



How Patty Arvielo Built a Multi-Billion Dollar Mortgage Empire

This first-generation Latina shares her journey from entry-level employee at a credit union to co-owner of New American Funding, the largest Latina-owned private mortgage company in the nation. Patty shares how leaving corporate America to become an entrepreneur enabled her to build wealth, and the (many) mistakes she has made once, but never again.

Alicia Menendez: Since she was young, Patty Arvielo knew she wanted to make money. When she was 16, she began working an entry level clerical position, TransUnion Credit, then quickly lands at a job at a mortgage company, rising through the ranks from a clerical loan opener all the way to assistant VP. Then, she launched her own mortgage company, New American Funding, now the largest Latina owned private mortgage company in the nation. Part of her success, serving communities like ours that are often cut out of the traditional home buying process, and Patty's drive to make money, well, she is a billionaire, capital B. That journey would be interesting enough on its own, but in the middle of it, Patty lost nearly everything. And so she's here to share what she has learned about making mistakes without ever making them twice.

Hi, Patty. Thank you so much for doing this.

Patty Arvielo: Oh, my pleasure. I was so excited for today, I couldn't sleep last night.

Menendez: That makes me so happy. Thank you.

Arvielo: I was watching you on TV Saturday, and I'm like, "Oh my gosh, I'm so excited."

Menendez: Patty, your desire, your drive to earn your own money, where does that come from?

Arvielo: At a very young age, my nana had five girls and my grandfather abandoned all of them. So my nana raised five girls on her own, and so I was the first born grandchild. And I remember her telling me "tu me vas a comprar una casa," and of course I'm like, "What does that even mean?" But I remembered. And so I think that she saw in me very early on that I was very driven and I was very focused around money because I also remember her calling me coda, and coda means cheap. And it was because I would earn money and I would never lend it out, which is funny that I'm in housing and finance, but it's because I thought, "Oh, they're never going to pay me back." So anyhow, I think it's just when somebody identifies that strength in you early on, I kind of just held onto that, so I kind of always knew.

Menendez: Right, you take that natural inclination and then you pair it with being a kid who's growing up with more modest means than you were surrounded by, you may not have access to wealth yourself, but you see wealth around you and you're smart enough to know the difference.

Arvielo: Oh yeah, I learned very on, I tell this story, we grew up in LA and my mom's family was in Tijuana, so she would want to go down there all the time. My mom was 19 when she had me. So as you can imagine being a mom our age, I had my last at 40 and it's still hard. But

at 19 and being alone because she immigrated here, she would take us to Tijuana all the time in the back of a pickup truck, which is kind of funny. And she used to put a blanket over us, and there was a certain part of the five freeway where we would drive by these very large white mansions. And every single time I knew we were coming up to that place of the drive, I would take the blanket off my head and look up and just dream. So I think that I felt early on if somebody could have it, why not me?

Menendez: One of the things I find interesting about your story, Patty, is that you're not a student. You're not someone who, early on people are lauding and recognizing for your intellect or for your ability at school. It's really work where you find that sense of purpose, that sense of self. And you started working really early. How did you get not just your first job, but your first job that would lead you into the mortgage industry?

Arvielo: I was 16 years old, and at that age, I already knew that what my parents were providing me wasn't enough. I want better clothes. I wanted a better car. So I really did a good job in finding a job that would pay me the most per hour because I figured, "Well, I see kids my age working and they're making," back then, shoot so long ago, probably 50 cents an hour. No, they were making probably \$1.75. And I found an entry level clerical job at TransUnion Credit inputting derogatory credit information on a mortgage factual report. And very early on, honestly, I didn't even know what that was, but I could type really fast. But the girls calling to order the reports, I started to say, "Why do you even need these reports?" And they're like, "Well, we do mortgage loans." And I'm like, "Oh, well how much money do you make?" And they said quot unquote... And it was more than what I made. So I was like, "Oh, okay, well that that's the job I need." So it was really honestly, what this country does so well is offer that opportunity, and so I just sought the opportunity out and I just went for it.

