

**FEBRUARY 2016**

**LIVINGSTON HESSAM  
501 E. KENNEDY BLVD. #1200  
TAMPA, FL 33602  
813-793-6677**



# Table of Contents

- I. Company Overview
- II. Company Timeline
- III. Financing Solutions
- IV. Qualifications
- V. Why Walker & Dunlop?
- VI. Production Volumes
- VII. Commercial / MF Mortgage Maturities
- VIII. Awards
- IX. Recent Experience
- X. Finance Experts



# Company Overview

Walker & Dunlop is a commercial real estate finance company headquartered in Bethesda, Maryland with 25 offices nationwide. Founded in 1937, the company **went public in 2010**, gaining access to the capital markets. Since then, the firm has grown each year by **expanding into different business lines** to meet the needs of our clients, changing economies, and rapidly fluctuating real estate and capital markets.



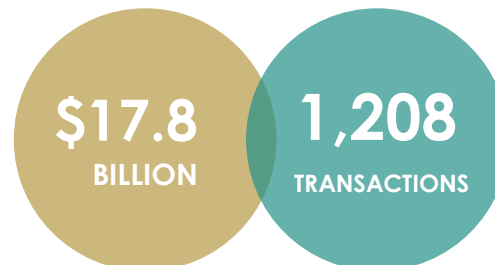
From January 2010 through December 2015, Walker & Dunlop completed a total of **\$50.3 billion in loan originations**. The firm has been able to consistently grow its volume of loans year over year.

Walker & Dunlop has **over 500 professionals** in the United States **dedicated to providing structured financing and loan servicing**. In 2015, Walker & Dunlop completed over 1,200 transactions totaling \$17.8 billion.



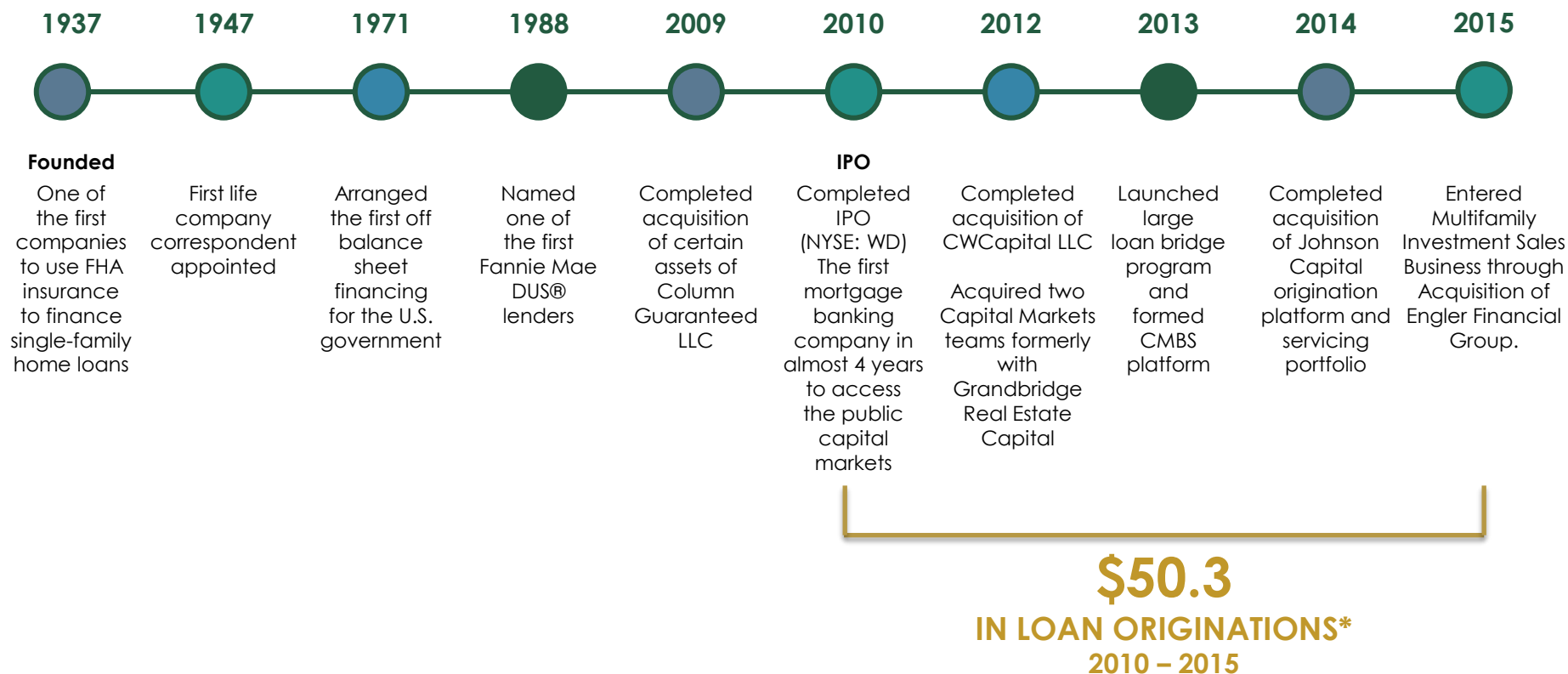
2015 transactions were completed with **over 150 different capital sources**, including securitized lenders (CMBS), life insurance companies, commercial banks, Fannie Mae, Freddie Mac, FHA, and other third party sources of capital.

