

No obstacles seen to more Fed rate cuts

WASHINGTON (MarketWatch) -- Nothing is standing in the way of further interest rate cuts by the Federal Reserve Board, Fed watchers said Friday.

"Though they have done quite a bit, it is virtually for sure we will see another 50-basis point cut by March 18," said economist Allen Sinai, founder and head of Decision Economics.

Indeed, events over the past week since the last formal Fed meeting have raised

the likelihood of even more rate cuts than had been expected, economists said.

The disastrously poor Institute for Supply Management services survey, which was released on Tuesday and showed a contraction in the services sector, has caused some economists to lower their estimate of how low rates will go in the current cycle.

Markets are now toying with odds of a three-quarters-of-a percent rate cut by the

next formal Fed meeting on March 18, said Chris Rupkey, chief financial economist at Bank of Tokyo Mitsubishi.

"So I think at a minimum, a 50-basis point cut is on tap," Rupkey said. That would lower the federal funds rate to 2.5%, the lowest level since March 2005.

Greg Robb
MarketWatch
February 8, 2008

Contacts

Paul Nichols

Managing Partner
(518) 785-9000 Ext. 124
(518) 220-9448-Fax
pnichols@paragonprimefunding.com

James Runko

Director
Small Balance Loans
(518) 785-9000 Ext. 117
(518) 220-9448-Fax
jrunko@paragonprimefunding.com

James J. Morris IV, MAI

Director
Westchester / Mid-Hudson Valley
(518) 785-9000 Ext. 112
(518) 220-9448-Fax
jmorris@paragonprimefunding.com

Andrew Mihachik

Loan Underwriting
(518) 785-9000 Ext. 110
(518) 220-9448-Fax
amihachik@paragonprimefunding.com

Danielle Tashlein

Loan Administration
(518) 785-9000 Ext. 116
(518) 220-9448-Fax
dtashlein@paragonprimefunding.com

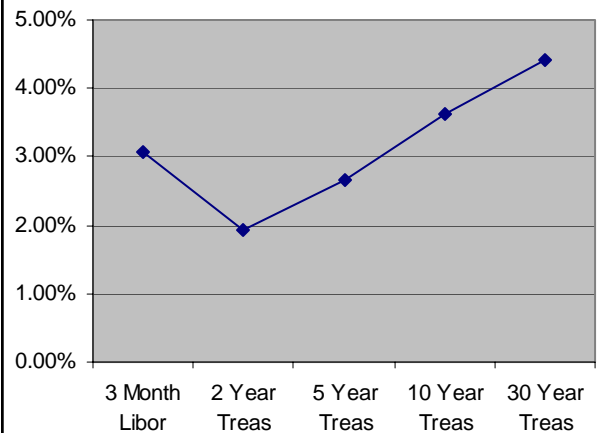
Market Indices

	2/11/08
Prime	6.00%
3 Month LIBOR	3.07%
5 Year Treasury	2.67%
10 Year Treasury	3.63%

Representative Spreads *

Project	Spread
Multi Family	180-200
Office	225-325
Industrial	225-325
Retail	225-325

February 11, 2008



Paragon Arranges \$5,000,000 Permanent Loan

Paragon Prime Funding recently arranged a \$5 million permanent mortgage on a 64-unit apartment complex currently under construction in Cobleskill, NY.

The complex, located on an 8.45 acre site, includes eight 8-unit buildings totaling 64 units along with 30 detached garages. Unit sizes range from 922 square feet for a one bed-

room unit to 1,016 square feet for a two bedroom unit.

Paragon was able to structure a deal that allowed for closing of the permanent loan based upon 60% lease-up with a holdback to be funded based on future leasing hurdles.

This structure allowed the borrower to lock in their interest rate and receive ad-



ditional loan proceeds over and above the construction loan.

The loan provided for a 10 year term and a 30 year amortization schedule.

* 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.