Menendez: Take me from how you go to that first job, to the first round of success early in your career.

Arvielo: So by the time I was 19, a gentleman put a box of cards in my hand and told me, "Go and ask realtors for loans." And so that was my very early entry into sales. And I went around asking realtors for loans and got a lot more lunch dates than I did loans. And then finally a gentleman took a risk on me and gave me a loan and said, "Okay, nobody can do this loan, but if you can do it, you're going to be my lender."

So that was kind of the early stage of my career. I really didn't start to make a lot of money though until about three years after that period of time, cause I had to learn. Everybody has to learn. But by the time I was 25, I got a very early position, entry level position at Countrywide Home Mortgage Loans, which at one time they became the biggest mortgage lender in America, and I was very young. And that's kind of where my career took off because I really got the taste of money there. I saw women making a lot of money, and again, if they can do it, why not me? By 12 months I was running the branch in Fountain Valley, California.

Menendez: Here's the thing, you could have stopped there and people would've said, "What an incredible career." What is it that you are doing that is making you a star?

Arvielo: Well, this is what I love, these phrases that everybody says, "Well, why do Latinos thrive in this country?" I said, "Because we work harder than everybody else." And I'm like yep, truth. Because I will do any job, no matter what it is, to succeed. When I was 12 years old, I was a maid with my mom. We cleaned real estate offices, and now I do business with the biggest real estate offices in the country, and I still use that philosophy today. I don't care the task that I'm being asked to do, I will do it myself.

Menendez: Okay, but there's hard work, Patty, and then there is savvy, which is that you are operating within a complex system, you clearly had an understanding of that system that coupled with the hard work, catapulted you. But was there a way that you were approaching the work itself that was fundamentally different?

Arvielo: Well, I became a student of mortgage. I became a student of everything that had to do with closing a mortgage loan. I learned every aspect of it. I didn't just learn how to sell it, I learned how to process the loans, I learned how to underwrite the loans, I learned how to fund the loans, and I learned how to sell the loans to secondary market. I didn't go to college. I barely graduated high school. I wasn't a student, traditionally what we call a student. I didn't fit into this box, this educational box that everybody said you have to be in to succeed. I was totally opposite of that, but yet, I have an MBA in life is what somebody told me. I study everything having to do with something I'm interested in, and that's why I become very good.

Menendez: What did it require of you to make your first million?

Arvielo: Well, the goal of wanting the million. I had to see it. And I remember that I had an early on disruption in my life. I got married very young, 24 years old, and then all of a sudden at 30 years old, my husband walked out, left me with two kids. I mean, that sounds really bad. We actually co-parented our kids. He actually works with me today. We're really good friends, and I'm actually very happy he left me. But hindsight, I went through a really bad time. The market was not good. I was not making the money I was making. All of a sudden I found myself a single mom. I never was going to be in that position again. I make mistakes. Every mistake that you think can be made, I've made it, but only one time. I didn't want the next time I was going to be in a marriage to have to need a man, I only wanted a man. So it was really financial goals that I set up for myself to be independently free of having to rely on anyone.

It was in entrepreneurship where I grew my wealth. I was very committed to my paycheck and very committed to corporate America, working for a large institution, and that's when I met my now amazing husband, and he was an entrepreneur and he had been an entrepreneur his entire life, but I was very, very committed to the paycheck. It made me feel safe. It was him teaching me that I had to risk to be rewarded. I didn't have a formal business plan before I met Rick. I decided I was never going to be poor again. So I did have at least a year's worth of pay in my bank account, but that wasn't a planned out strategic move. I knew I was good. I knew I was better than most in the mortgage industry, and I also had the benefit of somebody looking at me going, "You know what, we can do something really special because you're the best person in this business to do this with." So really my wealth truly came after I took that leap from corporate America to being an entrepreneur.

Menendez: Explain to me though, what was the void in the market that you were identifying? Where did you see an opportunity for you and Rick to step in and build something that could either compete with what was already out there or that could fill a need that wasn't being met?