## 2015 HIGHLIGHTS



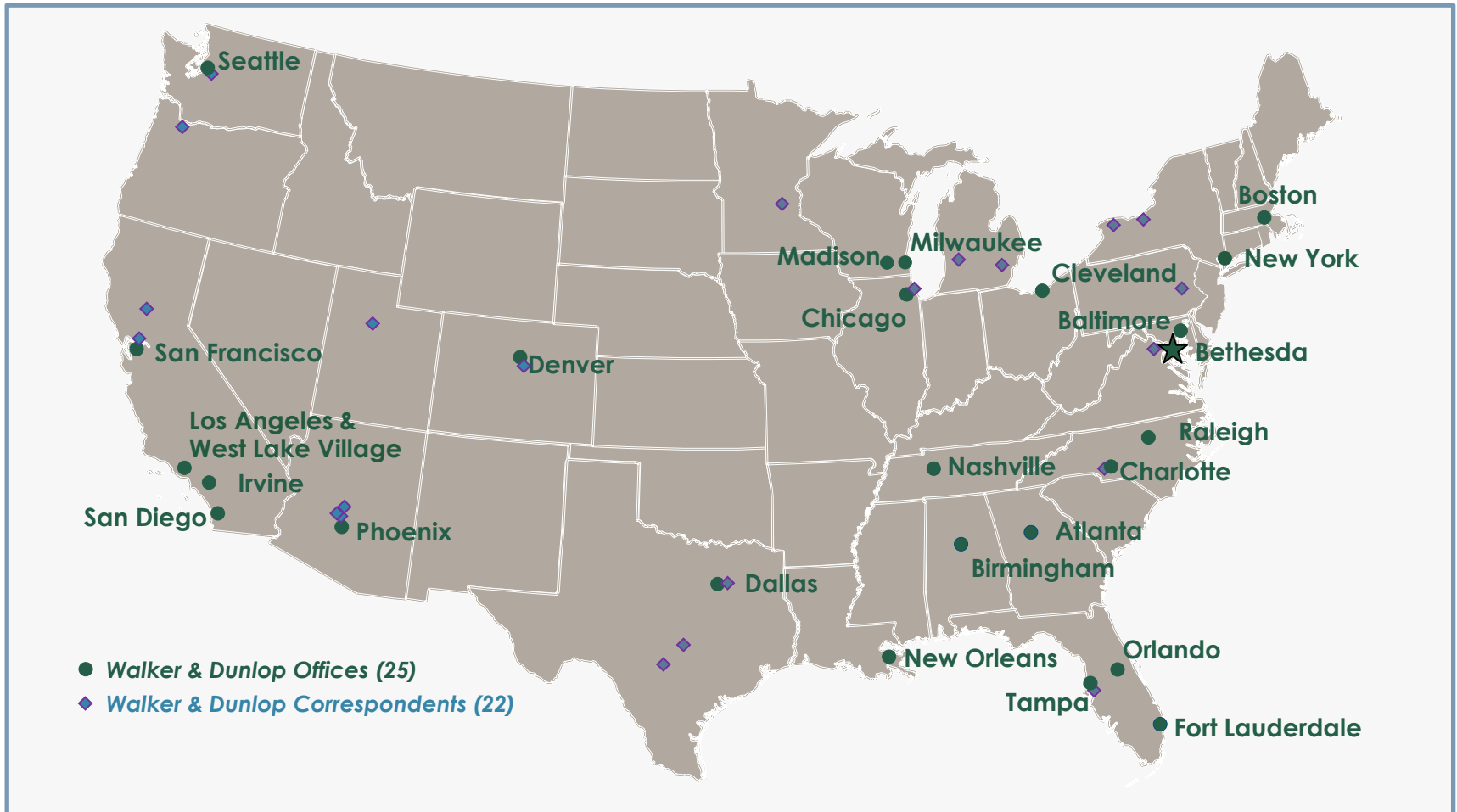
# Distinguished 78-Year History

## KEY HISTORICAL MILESTONES



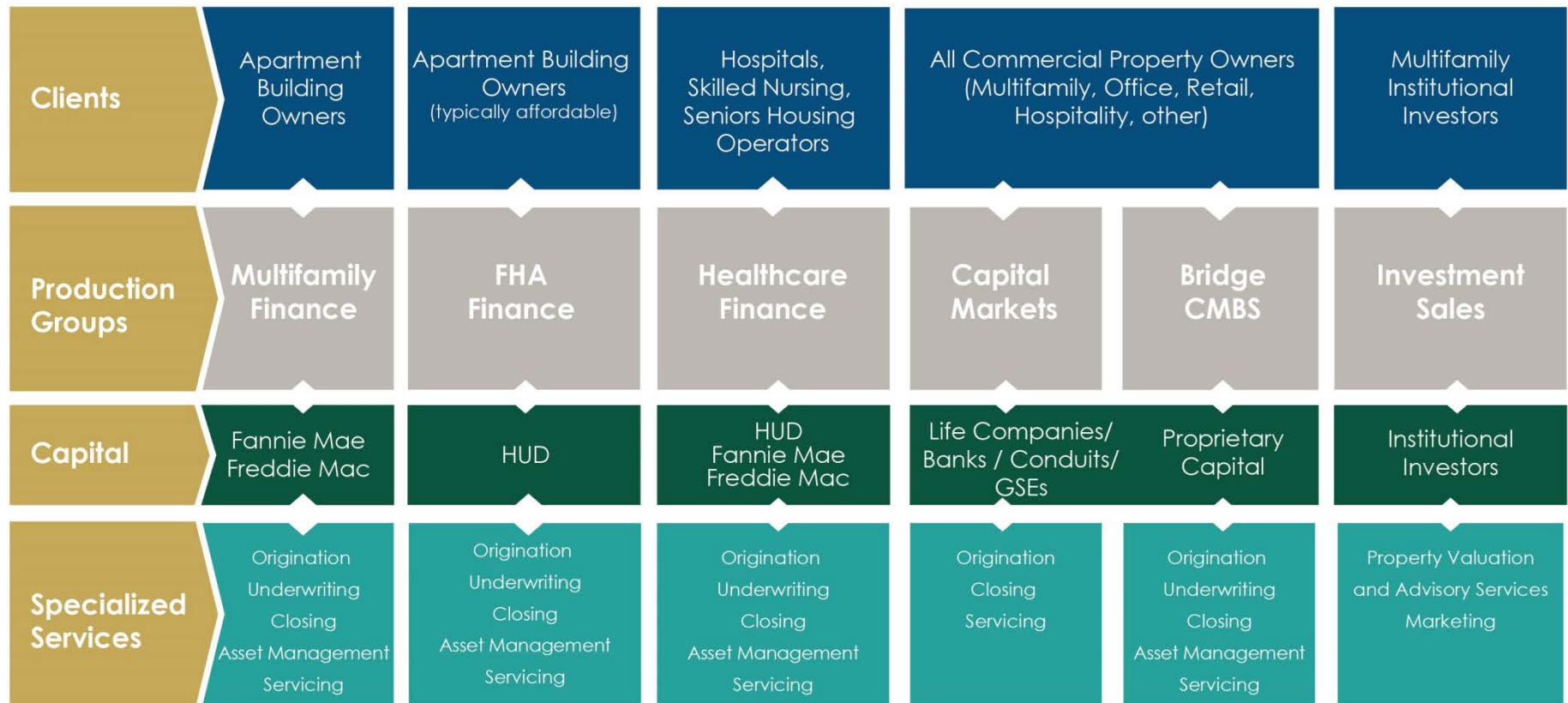
# The Breadth of our National Platform

## Significant Market Presence



Note: As of February 6, 2016

# Walker & Dunlop's Established Platform





# Financing Solutions – Multifamily & Healthcare

Walker & Dunlop offers a **comprehensive suite** of financing solutions which allows us to originate loans for our balance sheet, our CMBS conduit or for sale to Fannie Mae, Freddie Mac and HUD, and broker loans to life insurance companies, banks and other CMBS providers.

Positive property fundamentals, coupled with **historically low interest rates**, are driving huge market demand for multifamily assets.

Walker & Dunlop finances a wide **variety of multifamily** and **healthcare property types** including student housing, manufactured housing, seniors housing, independent living, assisted living, skilled nursing, hospital facilities, medical office and condominiums.

The firm also has a **dedicated loan servicing staff**. Walker & Dunlop is a primary-servicer and has a **servicing portfolio of \$50.2 billion** as of December 31, 2015, with over 4,800 loans.

**FANNIE MAE   FREDDIE MAC   HUD**

**#2**

Fannie Mae  
DUS Lender®

**#4**

Freddie Mac  
Top Program  
Plus® Seller

**#7**

HUD Lender  
2014

# Financing Solutions - Commercial

Walker & Dunlop offers a **comprehensive suite** of financing solutions which allows us to originate loans for our balance sheet, our CMBS conduit or for sale to Fannie Mae, Freddie Mac and HUD, and broker loans to life insurance companies, banks and other CMBS providers. The Capital Markets team is known for its **creative structured financing** of real estate assets nationwide.

Walker & Dunlop works with its clients in identifying the best capital structure and execution to meet client objectives, including structuring and negotiating the capitalization of senior construction and interim debt, B note, mezzanine debt, and other capitalization to facilitate the acquisition, renovation and/or conversion, of commercial properties.

The Capital Markets Team has extensive real market knowledge, providing clients with a thorough understanding of a broad range of commercial real estate asset classes and ever-changing market conditions. Walker & Dunlop finances a wide **variety of property types** including multifamily, condominiums, retail, office, medical office, industrial, hospitality, manufactured housing, mixed-use and land.

The firm also has a **dedicated loan servicing staff**. Walker & Dunlop is a primary-servicer and has **servicing portfolio of \$50.2 billion** as of December 31, 2015, with over 4,800 loans.

## Over 150 Capital Sources

Securitized  
Lenders

Commercial  
Banks

Savings  
Banks

Life  
Insurance  
Companies

Government  
Sponsored  
Enterprises

Credit  
Companies

Pension  
Funds

Hedge  
Funds

**#3**  
Agency  
Lender



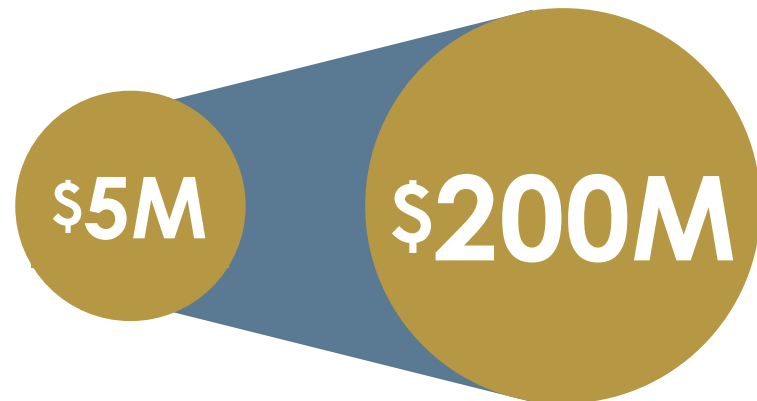
# Proprietary Capital Sources

**Walker & Dunlop's proprietary bridge loan program** offers short-term non-recourse loans to borrowers seeking to acquire or reposition multifamily, student, manufactured, or seniors housing properties that do not currently qualify for permanent financing. Financing is available from \$5 million up to \$200+ million and can be structured with funding built in for planned capital expenditures. Once your property is ready for permanent financing, Walker & Dunlop can facilitate a **seamless transition** to Fannie Mae, Freddie Mac, HUD, life company or CMBS financing.

