

**Markets Functioning Well, Fed Gov. Warsh Says**

WASHINGTON (MarketWatch) - Financial markets appear to be functioning smoothly despite the recent fluctuations in asset prices, said Federal Reserve board governor Kevin Warsh on Monday.

In a lengthy speech on liquidity in financial markets, Warsh touched only briefly on the recent market turmoil.

"I would only note that while premiums on riskier assets rose some last week,

markets are functioning well amid higher volatility, market discipline appears effective as investors are reviewing their positions, and overall liquidity does not appear to be in short supply," Warsh said in remarks prepared for delivery to a conference sponsored by the Institute of International Bankers.

Warsh did not discuss the economic impact of the market volatility. Fed officials appear reluctant to make too many comments about the potential impact of

the stock market declines on the economy or monetary policy.

But market odds of a rate cut are moving higher after the weakness in stocks. The market has now priced in two rate cuts by the end of the year.

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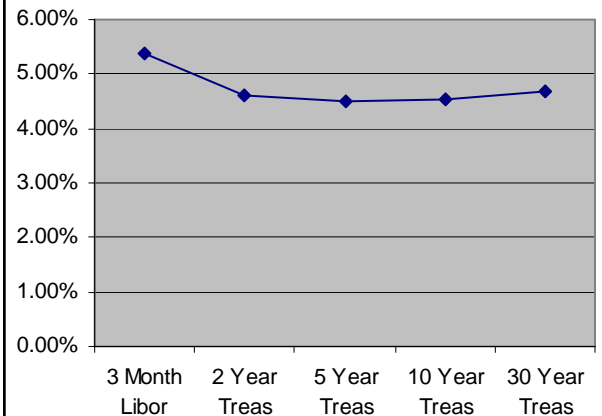
**Market Indices**

	<b>3/12/07</b>
Prime	8.25%
3 Month LIBOR	5.36%
5 Year Treasury	4.50%
10 Year Treasury	4.55%

**Representative Spreads \***

<b>Project</b>	<b>Spread</b>
Multi Family	95-150
Office	110-150
Industrial	110-150
Retail	100-130

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**Paragon Prime Funding Launches New Website**

Paragon Prime Funding recently released a new user-friendly website which will function as a reference tool for investors and developers (www.paragonprimefunding.com).

One of the interesting features of the web site is the 'rate watch' page. This page is updated daily and includes a listing of the floating, fixed, and FHLB amortizing advance rates that are used most often in the industry.

The easy to read rate sheet will provide clients with a quick reference that they can refer to as needed.

The website also includes a two year history of newsletter publications which provides further detail on short and long term interest rates.

As the new web site indicates, Paragon Prime Funding has expanded their services well beyond commercial mortgage brokerage and consulting. In conjunction with Prime Com-

panies, Paragon provides real estate development consultation which includes site selection, municipal approvals, property due diligence, and financial feasibility analysis.

Paragon also provides bond advisory services which include bond and cash flow modeling, rating agency submission, transaction management, credit enhancement solicitation, and arbitrage analysis.

\* 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.