Arvielo: Well, first off, if you study a hundred of the independent mortgage companies in America, I think I'm the only female founder of an independent mortgage bank. So the fact that we have male, female leadership, it was fantastic in a way for us to grow a business where we could really recruit from both sectors of the market. Traditionally in mortgage, the women are doing the operational work and the men own the company and are the highest

producing loan officers. We went in this to change that. We went in this for him to make me a mirror to our industry so other women could see that they could thrive.

Menendez: This is part of where I fell in love with you, Patty, which is you and I were on a panel and we talked about how there are additional regulatory hurdles for Latinos. So for example, the fact that we're more likely to live in multi-generational homes, the fact that we are less likely to use credit, that we may not have the same type of long credit history that non-Latino borrowers have. It means that you have had to learn how to be creative when you push through these loans.

Arvielo: Yes. So we are the largest lender by percentage to the Latino market in America. So that's by percentage, doesn't mean we do the most loans, but by percentage as a lender, we do more than the major banks, than the major independent mortgage companies in America. And I do teach that there are cultural nuances to the way that we live and we spend that are not written into the traditional guidelines that are provided to us. But in the nuances I've been able to write and create credit, meaning that I manually do this. So what's happened in mortgage is everything is automated. I mean, let's just be real. The biggest mortgage lender in America, everyone knows who Rocket is, and so they imagine themselves rocketing through home ownership.

Well, that's fine for a white, typical creditworthy borrower for a Latino or African American borrower with nuances of credit, you can't rocket through a home loan. So in my back office at my mortgage company, we still do things very manual. We still look traditionally at the way people pay their bills. It's just a slower process, which most mortgage companies are unwilling to do because it slows production. Most other lenders fear doing these types of loans for fear of being fined or saying that we're not adhering to the guidelines. So I don't have that fear because I can fight any regulator to show them that I am doing loans that are sustainable and that are important to put people in these types of financing programs.

Menendez: Patty, tell me where you were when you realized you were smart, not just lucky.

Arvielo: I was about my early forties, and I was sitting here actually in Tustin, California in my office sitting... mind you, I built this company on Ikea death. I didn't make money and then go buy fancy stuff. We built this company very, very sustainably, and it was really starting to take off. It was growing, people were wanting to come work for us, and it was just really on an afternoon I was by myself, and I just met a gentleman that was very, very highly qualified, and he really was excited to come to our company, and I was the one recruiting him. I respected him and looked up to him, and I thought, "Why would he want to come work for me?" And I thought, "It's because I'm really good." I think that was just the day that I started to own it.

Menendez: So interesting. That's not the number of zeros at the end of your net worth that denotes to you that you are smart or able. You used the expression that Rick wanted to hold a mirror up to the industry. I sort of feel like that meeting held a mirror up to you, yourself where you were like, "Oh, right, do you know who the F I am?"

Arvielo: Yes, yes. I think sometimes we have to be our biggest cheerleaders. I mean, we're all waiting around for somebody to see that we're good. "Look at me in corporate America. Look at me, give me a raise. Look at me, promote me." No, you look at you, and promote yourself. Now that I run a large company, I ask for people to email me, "Please tell me where you see yourself in my company," because sometimes we can't see you. That's why

our voice is so important. That's why our self-confidence and cheering ourself on is so important.

Menendez: Let's talk about those mistakes because you were fond of saying that you have made every mistake, but you never make the same mistake twice. Can you tell me about one of those mistakes?

Arvielo: I mean, yeah. The funny thing, the first mistake that I made, it was thinking that you could just love someone and a marriage is supposed to work. I always say if you're not happy at home, it's very hard to be happy as a successful entrepreneur. But I really did make that mistake. I had this delusion of just because you get married means you're going to stay married, and marriages are a lot of work. And I work on my marriage every single day. And then I also made the financial mistake a very young age. I was glad that I failed very early. I thought that because you're doing well, you always do well. Well, with every company, with every business, there will be ebb and flows. And so at a young age, all of a sudden the refinance market shut off, just like it did this year, and I'm like, "Uh oh, I don't have any money in the bank." I was leasing nice cars and buying all these houses and buying all these clothes. Well, I soon figured out that I needed to be financially savvy. You have to determine what your level of wealth is. What's going to make you comfortable and happy so that you don't go to sleep worrying about how to pay a mortgage or how to pay your rent? So defining what wealth means to you at a very young age is super important.

