

**Treasuries fall after retail sales, inflation data**

NEW YORK (MarketWatch) -- Treasury prices declined Tuesday, pushing yields up, after a pair of reports said retail sales and wholesale prices rose more than forecast in June.

Sales at retail stores rose 0.6% last month, the most in five months and mostly attributable to a bounce in auto sales and rising gasoline prices, the Commerce Department said. That topped expectations for a 0.5% increase, according to a MarketWatch survey of analysts. Excluding auto-

mobiles, sales rose 0.3%, while Wall Street expected a 0.7% increase.

Separately, the Labor Department said producer prices rose 1.8% in June, the most since November 2007 and more than the 1.2% expected. Excluding food and energy, so-called core prices increased 0.5%.

Also providing some support for bonds, the Federal Reserve bought \$7.5 billion in debt maturing in 2011 and 2012.

Dealers offered \$14.73 billion to be purchased. The operation is the first of two this week as the Fed continues its efforts to keep a lid on Treasury yields, which are the benchmarks for a broad range of corporate and consumer borrowing rates.

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MarketWatch  
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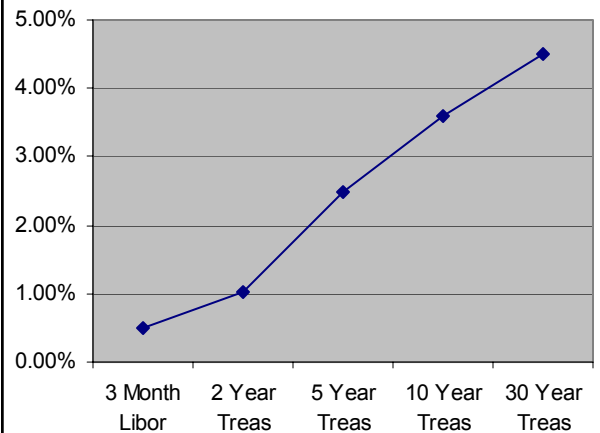
**Market Indices**

	July 15, 2009
Prime	3.25%
3 Month Libor	0.51%
5 Year Treasury	2.50%
10 Year Treasury	3.60%

**Representative Spreads \***

Project	Spread
Multi Family	300+
Office	350+
Industrial	350+
Retail	350+

July 15, 2009



**Paragon Arranges \$4,450,000 Permanent Multifamily Refinance**

Paragon Prime Funding recently arranged \$4,450,000 in permanent financing for the refinance of Brook Pointe Apartments in Schodack, NY.



Brook Pointe is a 50 and older senior housing complex completed in 2006. The facility has a mixture of one and two bedroom apartments distributed across two floors accessed via passenger elevators.

The developer approached

Paragon to take advantage of the now stabilized property, as well as the low interest rate environment.

Paragon was able to secure the borrower a 90 day forward commitment with the

ability to rate lock upon acceptance at 5.07%.

The permanent financing is non-recourse and features a 30 year fixed interest rate.

\* 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.