**Walker & Dunlop Commercial Property Funding** is our proprietary CMBS lending platform that provides first mortgage loans, high yield whole loans, mezzanine debt and preferred equity for properties located nationwide. Additionally, Walker & Dunlop works with 20 CMBS providers as an intermediary on transactions for all commercial property types.

## The Bridge Loan Program

FUNDING BUILT IN FOR  
PLANNED CAPITAL EXPENDITURES



SEAMLESS TRANSITION TO

**Fannie Mae, Freddie Mac, HUD,  
Life Company or CMBS**

# Qualifications

## KNOWLEDGEABLE



Walker & Dunlop has a **thorough understanding** of real estate, loan terms and capital markets which allows us to analyze and evaluate alternative structures, determine an **optimal strategy** to meet client objectives and successfully execute that strategy.

Walker & Dunlop provides clients with a **strong knowledge** of real estate, capital markets, and the ability to successfully close deals in challenging market conditions.

Walker & Dunlop takes a **hands-on approach** to every assignment. We spend significant time before the commencement of marketing to complete a detailed analysis of both the real estate and loan structure.

## HANDS-ON



Walker & Dunlop has **unparalleled relationships** with commercial mortgage lenders and investors including all major life companies, domestic banks, pension funds, finance companies, Wall Street firms, mezzanine funds and government sponsored enterprises.

# Why Walker & Dunlop?

For over 77 years, our clients have been at the heart of all we do. We have a **customer-centric culture** and a relentless drive to exceed our clients' expectations. With Walker & Dunlop, clients receive a “boutique” level of service, but with all the same resources of a large lending platform.

We are commercial real estate finance experts. Decisions at Walker & Dunlop are based around the real estate deal, not a larger parent company or broad financial services platform. This is our core business.

We believe that every deal is unique and therefore deserves a **tailor-made approach to financing**. At Walker & Dunlop, every transaction receives “best in class” expertise based on the needs of the individual client and deal profile. The greatest execution begins with the finest team. **You will see the difference in our people!**

Newly-launched CMBS program and other strategic initiatives such as our Bridge program show Walker & Dunlop's commitment to diversifying our platform and providing the most **comprehensive suite of resources** for our clients.

Our executive officers have, on average, more than 20 years' of experience in the commercial real estate finance industry.



## OUR GOAL

- ▶ Provide our clients with the **best financing available**.
- ▶ **Effectively** and **independently** evaluate all structures and strategies to **determine the best configuration** for a particular transaction and the client's requirements.
- ▶ **No conflicts of interest** or favored execution strategy.

# 2016 Goals & Expectations

## Transaction Platform & Market Share

- ☐ Maintain position as dominant lender with Fannie Mae and Freddie Mac
- ☐ Continue to recruit and hire top loan origination talent
- ☐ Originate brokered loan volume at high end of \$3 to \$5 billion target range
- ☐ Expand investment sales platform into new markets throughout the country

## Capital Deployment

- ☐ Prudently deploy capital to generate strong shareholder returns
- ☐ Board has authorized up to \$75 million in share repurchases over the next 12 months
- ☐ Increase proprietary lending
  - ☐ Grow interim loan portfolio to around \$400 million
  - ☐ Take advantage of significant CMBS refi market, but maintain strategy of holding around \$200 million of loans on balance sheet at a time

## Corporate & Financial

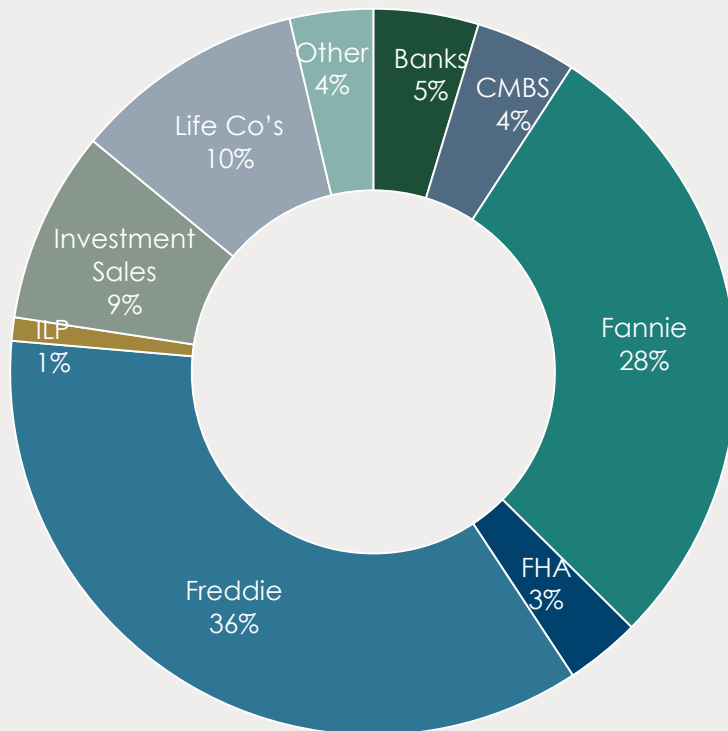
- ☐ Retain exceptional talent & maintain corporate culture as the company grows
- ☐ Maintain exceptional credit discipline
- ☐ Generate at least \$500 million in total revenues
- ☐ Deliver operating margin in mid-to-upper 20% range
- ☐ Achieve double digit earnings per share growth
- ☐ Gain on sale between 160 – 180 basis points
- ☐ Expect personnel expense as a percentage of total revenues to stay around 40 percent
- ☐ ROE in mid-to-upper teens



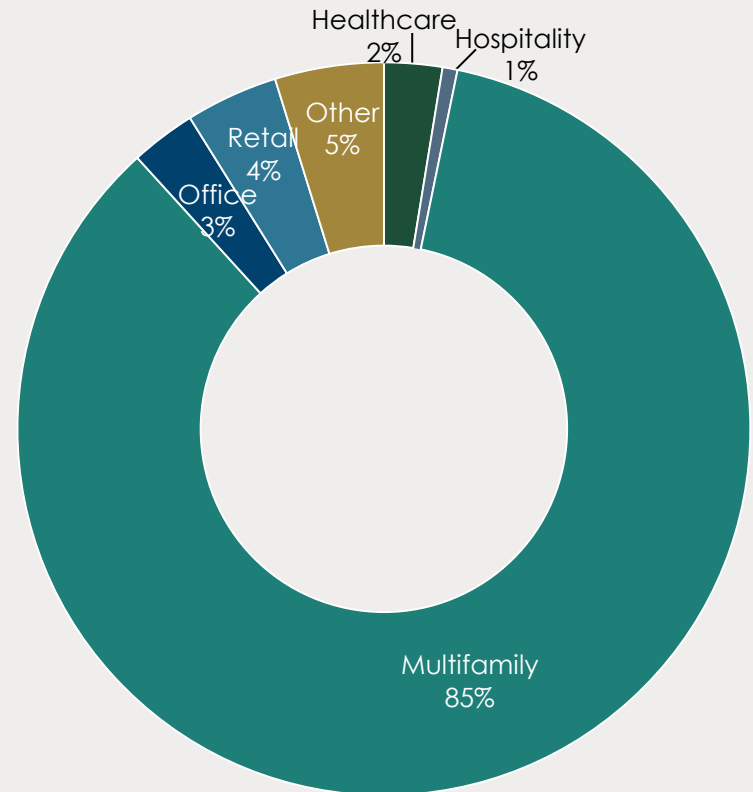
## 2015 PRODUCTION VOLUMES

# 2015 Transaction Volume: \$17.8 billion

BY CAPITAL SOURCE



BY PROPERTY TYPE



Other = Self Storage, Industrial, Land

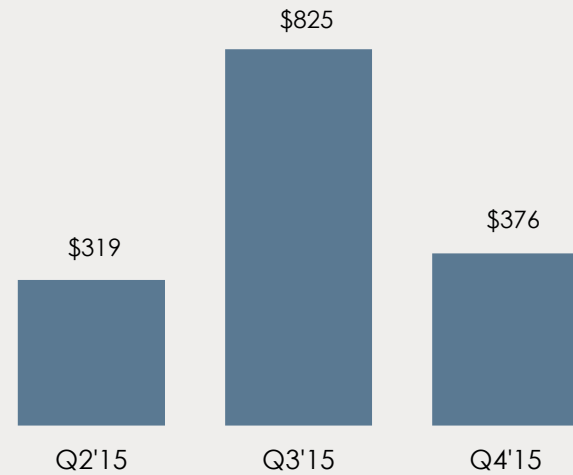


# Growth in Investment Sales

## WALKER & DUNLOP INVESTMENT SALES

(sales \$ in millions)

