

U.S. Consumer Confidence Highest in Three Years

WASHINGTON (MarketWatch) - U.S. consumer confidence improved for the third straight month in January, and hit its highest level in more than three years, the Conference Board said Tuesday.

The consumer confidence index jumped to 106.3 in January from a revised 103.8 in December.

It's the highest level since June 2002, just slightly stronger than the previous peak of 106.2 hit in June 2005.

Consumer confidence has improved steadily since it fell in September and October as hurricanes whipped the economy, driving gasoline prices to historic levels and depressing job growth.

Despite the increase, consumers remain jittery about the future, the Conference Board researchers said.

"This month's increase was driven solely by consumers' assessment of current economic conditions, especially their more

positive view of the job market," said Lynn Franco, director of consumer research at the private research organization.

The number saying jobs are "plentiful" rose to 26.9% from 23.3%, while the number saying jobs are "hard to get" fell to 20.3% from 22.5%.

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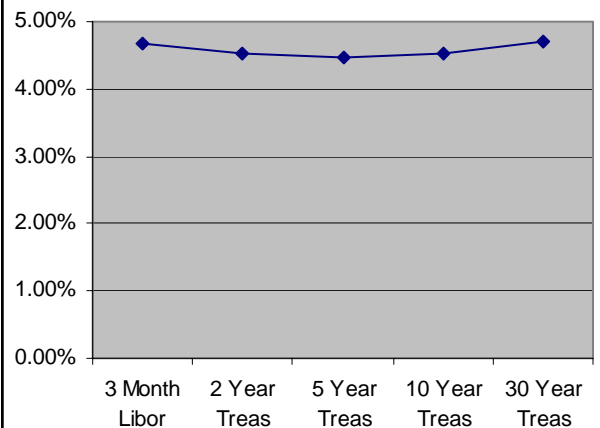
Market Indices

	1/31/06
Prime	7.50%
3 Month Libor	4.68%
5 Year Treasury	4.47%
10 Year Treasury	4.54%

Representative Spreads *

Project	Spread
Multi Family	95-150
Office	110-150
Industrial	110-150
Retail	100-130

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Paragon Prime Funding Closes over 70 Loans in 2005

Paragon Prime Funding ended 2005 having structured and arranged 72 commercial mortgage loans. The increase in loan volume places Paragon as the fourth largest commercial mortgage lender in the region as ranked by the Capital District Business Review.

With a pipeline in excess of \$250 million, Paragon is poised for additional growth in 2006. In 2005, the company opened an office in Wappingers Falls to serve Westchester County and the Mid-Hudson Valley. Paragon Prime Fund-

ing also established several new correspondent banking relationships in 2005 which provides developers with more financing options.

Paul Nichols, Managing Partner of Paragon Prime Funding, noted that the most exciting product being rolled out in 2006 is a construction-to-permanent loan program for substantially pre-leased office, retail, and warehouse projects. The program allows a developer to lock in their interest rate at the start of construction, through the permanent loan,

with no negative arbitrage; there is only one closing and the loan automatically converts to a non-recourse facility upon conversion to the permanent loan.

The program further allows for (up to) 80% loan to value and (up to) a 30 year amortization schedule. In short, Paragon's construction-to-permanent loan program eliminates interest rate risks and saves both time and money by virtue of having one simple closing.

* 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.