Menendez: I'm going to ask you a question, forgive me if it sounds techy or if it doesn't land right. I hope you know where it is coming from, which is, have you gotten accustomed to being rich? Is it an identity that you are comfortable with, being wealthy, or is there still some ambivalence or discomfort around the fact, not just that you have wealth, but that you are known publicly as a wealthy person?

Arvielo: Yeah. That actually made me feel very uncomfortable. I actually took that post down from Instagram, but yeah, I had so many Latinas texting me and messaging me like, "Oh my gosh, if you could do it, I could do it. I see myself in you." So-

Menendez: I feel like I missed that post. What was the post?

Arvielo: Oh yeah, because I silenced it. So E News did an interview as a Latina billionaire, because there's so few of us, and I'm a self-made billionaire and see, I still have a hard time saying that.

Menendez: You were having trouble getting the B out, Patty.

Arvielo: I'm like, "Oh, oh, oh, oh." Yeah. I sit very uncomfortable with it because it doesn't define me at all. At all. What defines me today is that my children are highly successful, that I have an insane marriage, that my parents are so healthy, yet have an older daughter, that my family's tight-knit, like that's the stuff that defines me. It's my family. And what gives me comfort is that I know that every single person in my family doesn't have to worry about paying a bill, paying rent, living in a house, nothing.

I knew when my nana have passed away that it was my job to be the matriarch of our family. So I make sure that our family is super comfortable and gets to experience the things that I get to experience. So it's in that that I find myself wealthy, but it has nothing to do with the money. I actually still think money has a really negative energy around it that I have to control, and I still worry about losing it every single day. Like, "Oh my gosh, someone's going to come wipe me out." I still worry. But it's important for us Latinas. It's so important for our community because we're there. We're there. There's going to be multiple of us, you watch.

Menendez: I just love that your nana, she knew. She looked at that six-year-old girl and she was like, "This girl's going to make some money." Patty, what do you do now? What do you want the next act to be?

Arvielo: The next act for me is to continue to grow this business with my husband, because we have our kids right behind us that are involved in the company. It's a great generational business. Every American wants to own a home, especially immigrant Americans. The desire for home ownership is so strong. Career wise, I really enjoy empowering Latinas. I bought a company or invested in a company a couple years ago called We All Grow Latina. And honestly, it's fun for me because I don't know media and I don't know social media, and it's been a really... something that's been exciting for me to learn. We're looking to scale our business and to grow it three times from what we grew at last year and grow it to be one of the largest Latina media companies in the country. So these goals that we're doing together, but really just the empowerment and me teaching them about my life has been fun. I've invested in at least three or four other Latina startups. It's exciting for me. So that's really where I see myself. Not being philanthropic, but being a mentor to Latinas in this country so that they have somebody they can call so that they don't make the same mistakes I've made growing my company.

Menendez: Patty, I don't even have the words. Thank you. You're amazing. Thank you.

Arvielo: Thank you so much for having me. It's such a pleasure.

Menendez: Thanks for listening. Latina to Latina is executive produced and owned by Juleyka Lantigua, and me, Alicia Menendez. Paulina Velasco is our producer. Kojin Tashiro is our lead producer. Trendel Lightburn by mixed this episode. We love hearing from you. Email us at hola@latinatolatina.com. Slide into our DMs on Instagram, or tweet us @LatinatoLatina. Check out our merchandise at latinatolatina.com/shop, and remember to subscribe or follow us on RadioPublic, Apple Podcast, Google Podcast, Goodpods, wherever you're listening right now. Every time you share the podcast, every time you leave a review, you help us grow as a community.

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