Stewart Information Services Corporation is truly a powerhouse, offering a wide range of conditions of the recent past (and present), Stewart has managed to thrive. One of the people who was announcement that he was appointed to the American Land Title Association (ALTA) Board of Governors, we sat down with Mr. Morris to learn more about his strategies, philosophies, and predictions.

RE Technology: What did you do to help your company weather the storm of the down market?

Stewart Morris, Jr.: This was a dramatic, protracted downturn. It has been a character-builder, to say the least, for many people. My strategy for being successful in this environment can be boiled down to two key points:

- **Cutting expenses.** We reduced our affiliate office network and our overall headcount by about 50% in order to achieve a reduction in expenses. At the same time, we were consolidating our back-office services in order to be more efficient.

- **Building sales.** We created a Sales Council to look at every market we were in, highlight the major markets, and focus on growing our number of customers, as well as the revenue from our customers. We worked on growing business that would thrive in the new market conditions; Stewart Lender Services, a wholly owned subsidiary of Stewart Title, is a central component of this. In this way, while one side of our business was shrinking, another side was growing nicely.

RET: What are you doing to prepare Stewart for a new era of growth?

SMJ: The down market that we had is beginning
to turn around and we’re seeing glimmers of hope for recovery. To prepare for this new era of growth, we will focus on areas of opportunity and look for ways to innovate in this time of change.

Some big areas of growth for us are going to be commercial, industrial, and multi-family. We’re also growing services in the default market, foreclosure file review, loan modification, and REO asset management; we are a valuable resource for lenders who need assistance with outsourcing these services but do not want to build an in-house staff for the purpose.

In addition, we have a goal to complete the consolidation of our back-office services so we can continue to reduce costs while continuing to provide magnificent service. Our Sales Council will also be a fundamental driver of growth.

RET: What programs has Stewart put in place to support the needs of real estate professionals?

SMJ: Real estate professionals, specifically agents and brokers, are at the very heart of our business. In order to better serve real estate agents, the best thing we can do is better serve the end consumer. We accomplish this top-tier service in several ways:

• **SureClose®.** We developed SureClose more than 10 years ago to take the real estate transaction online. With this tool (which works effectively on mobile devices, as well as desktop computers), consumers, REALTORS® and lenders can see their closing file information from contract to close, receive email notifications of changes, as well as receive weekly status reports, and see most of their documents before they get to closing table. We have also taken this system mobile, with Stewart MyFiles, so that our customers can view their file on the move, as well as added the ability for the REALTOR® to build a “Net Sheet” which shows their seller the estimated proceeds from the sale of their house. In addition to the consumer-facing benefits the system offers through our Stewart Title operations, SureClose is valuable to agents and brokers as a transaction management solution for their own businesses.

• **Sweating the small stuff.** Real estate professionals need to be confident that their customer will have a good experience with us. It’s truly a relationship built on trust. And their customer’s experience is all about the details, so we took a look at every customer touch point in the closing process. For instance, we took steps to ensure that our offices have a pleasant atmosphere, all our representatives behave professionally, everyone is greeted with a smile, the closing process is completed in a timely manner, documents are presented clearly during the closing, etc. No facet of this process is too small to warrant attention and improvement.

RET: What does the future of title insurance look like?

SMJ: In my opinion, the future is a whole new ball game in our process and in forms that we produce for the parties to the transaction. The main reason for this is the Dodd–Frank Wall Street Reform and Consumer Protection Act, which established the Bureau of Consumer Financial Protection (CFPB). The CFPB has, as part of its mission, to improve the experience of consumers in the real estate transaction process. The good news is that this is perfectly in line with our philosophy and our strategy.

Now, the CFPB hasn’t yet developed all the rules and requirements yet, which is why the future is still a bit uncertain. But rest assured, the CFPB will play an important role in shaping our future and better serve the consumer.

The title insurance industry serves as the third-party stakeholder in the real estate transaction. Our role is to make sure the transaction occurs according to closing instructions from the lender and the contract for sale. We’re the get-it-done people; as such, our future is tied up in performing well under the new unfolding regulations from CFPB. Acting as a third
party stakeholder, we aim to take risk out of the real estate transaction for the lender and consumer.

The required rate of innovation is going to speed up. We need to improve communication, efficiency, and collaboration. We need to be nimble and work with lenders, REALTORS®, and other vendors to make it easier for consumers to buy, sell, or borrow.

RET: During the downturn, many consumers have become disillusioned with the process of buying real estate and some say they have become soured on the concept of home ownership. What do you think we should do as an industry to regain the trust of those consumers?

SMJ: I think that part of the reason consumers have lost trust in real estate is because of the dramatic drop in property values. So, the main thing we can do to rebuild the confidence of the consumer is to stabilize real estate prices and make the home a good investment again. In order to do that, we need to get through this foreclosure backlog. Anything the real estate industry can do to move through the backlog and “shadow inventory” of “stressed properties” and get on the downside of the number of foreclosures is going to be key for firming real estate prices and building the foundation for a good investment. If property is, once again, a good investment, confidence will be restored and more people will jump back into the market.

Of course there are other things we can do to improve confidence, and we’ve already talked about some of those today. These are things like simplifying the closing process, improving disclosure, and having clear pricing. Basically, we need an “easy button” for the real estate transaction process.

I think the CFPB’s work is important here, but I also think we should all collaborate as an industry to better design the improvements to the consumer experience in the real estate transaction. I can’t emphasize that collaboration enough.

After all, in a real estate transaction, there are a number of players serving the consumer. We need all those players to get together around the table, brainstorm, solidify a strategy and make it a reality. No individual company or sector can do that all on their own. Personally, I can’t wait to get to that table and make things happen!

About Stewart Morris, Jr.
Today Stewart Morris, Jr. serves as Stewart Information Services Corp.’s (www.Stewart.com) Vice Chairman. Previously, as President and Co-CEO of Stewart Information Services Corp. and President of Stewart Title Co., Stewart Morris, Jr. was responsible for the affiliated title offices, real estate information companies and technology companies.

Stewart Morris, Jr. joined Stewart Title Co. in 1973. He was elected Vice President of Stewart Title Co. in 1975, and President of Stewart Title Co. and Chairman of Stewart Title Guaranty Co. in 1991. He became an Advisory Director of Stewart Information Services Corp. in 1997 and was elected to the Board as President and Co-CEO in February 2000. Under the direction of Mr. Morris, Stewart has become a real estate information industry leader in technology for productivity and e-commerce as well as a host of settlement services needed to close real estate transactions, which is key to Stewart’s future.

Mr. Morris has often spoken at real estate conferences such as Title Tech, ALTA, ALTA Technology Expo, Real Estate Connect, Vision 2000, the National Association of Realtors®, ATIM and other industry forums on the subject of technology, the real estate transaction process and e-commerce. Mr. Morris contributed a chapter, “From Contract to Closing” to the book, Home Buying By the Experts. He was the recipient of the “2001 Outstanding Achievement Award” from Settlement Services Today, a prominent industry publication was named to the 100 Most Influential Real Estate Leaders: 2006 by Inman News, and in June 2012 was awarded the first annual Joe Casa Award for Innovation by October Research LLC.