- ▶ In April 2015, Walker & Dunlop completed the acquisition of Engler Financial Group, and launched our multifamily investment sales platform
- ▶ Investment sales volume of over \$1.5 billion in its first eight and a half months on our platform
- ▶ Added one sales team in Washington DC with the goal of expanding into additional markets across the country in 2016

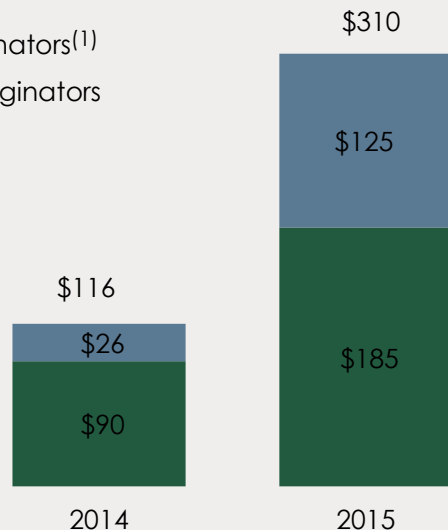


# Proprietary Capital Lending – CMBS & ILP

## WALKER & DUNLOP COMMERCIAL PROPERTY FUNDING (WDCPF)

(loan originations \$ in millions)

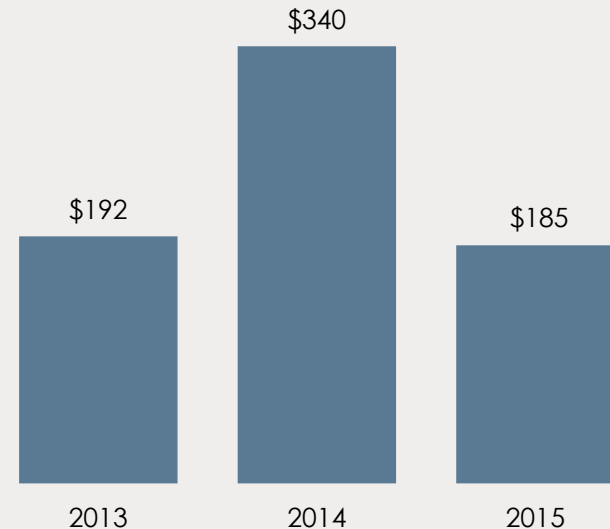
- W&D Originators<sup>(1)</sup>
- WDCPF Originators



- ▶ WDCPF is W&D's proprietary CMBS lending platform that provides first mortgage loans, high yield whole loans, mezzanine debt and preferred equity for properties located nationwide.
- ▶ Walker & Dunlop assumed 100% ownership of WDCPF in January 2016.
- ▶ In 2015, WDCPF contributed \$279.8 million to 3 securitizations.

## INTERIM LOAN PROGRAM (ILP)

(loan originations \$ in millions)

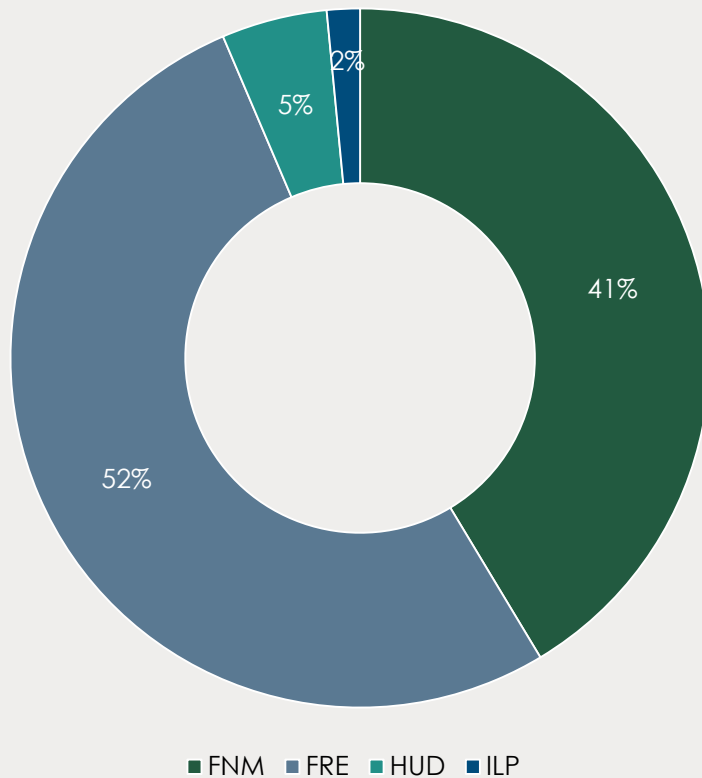


- ▶ W&D offers short-term non-recourse loans to borrowers seeking to acquire or reposition multifamily properties that do not currently qualify for permanent financing. Walker & Dunlop can facilitate permanent financing through Fannie Mae, Freddie Mac, HUD or other capital sources.
- ▶ Originated \$752 million in aggregate deal flow since inception, which has generated \$17.1 million in interest income. We have refinanced 91% of the loans into permanent loans that are now in our servicing portfolio.

