



# New American Funding Leverages Valligent's Appraiser Training Program to Build a More Diverse Workforce for the Future

## THE NEED FOR DIVERSITY

As the mortgage industry seeks to increase access to housing for everyone, lenders and appraisers are also examining the best ways to build a more diverse workforce. The importance of eliminating appraisal bias rose to public awareness this year following multiple lawsuits over potentially racially biased appraisals.

One of the best ways to reduce bias in the mortgage appraisal process is to employ a more diverse workforce. According to industry statistics, however, approximately 85% of all property appraisers and assessors today are white, 5% are African American, and 7% are Hispanic. Other demographics that dominate the appraising industry are gender and age, with approximately 68% being male with an average age of fifty and over.

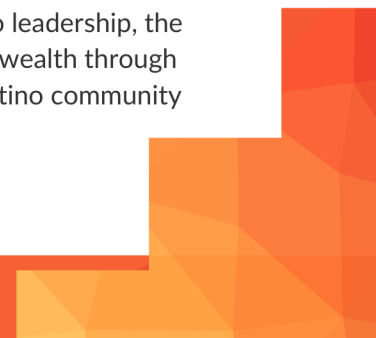

Between the need for education and training hours, there can be a high barrier to entry for new appraisers looking to earn their licenses and begin their careers. As most of the appraisal profession continues aging towards retirement, and with a lack of new appraisers starting careers, the number of available appraisers is shrinking. While this may not be a significant concern during low-volume years, the pandemic and housing surges of 2021 and 2022 showed everyone what an appraiser shortage can do to the industry when volumes are high.

## THE KEY PLAYERS

Two companies making strides to close the diversity gaps in the housing industry are Valligent, a Veros Software Company, and New American Funding (NAF).

NAF is one of the nation's largest mortgage lenders and is minority founded and owned. NAF is committed to hiring racially diverse personnel with a minority workforce of over 40%. The company has many initiatives to support the underserved, increase diversity and inclusion, and provide resources to minorities.

Co-founder and CEO Patty Arvielo launched Latino Focus to address the challenges of Latino consumers in their pursuit of homeownership through education and awareness. With the support of Latino leadership, the company aims to enhance the quality of the Latino lending experience and build generational wealth through homeownership. New American is committed to providing \$25 billion in home loans to the Latino community by 2024.



Their diversity, equity, and inclusion (DEI) commitment extends further with NAF Dream, an initiative to increase Black homeownership in America. The purpose is to provide racial equity and build consumer confidence through homebuying education and mortgage industry career opportunities for Black communities. NAF is committed to lending \$20 billion to Black borrowers over the next seven years.

Valligent, a market-leading appraisal management company, launched the Valligent Appraiser Training Program (VATP) in April 2023 to increase appraiser diversity and offer necessary resources to promote inclusion in the lending industry. The VATP program allows diverse candidates to work under a certified appraiser and trainer who teaches them and gives them hands-on appraisal experience while earning pay and benefits. The VATP aims to break down the barriers that underrepresented groups face when entering the appraisal industry.

## THE PROGRAM

Having a prior relationship with Valligent, NAF discovered that VATP is a great initiative to support, as it aligns with many of their internal initiatives to increase diversity throughout the mortgage industry. Through the VATP, NAF committed to ordering appraisals from trainees and their supervisors to help trainees complete the 1,500 work experience hours needed to become a residential certified appraiser.

Trainees begin with education, then, over 9-12 months, are supervised by experienced, certified appraisers who direct, oversee, and take full responsibility for each assignment. The Valligent supervisor ensures the trainee can access the most recent technology tools, resources, and hands-on guidance to complete all the state requirements to become a fully certified appraiser. With close oversight from a trusted trainer, New American saw little risk in getting involved with the program.

## THE TRAINEE

The trainee assigned to New American was a young Black man looking to kick-start his career in the appraisal industry. His mother was one of the many appraisers who had begun retiring, leaving a gap he knew he wanted to fill. Due to her retirement, his mother could no longer help train him, so he found the VATP.

Upon joining the program, the trainee was trained and supervised by a Valligent Supervisory Appraiser, who underwent various training and tests to become a certified supervisor.





## RESULTS

The trainee started the first month shadowing the Supervisor so he could observe the appraisal process from start to finish. The next phase of the program was mirroring, meaning the trainee completed appraisals consistent with the trainer's method. The Valligent team was immediately impressed by the trainee's education, self-motivation, and understanding of the appraisal industry. The trainee was put through challenging tasks and projects with quick deadlines, and the trainee completed every task quickly and accurately. The more the trainee worked, the more confidence he gained and the more independence Valligent gave him.

This independence, however, did not mean Valligent was hands-off. The Supervisor and Valligent's Chief Appraiser, provided quality assurance for the trainee's work to ensure the appraisals were done appropriately and at the highest quality.

Because of the extra quality control, New American had no worries about the work the trainee was producing. While the trainee does the appraisal, his supervisors check all his work before signing off on the final appraisal. In effect, trainee appraisals go through more stringent reviews than other appraisals.

Michelle B. Rogers SRA, Chief Valuation Officer at NAF, remarked that when she does not hear of any problems, it is a good thing – and NAF found that the quality of work they received from Valligent remained at the high level they were used to. This created a win-win-win situation, as New American got a high quality of service, the trainee gained valuable experience, and the industry got closer to solving the appraiser shortage and closing the diversity gap.

Through all the hands-on experience and guidance the trainee received, he quickly became virtually independent. Since the trainee adapted quickly and was receptive to feedback, the Valligent team was confident to send him on independent assignments, with the Supervisor only serving as the quality control reviewer for the completed work.

Overall, the trainee gained invaluable experience from the program and progressed as a new professional in the appraisal industry. The VATP and NAF allowed him to take all the principles of appraisals and theories he learned on paper and put them into practice. Now, the trainee is set up for success as he begins what will likely be a successful appraisal career.

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