



U.S. stock futures jump on Fannie, Freddie seizure

LONDON (MarketWatch) -- U.S. stock futures leaped Monday after the government seized mortgage giants Fannie Mae and Freddie Mac, guaranteeing that trillions of dollars in mortgage-backed securities won't default anytime soon and triggering hopes that banks will resume lending to both customers and each other.

"Whether this is the beginning of the end or merely the end of the beginning is yet to be determined, however it is certainly

the hope that this move will begin to calm the housing market and allow mortgage money to once again flow," said Paul Nolte, director of investments at Hinsdale Associates.

"As house prices, earnings and capital have continued to deteriorate, Fannie and Freddie's ability to fulfill their mission has deteriorated," said James Lockhart, the head of Federal Housing Finance Agency which will now oversee Freddie and Fannie.

The two companies will be run by the government indefinitely, with the two current chief executives to be replaced and the government investing up to \$100 billion in each firm to keep them solvent. Treasury will receive warrants to purchase common stock of each GSE representing 79.9% of the common stock.

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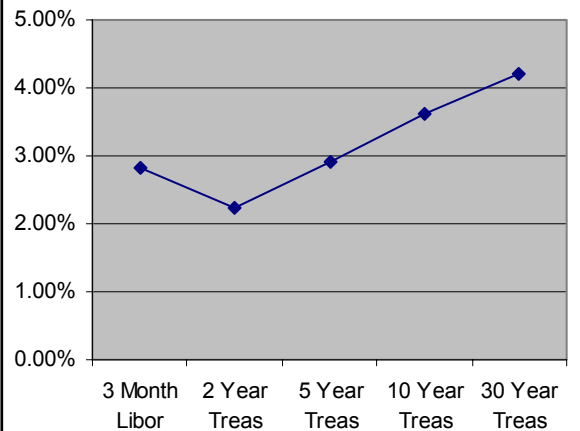
Market Indices

	September 9, 2008
Prime	5.00%
3 Month Libor	2.82%
5 Year Treasury	2.92%
10 Year Treasury	3.62%

Representative Spreads *

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

September 9, 2008



Paragon Arranges \$3,915,000 Construction-to-Permanent Loan

Paragon Prime Funding recently arranged a \$3,915,000 construction-to-permanent loan for a 12 screen movie theater located in Plattsburg, NY.

The 35,000 square foot building will house 12 stadium style theaters, ranging from 99 to 291 seats allowing for a total viewing occupancy of 1,988.

Construction of the project had commenced prior to

Paragon's involvement, funded with substantial borrower equity along with contractor financing.

Paragon placed the project with a traditional lender, replacing a large portion of the contractor financing and securing the funds necessary to complete the project.

Paragon was crucial in negotiations with the primary lender to allow for a series of subordinate debt tranches to

provide additional sources of financing.

Upon completion, the construction loan will convert to a fixed rate permanent facility amortizing over 20 years.

The theater will be completed and opened for the 2008 Holiday Season. Paragon will be integrally involved in the requisition process until completion.

* 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.