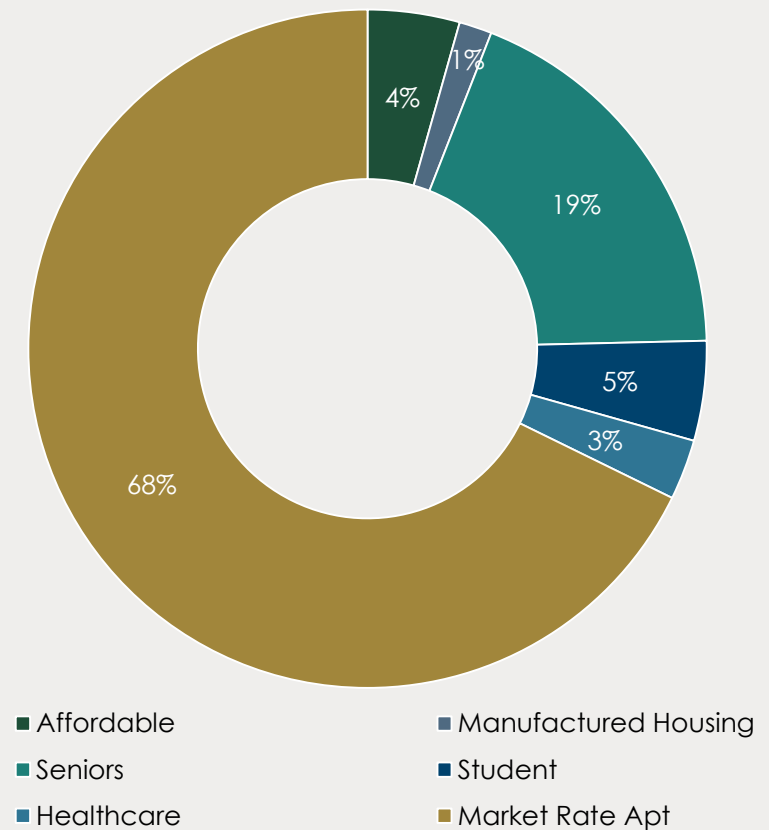
(1) Brokered transactions for WDCPF

# 2015 Agency and ILP Volume: \$12.1 Billion

BY CAPITAL SOURCE

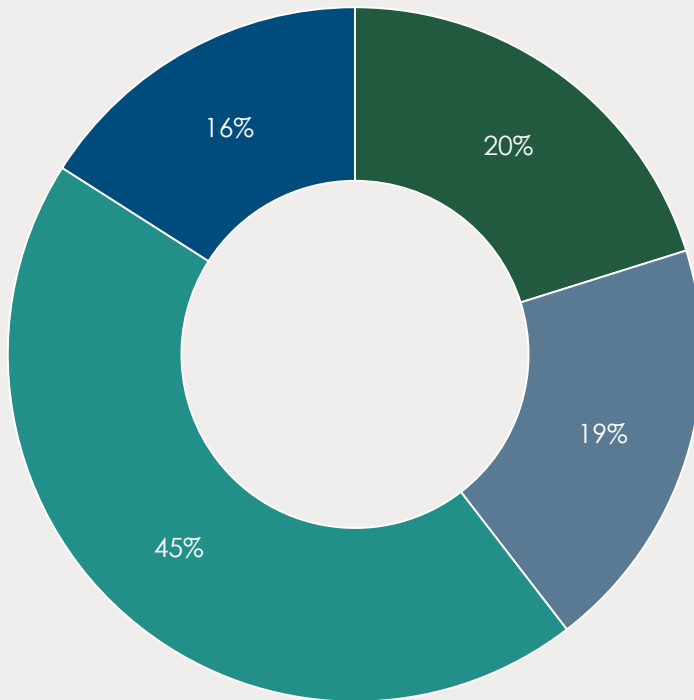


BY PROPERTY TYPE



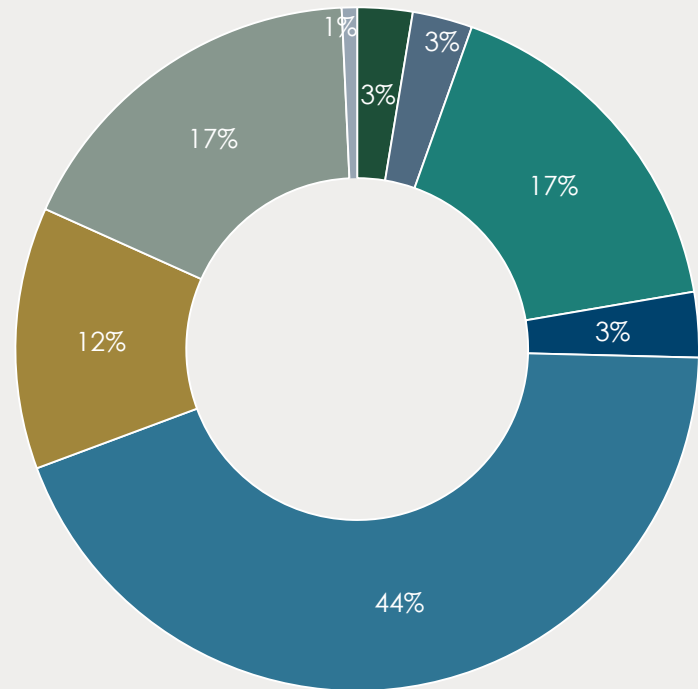
# 2015 Brokered Volume: \$4.1 Billion

BY CAPITAL SOURCE



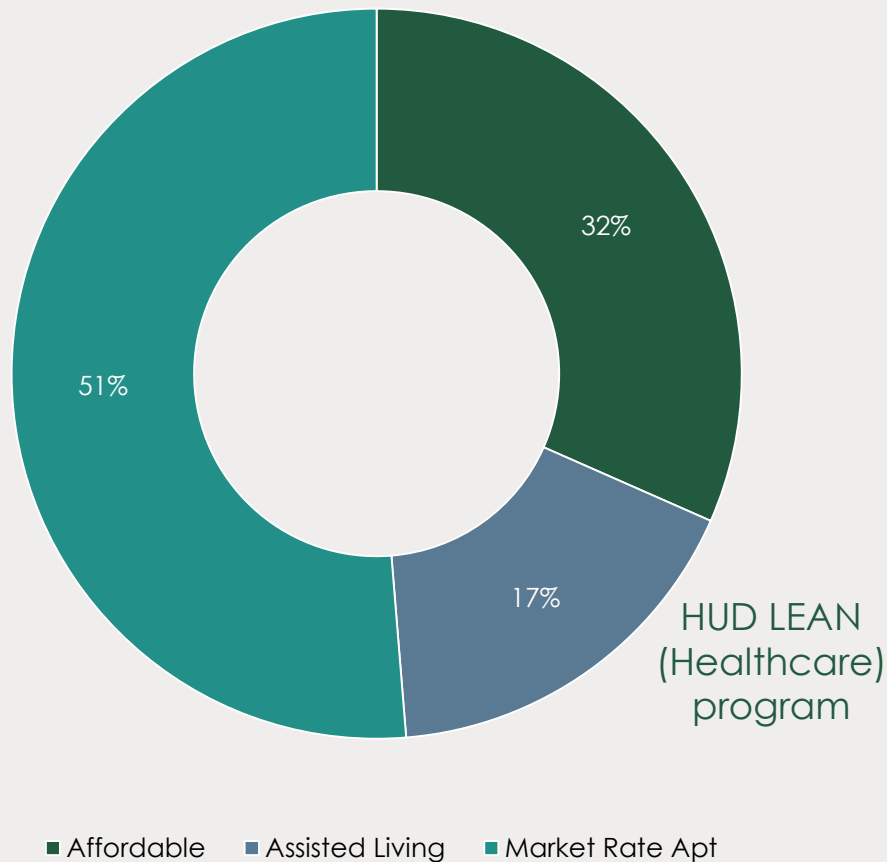
■ Banks/S&L ■ CMBS ■ Life Company ■ Other

BY PROPERTY TYPE



■ Healthcare ■ Hospitality ■ Industrial  
■ Land ■ Multifamily ■ Office  
■ Retail ■ Self Storage

