,684 shares of restricted stock granted concurrently with the closing of this offering.

Differences Between New and Existing Investors in Number of Shares and Amount Paid

The following table summarizes, on a pro forma basis as of September 30, 2010, the differences between the number of shares of common stock purchased from or granted by us, the total consideration and the weighted average price per share paid by existing common stockholders, after giving effect to the formation transactions, and by investors participating in this offering at an assumed initial public offering price of $15.00 per share (which is the midpoint of the price range shown on the

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cover page of this prospectus), before deducting underwriting discounts and commissions and estimated offering expenses:

	Shares Purchased/Granted		Total Consideration		Weighted Average Price
	Number	Percentage	Amount	Percentage	Per Share
	(in thousands)		(in thousands)		
Existing common stockholders before this offering, after giving effect to the formation transactions	14,741	67%	$ 58,323	37%	$ 3.96
Restricted shares of common stock issued concurrently with the closing of this offering	482	2%			
Investors participating in this offering	6,667	31%	$ 100,000	63%	$ 15.00
Total	21,890	100%	$ 158,323	100%	$ 7.23

The number of shares of common stock outstanding in the table above is based on the pro forma number of shares outstanding as of September 30, 2010 and assumes no exercise of the underwriters' over-allotment option. Sales by the selling stockholders in this offering will cause the number of shares owned by existing common stockholders to be reduced to approximately 52% of the total number of shares of our common stock outstanding after this offering. If the underwriters exercise their over-allotment option in full, our existing common stockholders would own 49% of our shares of common stock outstanding after this offering.

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SELECTED FINANCIAL DATA

The following table sets forth selected financial and operating data on a consolidated and combined historical basis for our predecessor. We have not presented historical financial information for Walker & Dunlop, Inc. because we have not had any corporate activity since our formation other than the issuance of shares of common stock in connection with the initial nominal capitalization of our company and because we believe that a presentation of the results of Walker & Dunlop, Inc. would not be meaningful. The term "predecessor" refers to, collectively, Walker & Dunlop, LLC, Walker & Dunlop Multifamily, Inc., Walker & Dunlop GP, LLC, GPF Acquisition, LLC, W&D, Inc., Green Park Financial Limited Partnership, Walker & Dunlop II, LLC, Green Park Express, LLC and W&D Balanced Real Estate Fund I GP, LLC.

You should read the following selected financial and operating data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated and combined financial statements and related notes of our predecessor included elsewhere in this prospectus.

The unaudited selected historical financial information at September 30, 2010, and for the nine months ended September 30, 2010 and 2009, have been derived from the unaudited condensed consolidated and combined financial statements of our predecessor included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of such data. The interim results for the nine months ended September 30, 2010 are not necessarily indicative of the results for 2010. Furthermore, historical results are not necessarily indicative of the results to be expected in future periods.

The selected historical financial information at December 31, 2009 and 2008, and for the years ended December 31, 2009, 2008 and 2007, have been derived from the consolidated and combined financial statements of our predecessor audited by KPMG LLP, an independent registered public accounting firm, whose report thereon is included elsewhere in this prospectus.

The selected historical financial information at December 31, 2007, has been derived from the consolidated and combined financial statements audited by KPMG LLP.

The selected historical financial information at December 31, 2006 and 2005, and for the years ended December 31, 2006 and 2005, have been derived from the unaudited financial statements of our predecessor.

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$ in thousands, except per share data	Nine Months Ended September 30, 2010 (unaudited)	Nine Months Ended September 30, 2009 (unaudited)	Year Ended December 31, 2009	2008	2007	2006 (unaudited)	2005 (unaudited)
Statement of Income Data(1)(2)							
Revenues							
Gains from mortgage banking activities	$ 58,545	$ 40,149	$ 57,946	$ 29,428	$ 21,930	$ 21,568	$ 23,871
Servicing fees	19,769	15,350	20,981	12,257	12,327	13,732	15,527
Net warehouse interest income	2,944	3,122	4,186	1,787	17	88	275
Escrow earnings and other interest income	1,632	1,289	1,769	3,428	8,993	6,889	6,057
Other	2,889	2,355	3,879	2,272	7,005	1,145	2,406
Total Revenue	$ 85,779	$ 62,265	$ 88,761	$ 49,172	$ 50,272	$ 43,422	$ 48,136
Expenses							
Personnel	$ 28,877	$ 24,515	$ 32,177	$ 17,008	$ 16,779	$ 17,952	$ 17,387
Amortization and depreciation	12,394	9,137	12,917	7,804	9,067	7,264	8,434
Provision for risk-sharing obligations, net	4,397	(34)	2,265	1,101			255
Interest expense on corporate debt	1,039	1,312	1,684	2,679	3,853	1,059	42
Other operating expenses	9,546	9,538	11,114	6,548	4,240	5,446	6,244
Total Expenses	$ 56,253	$ 44,468	$ 60,157	$ 35,140	$ 33,939	$ 31,721	$ 32,362
Income from Operations	$ 29,526	$ 17,797	$ 28,604	$ 14,032	$ 16,333	$ 11,701	$ 15,774
Gain on Bargain Purchase(3)		10,922	10,922				
Net Income	$ 29,526	$ 28,719	$ 39,526	$ 14,032	$ 16,333	$ 11,701	$ 15,774
Pro forma income tax expense (unaudited)(1)(4)	11,220	6,763	10,869	5,332	6,207		
Pro forma net income (unaudited)(1)(4)	$ 18,306	$ 21,956	$ 28,657	$ 8,700	$ 10,126		
Pre-offering pro forma basic and diluted earnings per share (unaudited)(1)(4)	$ 1.24	$ 1.55	$ 2.00	$ 0.90	$ 1.00		
Pre-offering pro forma weighted average basic and diluted number of shares (unaudited)(1)(4)	14,741,504	14,124,492	14,306,873	9,710,521	10,156,385		
Balance Sheet Data(1)							
	$ 20,058(5)	$ 10,706	$ 10,390	$ 6,812	$ 17,437	$ 13,878	$ 12,215

Cash and cash equivalents							
Restricted cash and pledged securities	16,818	19,498	19,159	12,031	10,250	10,594	11,149
Mortgage servicing rights	99,682	74,720	81,427	38,943	32,956	28,344	31,176
Loans held for sale	122,922	65,363					