

## SPEAKER PAINTS SOMBER PICTURE MORTGAGE CRISIS: HOUSING COUNCIL GETS BANKER ABT'S VIEWPOINT

By COREY FRAM  
TIMES STAFF WRITER

POTSDAM -- The St. Lawrence County Housing Council did not bring in a rah-rah speaker for the annual dinner.



Kenneth J. **Abt**, chief executive officer of First Federal Savings in Middletown, is the chairman of the New York Bankers' Association and considered an industry leader. He was the keynote speaker at Monday's dinner at Cheel Arena, Clarkson University.

He does not paint a rosy picture.

"Every housing crisis we've had in this country in the last 25 years was a V shape, with a sharp decline and sharp incline," he said. "This is a U and nobody knows how long it will last. It

might be an L."

The housing crisis may not be staring north country residents in the face, but its impact on the national economy was reason enough to invite Mr. **Abt**, said David R. Weissbard, Housing Council spokesman.

"In a democracy, it's not about feeling good," he said. "When people read the papers and hear the reports, they'll now have a better understanding."

Mr. **Abt** sees the housing crisis rooted in the feel-good economic times of 2000 and 2001 before the terrorist attacks. Low interest rates caused a housing boom, which the country was too willing to let pick up the slack from the fall of dot-com companies, he said.

The subprime mortgage mess was only a contributor, he believes. From 2003 to 2006, half of the homes sold in the country were bought by investors and subprime borrowers, he said.

The consequence is that there are far too many homes available to quickly recover. Mr. **Abt** estimates that there is a two-year supply of homes that need to be purchased.

He visited Monday afternoon with the media - which he says is underscoring the crisis on a national level - and kept his remarks mostly general instead of focusing on the north country. "In an area like this that wasn't on the housing bubble, general economic conditions will be the thing you'll be most susceptible to," he said.