# 2015 HUD Volume: \$592 million

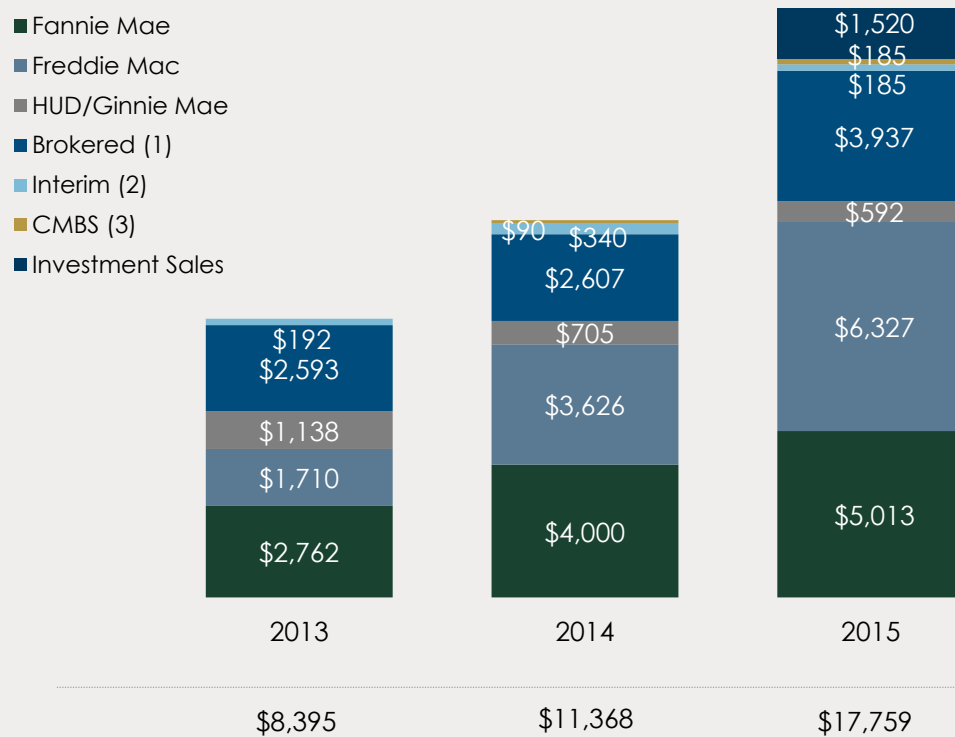


**#7**  
HUD Lender  
2014

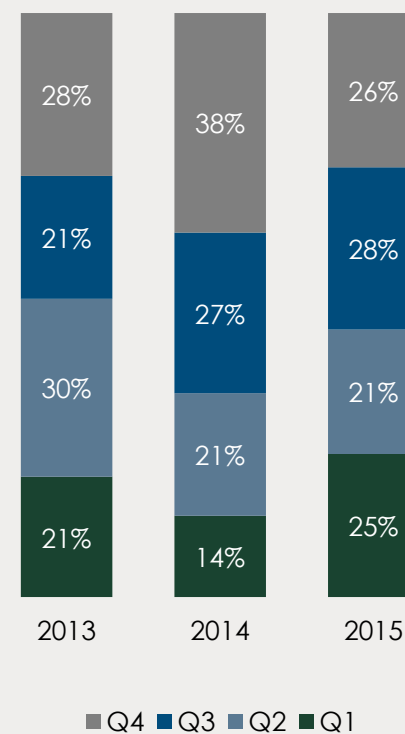
# Growth in Total Transaction Volume

## TOTAL TRANSACTION VOLUME BY YEAR

(\$ in millions)



## PERCENTAGE OF TOTAL TRANSACTION VOLUME PER QUARTER



(1) Includes loans brokered to other CMBS originators, life insurance companies and commercial banks

(2) Includes our on-balance sheet interim loans

(3) Brokered transactions to our CMBS partnership



# Student Housing Financing

Walker & Dunlop is one of the very largest providers of financing for student housing properties located nationwide through Fannie Mae, Freddie Mac, bank and life companies.

Since 2009, Walker & Dunlop has provided more than \$2 billion for student housing properties nationwide.

Whether you need a refinance, acquisition or construction loan, our finance professionals offer the deep industry knowledge and broad market coverage to make your deal successful.

| 2009 – 2015 Student Housing Finance |                        |
|-------------------------------------|------------------------|
| 2009                                | \$151,288,000          |
| 2010                                | 71,535,000             |
| 2011                                | 214,437,000            |
| 2012                                | 175,559,000            |
| 2013                                | 266,414,000            |
| 2014                                | 694,947,500            |
| 2015                                | 616,625,000            |
| <b>Grand Total</b>                  | <b>\$2,190,805,500</b> |

# MHC Financing

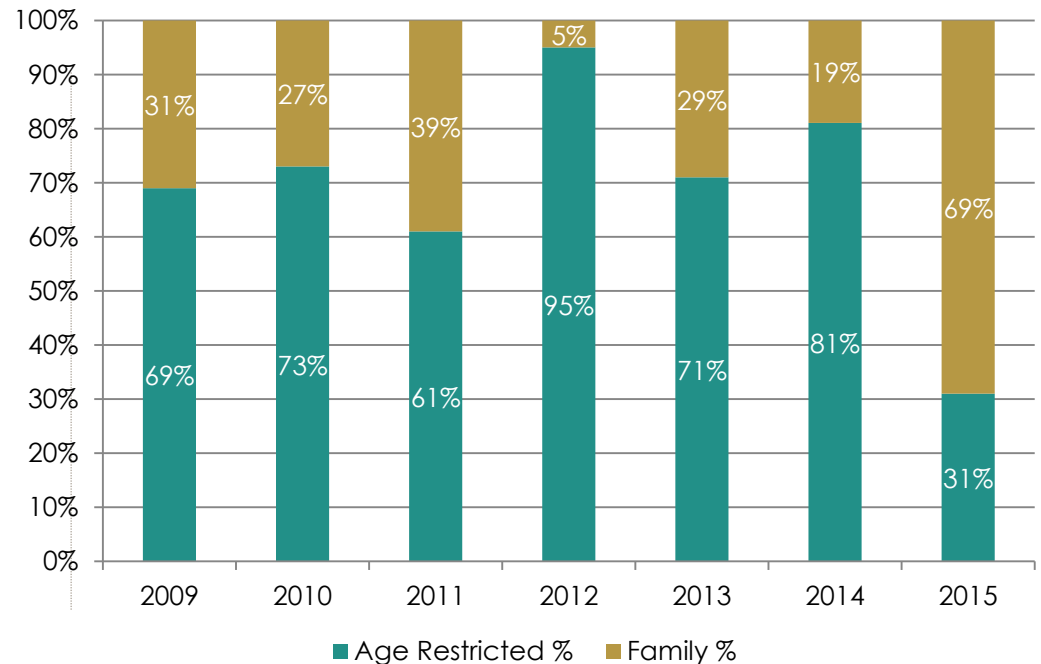
Since 2009, Walker & Dunlop has provided almost \$1.5 billion for Manufactured Housing Communities (MHC) nationwide. Currently, \$1.8 billion in MHC loans is serviced by Walker & Dunlop.

Walker & Dunlop is now offering Freddie Mac's Manufactured Housing Community product. Walker & Dunlop was the first Seller/Servicer to originate a manufactured housing loan for Freddie Mac's new program, which was the largest transaction. The loan was for the Longhaven Estates property located in Phoenix, Arizona, with a loan amount of \$10 million. The truly exciting part of this loan was that we were able to rate lock and fund the loan in less than forty-five days.



## 2009 – 2015 Manufactured Housing

|                    |                        |
|--------------------|------------------------|
| 2009               | \$375,352,750          |
| 2010               | 80,050,000             |
| 2011               | 58,067,000             |
| 2012               | 251,334,000            |
| 2013               | 131,050,000            |
| 2014               | 419,651,000            |
| 2015               | 183,376,000            |
| <b>Grand Total</b> | <b>\$1,498,880,750</b> |



# Affordable Housing Financing

In 2014 Freddie Mac introduced their *Direct Purchase of Tax-Exempt Loans* initiative, and Walker & Dunlop not only is at the forefront of utilizing this new financing option, but originated the very first loan done through the program, securing \$14,280,000 in financing for a property in Dayton, Ohio.

This Freddie Mac initiative offers a very cost-effective path for borrowers raising funds for affordable housing. By lowering closing costs 40 percent, lowering the fees and amount of paperwork required, and being tax exempt, offers an especially good deal for projects developed with the 4 percent Low-Income Housing Tax Credit. The initiative creates an attractive complement to HUD's competitive Rental Assistance Demonstration (RAD) program, as many properties that apply to RAD are unable to secure funding through HUD.



That of course isn't to say that the Walker & Dunlop team hasn't been hard at work with originations through more traditional paths. Our goal is to help reduce costs and save time for borrowers as they move to acquire or refinance a property.

|                    | 2010                | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | Grand Total            |
|--------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| <b>Brokered</b>    | \$9,385,000         | \$14,225,000         |                      |                      | \$82,860,000         | \$16,630,000         | \$123,100,000          |
| <b>FNM</b>         | 28,230,000          | 94,859,000           | \$71,117,000         | \$138,652,898        | 74,567,000           | 193,977,000          | \$601,402,898          |
| <b>FRE</b>         | 20,600,000          |                      | 55,727,000           | 63,361,400           | 161,910,000          | 139,817,750          | \$441,416,150          |
| <b>HUD</b>         |                     | 52,100,200           | 129,223,200          | 317,971,731          | 257,340,100          | 187,114,300          | \$943,749,531          |
| <b>ILP</b>         |                     |                      | 5,500,000            |                      | 11,593,000           | 10,125,000           | \$27,218,000           |
| <b>Grand Total</b> | <b>\$58,215,000</b> | <b>\$161,184,200</b> | <b>\$261,567,200</b> | <b>\$519,986,029</b> | <b>\$588,270,100</b> | <b>\$557,064,050</b> | <b>\$2,146,286,579</b> |

# Healthcare and Seniors Housing Financing

Fiscal Year 2015 was a productive one at Walker & Dunlop for financing healthcare and seniors housing properties. Our team is committed to securing creative financing solutions to match our clients' needs all in a very quick timeframe. We work with owners and operators of independent living, assisted living, memory care, skilled nursing, and hospitals across the United States.

