



New American Dream

Mortgage Lender Grows Through Recession, Into Latino Market

By VINITA SINGLA

Growth has been a constant for **New American Funding** as it navigates the ever-fluctuating world of mortgage finance.

The Tustin-based company, cofounded in 2003 by husband and wife **Rick and Patty Arvielo**, now has about 1,600 employees. About 700 are in Orange County, with the rest spread across more than 70 branches nationwide.

The company operates retail, wholesale and builder divisions and typically closes \$600 million in home loans per month. It

services a portfolio of about \$7 billion.

The various revenue streams combined to put New American on the Business Journal's list of the fastest-growing private companies based in Orange County, with a 294% revenue jump over two years to \$182 million.

It also ranked No. 9 on the Business Journal's list of the top minority-owned companies with headquarters here, with \$199.5 million in revenue last year.

The Arvielos received their latest honors at the Business Journal's 14th Annual Excellence in Entrepreneurship Award luncheon on March 18 at Hotel Irvine (see related cov-



Arvielos: "what we're doing matters"

erage, pages 1, 7, 10, 12 and 14).

"We're winning in [what is] a very tough industry," said Rick Arvielo, chief executive of the company. Patty serves as president. "When we get recognition on top of that, it means a lot, because ... it gives us a chance to look up and say, 'It's working; what we're doing matters.'"

The couple's entrepreneurial streak has been the engine of New American over the years, despite bouts of market volatility and rough patches for the economy. It helped them through the mortgage meltdown that claimed many OC-based competitors in 2007 and signaled the start of the recession.

The economic recovery now has the Arvielos counting on their loan servicing portfolio as a hedge against high interest rates, which could cut into lending volume.

"What you forgo are immediate profits," said Rick. "It's a tough hill to climb, because there's just as much regulation [for] servicers as there is at the originators."

NAF 360

Another long-term strategy of the Arvielos is the premium they put on corporate culture.

"Our culture is to treat everyone you come into contact with dignity and respect—we call it NAF 360," said Rick, adding that the company has parted ways with some top performers who fell short of the mark on working with colleagues.

It was "probably the best decision we made, because everyone saw how serious we were," he said.

NAF 360 also has helped New American attract borrowers in a key segment of the population that's generally underserved, according to Patty, a Latina-American.

"Every big corporation is calling us and asking, 'How are you penetrating into the Hispanic community?'" she said.

New American has separate English- and Spanish-language television commercials.

Rick, an Italian-American, sits at a desk in chief executive's fashion for ads that run on English-language channels. Patty is featured in spots on the Univision network, where "I'm telling them ... 'I'm Latina, I own a mortgage company. I'm a mother.' ... How important home ownership is to family."

New American's focus on serving the Latino-American population goes beyond local communities. The Arvielos also are advocating improvements in the mortgage industry through organizations such as the National Association of Hispanic Real Estate Professionals. Patty heads her own Latino Focus Committee, which aims to help consumers buy homes, including by providing Spanish-language educational material.


She will be in Washington, D.C., in April, "lobbying ... Freddie, Fannie and Ginnie to open the credit box" for first-time homebuyers.

"The over-regulation [has] just swung way too far," she said.

Rick Arvielo agreed. He serves on the Residential Board of Governors for the Mortgage Banking Association in an effort to influence policymakers.

"The regulatory climate is that we're going to find a company that's somehow stepped over a very gray line, and we're going to clobber them," he said. "And it's just wrong. It's hard to conduct business. It's certainly hard to follow your mission and passion of helping the underserved borrower."


Singla is a freelance journalist based in Irvine.



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