

Data Eases Fears of Sharp Economic Slowdown

WASHINGTON (Reuters) - A raft of stronger-than-expected U.S. economic reports on Friday, including data on personal income, inflation and manufacturing, buttressed the view that the economy was on solid footing and interest rates were unlikely to fall any time soon.

son IFR in Boston. "Wages and salaries are growing at a meaningful clip. You had a bit of a drift in consumer sentiment, but construction spending has risen unexpectedly. Suddenly we've gone from this bias of pessimism to one where we don't see any justification for the Fed to ease."

2006, even as private residential spending staged its 11th straight monthly drop, the Commerce Department said. The total spending of \$1.171 trillion was driven higher by nonresidential building, made up of commercial construction and local government building.

"Income and spending, both higher-than-expected," said Geoff Hall, chief North American economist at Thom-

U.S. construction spending in February rose 0.3 percent, its biggest jump since a 1.0 percent gain in March

David Lawder
April 1, 2007
Reuters

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
(845) 296-1638
(845) 296-1639—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

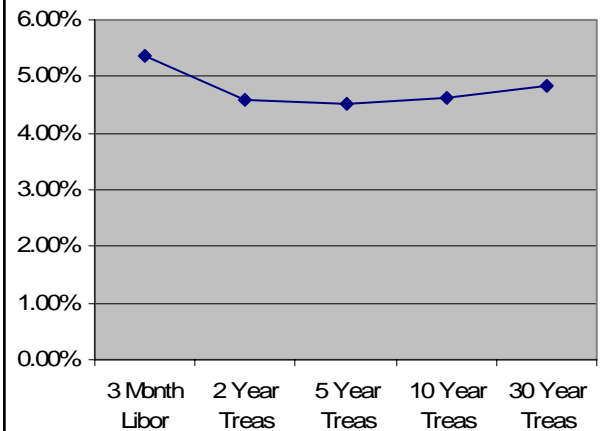
Market Indices

	4/2/07
Prime	8.25%
3 Month LIBOR	5.35%
5 Year Treasury	4.53%
10 Year Treasury	4.64%

Representative Spreads *

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

April 2, 2007



Paragon Prime Funding Arranges \$6.8 Million Loan for Condominium Project

Paragon Prime Funding recently arranged a \$4.7 million acquisition and development loan, as well as a \$2.1 million building loan, for the development of a 351 unit condominium project in Glens Falls, NY.

associated with phase I. The building loan also allows for 6 speculative units to be built. The project will include mostly 2 bedroom units and will start from \$180,000.

The interest only facility is based on a 36 month term and a release of 80%.

The building loan was structured as a Prime based declining line of credit and provides for financing of up to 100% of total unit costs.

The project is being developed in two phases of which phase I totals 151 units. Loan proceeds allow for infrastructure development of the initial 150 lots

The acquisition and development loan permitted a seller held subordinate note and was structured at (up to) 80% of value and 90% of total project costs.

* 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.