Walker & Dunlop closed a **\$1.27 billion** refinancing for **Holiday Retirement**, the second largest operator of senior housing in the United States, managing over 300 properties throughout the country. The 7-year, Freddie Mac, adjustable rate loans are secured by a 78-property portfolio of independent living facilities located in 30 states across the country.

## Other Recent Transactions

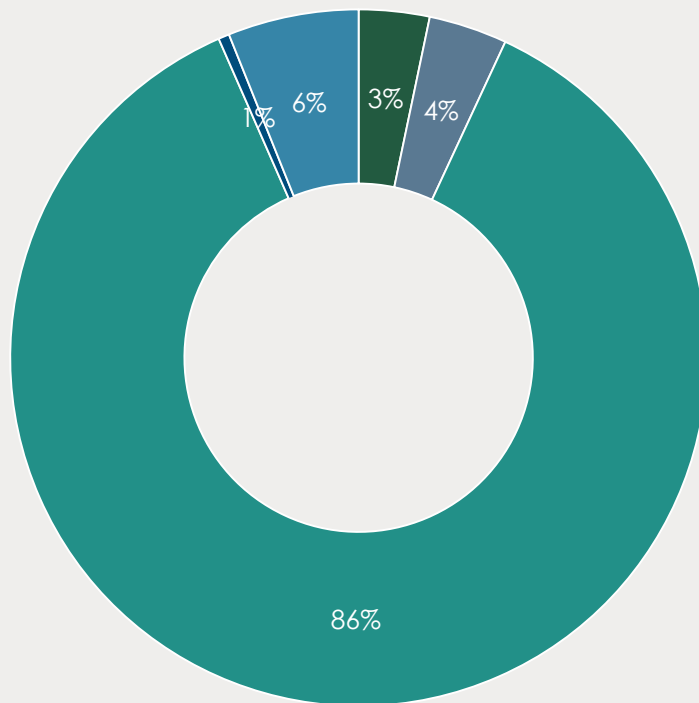
Two portfolio financings with **New Senior Investment Group, Inc.**

- Acquisition of 28 independent living properties
- 21 states with the highest concentration in California, Florida, North Carolina and Oregon
- **\$465 million**
- 52 property portfolio including the acquisition of 17 new properties
- Memory Care, Independent Living, and Assisted Living
- 19 states with the highest concentration in California, Florida, North Carolina, New Hampshire, and Utah
- **\$670 million**

| 2009 – 2015 Healthcare and Seniors Housing |                        |
|--|------------------------|
| Assisted Living/Memory Care                | \$1,128,932,343        |
| Hospital/Outpatient Clinic                 | 243,103,800            |
| Seniors/Independent Living                 | 2,503,246,700          |
| Skilled Nursing                            | 1,010,283,081          |
| <b>Grand Total</b>                         | <b>\$4,885,565,924</b> |

# 2015 Volume: \$2.8 billion Healthcare and Seniors Housing

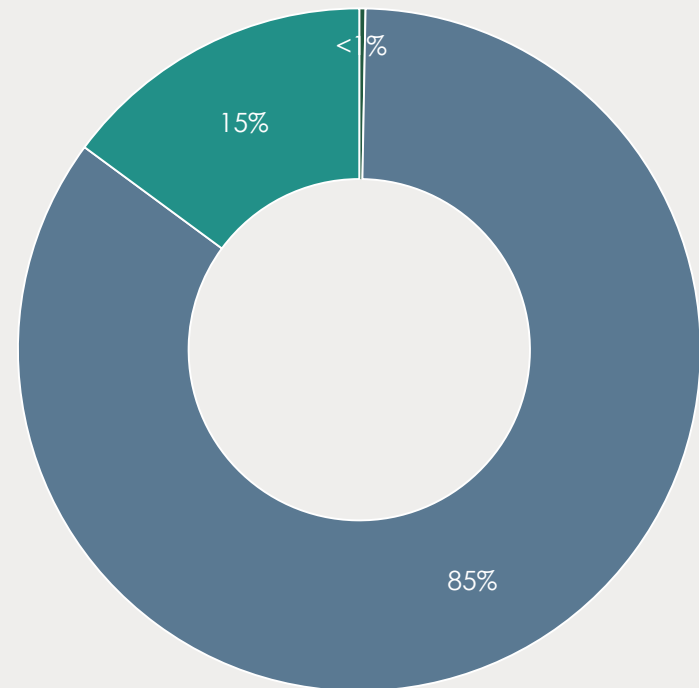
BY CAPITAL SOURCE



■ Fannie ■ FHA ■ Freddie ■ ILP ■ Other

Other = Banks, CMBS and Life Co's

BY PROPERTY TYPE

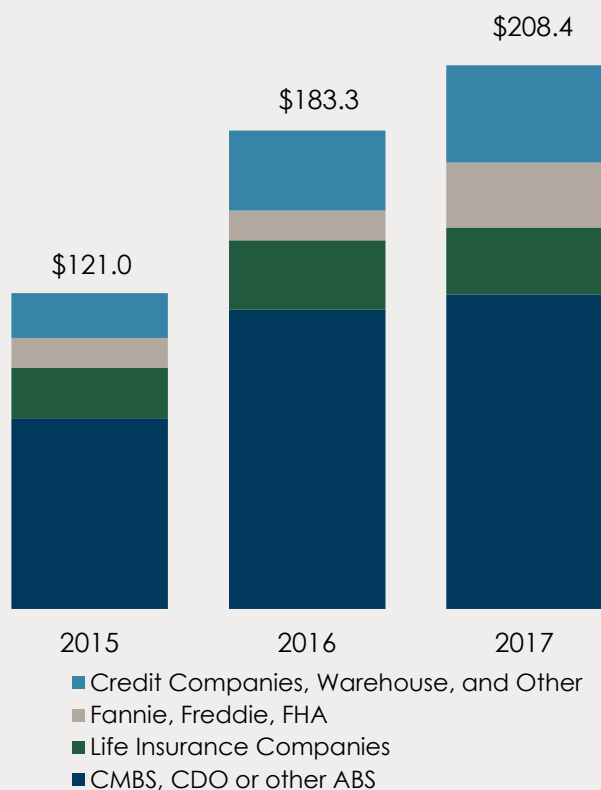


■ Skilled Nursing ■ Age Restricted ■ Assisted Living/Memory Care

# Commercial Real Estate Debt Maturities

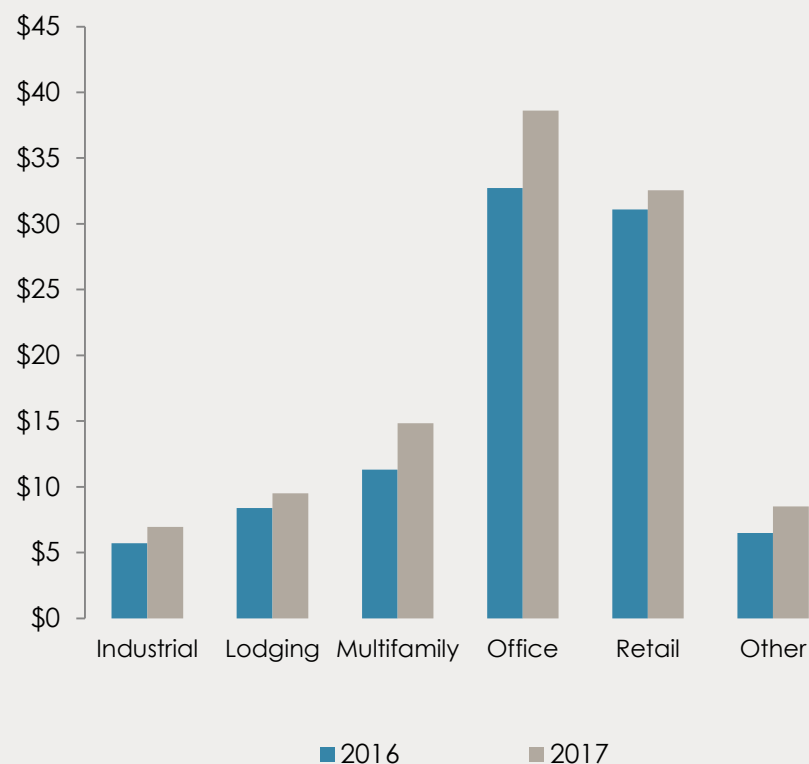
## MATURING NON-BANK COMMERCIAL/MULTIFAMILY MORTGAGES BY LENDER <sup>(1)</sup>

