

**Fed trims rates by quarter point to 2%**

WASHINGTON (MarketWatch) - The Federal Reserve chose to cut short term interest rates on Wednesday for the fourth time this year, saying it remains troubled by the economic outlook, but signaling that it now may leave rates steady for a while.

The Fed lowered its benchmark federal funds rate by a quarter percentage point, to 2%.

In its statement, the Fed seemed com-

fortable where rates are now.

"The substantial easing of monetary policy to date, combined with ongoing measures to foster market liquidity, should help to promote moderate growth over time and to mitigate risks to economic activity," the statement said.

The economy is treading water, managing to avoid slipping into recession. The Commerce Department reported

earlier Wednesday that growth remained at an anemic 0.6% rate for the second straight quarter.

The money from the government may strengthen consumer spending but will also make it difficult to judge the underlying fundamentals, economists say.

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MarketWatch

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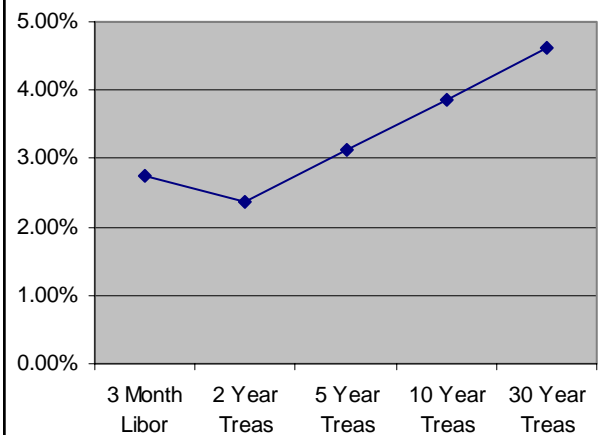
**Market Indices**

	5/6/08
Prime	5.00%
3 Month LIBOR	2.76%
5 Year Treasury	3.13%
10 Year Treasury	3.87%

**Representative Spreads \***

Project	Spread
Multi Family	180-225
Office	225-400
Industrial	225-400
Retail	225-400

May 6, 2008



**Paragon Arranges \$1,150,000 Land Loan**

Paragon Prime Funding recently arranged a \$1,150,000 acquisition loan on vacant land adjacent to the Parting Glass at 30 Lake Avenue in Saratoga Springs, NY.

The borrower plans to develop the site into a 52,686 square foot mixed-use building which will include 15,500 square feet of office, 7,500 square feet of retail, and 9 residential condominium units. Coldwell Banker Prime Properties will rent

and occupy 7,000 square feet of office space upon completion.

Financing included 18 months of interest only payments at up to 75% loan-to-value and 100% of acquisition costs.

Paragon Prime Funding was instrumental in illustrating to the bank the project's upside potential given its Saratoga Springs location. Paragon also laid out a multi-tiered exit strategy which involved an



analysis of alternative building uses.

Construction of the building is scheduled to begin in the Fall of 2008.

\* 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.