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THE LINEUP

HOTSEAT

Jason Nadeau
group president,
mortgage and title services
Stewart Information Services Corp.

Jason Nadeau considers himself a technologist at heart. Previously, he worked on tech solutions at First American and RealEC Technologies. These days, he looks to leverage that knowledge in the field as an operations figurehead at Stewart Lender Services.

HousingWire: Tell us about your role at Stewart. What does it cover?

JASON NADEAU: I am one of the three named executive officers here at Stewart, and what that means for me is I manage a handful of operations here: all of our mortgage services operations, I manage all of our title production, I manage our technology, and I manage our offshore operations.

HW: What drove you towards the industry and what excites you about your role in it?

JN: There is so much turmoil in the mortgage industry, so much change, so much regulation that the opportunity to develop new services and new products that never existed years ago, for somebody like myself, who's been in the mortgage industry 20 years or so, is pretty exciting. The mortgage industry had become pretty status quo for about a decade. We were certainly improving but we were sort of improving incrementally. The last couple of years we have seen such radical change that it's really been a lot of fun to fix things. My background prior to coming to Stewart was all technology based. I've been in the mortgage industry since I stepped out of college but I have always been a technologist. For the last almost six years I've got to try my hand in an operations role. Some pretty good successes, some pretty good failures.

HW: On the operations front, the Mortgage Bankers Association is confident the origination market is returning to a more traditional balance between purchases and refinances. How do you see the market unfolding?

JN: I think we're going to drop back to a more normalized role, and if not a more balanced role, definitely a more purchase-focused market. But I have pretty strong opinions on one point: that these last couple of years — and probably the next year or two — of these record low interest rates is ultimately going to diminish the refinance market for a very long period of time. I think over the next couple of years as home prices pick up, everybody who has a mortgage is going to refinance at some point in time, if they have not already. I think we are going to see a decade of refinances in the teens from a percentage standpoint. I just don't know who the new customers are because I think the people who are going out and getting new loans today are getting them at 3 and 3.5%. They are never going to refi their loans. The steam is running out of refinance and I think we're not going to see a big refinance market for almost a generation.

HW: How do industry players address that challenge?

JN: My concern is going to be that whenever refis drop we're not going to have enough purchases to replace it so the market as a whole is also going to shrink and that will definitely affect us. Our goal with that one is we are actively adding new services, out on the acquisition trail trying to acquire additional companies, additional products and additional capabilities that give us a wider breadth. If the pie gets smaller, we have to have additional things that we can offer so that we can maintain our wallet share.

HW: Slow closings are a common complaint among homebuyers. What is Stewart doing to speed up the process?

JN: We've been working with our customers to extend both in front of and behind the title closing process. We are focused on how can we take more off the lender's plate so they can be more effective, manage a larger pipeline of loans and get more done with less. It may not speed up the process, but definitely reduces the cost of production.

HW: What does your crystal ball say about the housing market for the rest of 2013 and beyond?

JN: Through the end of this year, I'm an optimist at this juncture. I think we're going to continue to see more of the same. My biggest concern is, probably about this time next year, as we work through all of the various foreclosure settlements and that inventory is released onto the market, as well as a combination of an uptick in interest rates, that we're going to see a significant lull sometime early to mid-2014. We're no longer going to have a shortage of inventory, which is what's driving up housing prices, and we're going to have a slight uptick in interest rates, which while they will still be historically low, you're going to get that stock market effect.