(\$ in billions)



## MATURING CMBS LOANS 2016 -2017 BY PROPERTY TYPE <sup>(2)</sup>

(\$ in billions)



<sup>(1)</sup> Mortgage Bankers Association Commercial Real Estate/Multifamily Finance Loan Maturity Volumes as of December 31, 2015

<sup>(2)</sup> Trepp, LLC



# Company Awards and Recognition

- ▶ Real Estate Forum Fastest Growing Companies – 2015
- ▶ Great Place to Work® Best Small & Medium Workplaces List (2012, 2013, 2015), Fortune Magazine
- ▶ Fortune Top 100 Fastest Growing Companies – September 2014
- ▶ Healthiest Employer – Washington Business Journal – 2014
- ▶ Washington Post Top Workplace (midsize employer) – June 2014
- ▶ Washington Business Journal Great Places to Work (large company) (2012-2014)
- ▶ The Washingtonian's 50 Great Places to Work – October 2013
- ▶ Washington Business Journal Fastest Growing Companies (2011-2014)
- ▶ ACG® National Capital's Corporate Growth Award for M&A Deal of the Year - April 2013
- ▶ The Washingtonian's 50 Great Places to Work – October 2011
- ▶ Washington Business Journal's Best Financing of 2005 Award



**FORTUNE**

**WASHINGTON  
BUSINESS JOURNAL**



# Fannie Mae Awards and Recognition

- ▶ 2015 Ranked #2 for Fannie Mae Multifamily Debt
- ▶ 2015 Ranked #3 for Fannie Mae Affordable Housing Lender
- ▶ 2014 Top Originator of Fannie Mae Multifamily Debt (3<sup>rd</sup> year in a row)
- ▶ 2014 Top Fannie Mae Manufactured Housing Communities Lender
- ▶ 2014, 2011, 2009, 2005 Fannie Mae Excellence in Loss Mitigation Award
- ▶ 2014, 2010 Fannie Mae Underwriter of the Year Award
- ▶ 2013 Top Fannie Mae Student Housing Lender
- ▶ 2012 Fannie Mae Outstanding Structured Partnership
- ▶ 2010, 2009, 2006 Fannie Mae Asset Management Team of the Year Award
- ▶ 2010 Fannie Mae Large Borrower Channel Award
- ▶ 2009 Fannie Mae Special Partnership Award
- ▶ 2008 Fannie Mae Excellence in *Special* Asset Management Award
- ▶ 2005 Fannie Mae Technology Award
- ▶ 2005 Fannie Mae Excellence in Risk Management Award



# Freddie Mac Awards and Recognition

- ▶ 2015 Ranked #4 for Freddie Mac Multifamily Debt
- ▶ 2015 Top Seniors Housing Program Plus® Seller
- ▶ 2014 Ranked #3 for Freddie Mac Multifamily Debt (2<sup>nd</sup> year in a row)
- ▶ #1 in Freddie Mac transaction financing volume for Very Low-Income Housing Units
- ▶ #1 in Freddie Mac transaction financing volume for Manufactured Housing Communities

# Recent Transactions - Multifamily



**Arboretum Place & Silver Hill at the Arboretum**  
Newport News, VA

**\$19,847,000**

Freddie Mac CME

Adjacent multifamily affordable properties

Arboretum Place: 76 LIHTC units (41%)

Silver Hill at the Arboretum: 123 LIHTC units (80%)



**Wyncote House Apartments**  
Wyncote, PA

**\$12,350,000**

Fannie Mae

39% LTV, 2.45x DSCR

304 Units, High Rise Apartments



**Tranquility Bay Apartments**  
Pearland, TX

**\$14,500,000**

Freddie Mac Loan

246 units

Affordable Housing



**Terrace Heights Apartments**  
Mountlake Terrace, WA

**\$16,139,000**

Fannie Mae

10-Year Term, 65% LTV, 1.35x DSCR

Class B+ Property

Conventional Multifamily Apartments



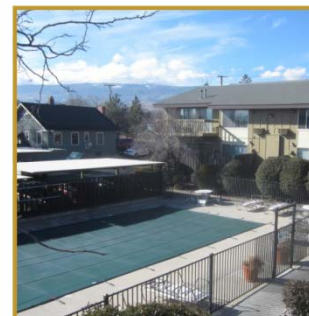
**Eland Downe**  
Phoenixville, PA

**\$25,000,000**

Freddie Mac

75 % LTV, 1.38x DSCR

244 Units, Garden-Style Apartments



**Plumas Garden Apartments**  
Reno, NV

**\$4,550,000**

Fannie Mae

65% LTV, 1.48x DSCR

105 Units, Garden-Style Apartments

# Recent Transactions – Commercial



**Fairfield Inn**  
Holiday, FL

**\$3,875,000**

5-year Term

30-year Amortization Schedule

Underwritten to a Maximum 73% Loan-to-Purchase Price



**Medical Arts Plaza**  
Albuquerque, NM

**\$4,235,000**

Walker & Dunlop CMBS

10-Year Fixed

51,735 sq ft



**DataSite Atlanta**  
Marietta, GA

**\$10,270,000**

73,000 Sq Ft, Tier III Data Center

3-Year Loan with Two, One-Year Extension Options



**BWI Airport Marriott**  
Linthicum, MD

**\$37,500,000**

5 Year Term

30 Year Amortization



**Crown Cork & Seal**  
Alsip, IL

**\$19,000,000**

CMBS Loan Provided by WDCPF

10-Year Term with a 4.38% Interest Rate

Built in 1971: Two Structures - Single Tenant 250,000 sq ft Warehouse/Light Manufacturing Space and a Multi-Tenant 325,000 sq ft Two-Story Office Building



**Ranch Lake Plaza**  
Bradenton, FL

**\$9,000,000**

Non-Recourse Loan

10-Year Term

30-Year Amortization, with 2-Years Interest Only using



# Recent Transactions – Affordable



**Brookwood Terrace Apartments**  
Murfreesboro, TN

**\$4,695,600**

223(a)(7) Streamline Refinancing of an existing 221(d)(4) HUD Loan

40-Year Fixed Rate, Fully Amortizing, Fully Assumable

Non-Recourse

Affordable, Multifamily



**Silverado**  
Albuquerque, NM

**\$15,600,000**

Freddie Mac

10-Year Fixed

256 Units



**Bridgeport Portfolio**  
San Diego, CA

**\$32,842,600**

HUD 223(f)

4 multifamily properties

52 apartment buildings in scattered-site neighborhoods



**Cove at Creekwood Park**  
Lenoir City, TN

**\$17,663,486**

HUD-IRR Program

39-Year Fixed Rate

Multifamily



**Ballard Library Apartments**  
Seattle, WA

**\$21,803,200**

This market rate new construction project was financed with a HUD 221(d)(4) loan

109 units



# Meet Our Finance Experts



## **LIVINGSTON HESSAM**

Vice President

813-494-5320

lhessam@walkerdunlop.com

Office: Tampa, FL

With more than 10 years of experience in commercial real estate lending, Livingston Hessam, vice president, provides financing solutions to commercial real estate developers and owners located nationwide with a focus on the Southeast region.

Prior to joining Walker & Dunlop, Mr. Hessam was an associate director at MetLife Real Estate Investors, where he was responsible for originating, underwriting, and structuring high-quality commercial loans, totaling more than \$725 million with a focus on Florida and Puerto Rico markets. His responsibilities also included portfolio surveillance and loan workouts.

Mr. Hessam earned a Bachelor of Science in real estate from Florida State University. He is also a licensed real estate sales associate in Florida.