

Commercial Real Estate Industry Asks Treasury for Govt. Bailout

(CNSNews.com) - The commercial real estate industry could face massive bankruptcies in 2009 if it does not receive "urgent" loans from the federal government, according to a November letter sent to Treasury Secretary Henry Paulson from the top commercial real estate trade organizations.

In the letter to Paulson, the top real estate organizations predicted that \$400 billion in commercial mortgages will mature and require refinancing in 2009. A tight

credit market, in which banks are wary to lend money, could prevent many owners from receiving refinancing, the letter said.

In the letter to Paulson, the organizations requested that their industry be included in the Treasury Department's \$200 billion Term Asset-Backed Securities Loan Facility (TALF), which was crafted as part of the financial bailout to provide liquidity, or cash flow, to small businesses and consumers.

According the Federal Reserve's Web site, \$20 billion of TALF money will come from the Troubled Asset Relief Program (TARP), which grants the Treasury up to \$700 billion to purchase troubled financial assets and financial instruments. The TARP was signed into law by President Bush in early October.

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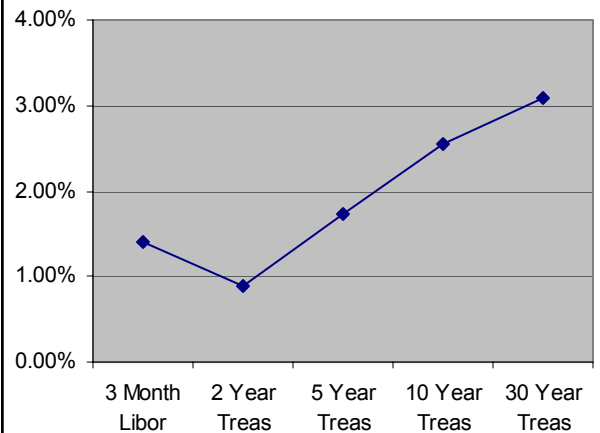
Market Indices

	January 7, 2009
Prime	3.25%
3 Month Libor	1.41%
5 Year Treasury	1.73%
10 Year Treasury	2.54%

Representative Spreads *

Project	Spread
Multi Family	300+
Office	350+
Industrial	350+
Retail	350+

January 7, 2009



Paragon Arranges \$9,000,000 Loan on Student Housing Portfolio

Paragon Prime Funding recently arranged \$9,000,000 in permanent financing on a portfolio of 27 rental properties located around the Rensselaer Polytechnic Institute Campus in Troy, NY.

Troy Student Housing, a division of Campus Habitat, contacted Paragon in order to refinance debt from the purchase and rehabilitation of the properties, as well as to recapitalize for future projects.

Campus Habitat, a firm based out of New York City, acquires, renovates and manages upscale student apartment communities near universities nationwide

Paragon approached its portfolio of lenders, finding a strong interest from local institutions who alone could not meet the proceed requirements of the borrower.

Paragon arranged a participation structure between two



lenders, guiding the borrower through each institutions approval process.

The resulting facility included loan proceeds up to 75% of value with a five year fixed rate amortized over 25 years.

* Representative spreads are indicative of class A properties with 75% loan to value on a 20 to 30 year amortization. Lower leveraged loans will result in a spread reduction.