

Treasuries turn up after report on European ratings

NEW YORK (MarketWatch) — Treasury prices turned up slightly in late-afternoon trading on Monday following news that Standard & Poor's may downgrade the triple-A ratings of six European nations including Germany.

Yields on 10-year notes, which move inversely to prices, traded at 2.04% after touching 2.11% in morning action. Yields on 30-year bonds turned down 1 basis point to 3.02%. A basis point is one

one-hundredth of a percentage point. Two-year note yields were little changed at 0.25%.

In a report expected later in the session, S&P will say it's reviewing ratings on Germany, France, the Netherlands, Austria, Finland, and Luxembourg, the FT reported. The rating agency may lower them to a AA+ if reviewers aren't convinced that European policy makers are progressing enough to justify the rat-

ings, according to the report. Separate media reports said all 17 euro nations will be put on review for possible downgrades.

U.S. stocks pared gains, with the Standard & Poor's 500 Index up about 0.5%. The euro turned down against the U.S. dollar.

Market Watch
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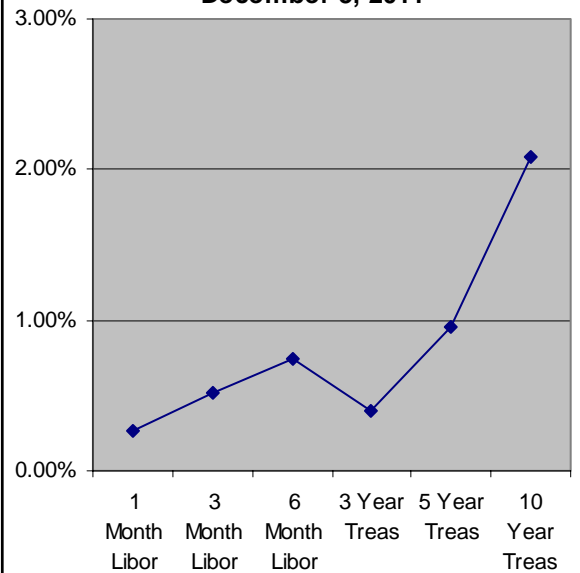
Market Indices

	December 5, 2011
Prime	3.25%
1 Month Libor	0.27%
3 Month Libor	0.52%
6 Month Libor	0.74%
3 Year Treasury	0.40%
5 Year Treasury	0.96%
10 Year Treasury	2.09%

Representative Spreads *

Project	Spread
Multi Family	Call
Office	Call
Industrial	Call
Retail	Call

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Paragon Arranges \$6,795,000 Construction to Permanent Loan

Paul Nichols, Managing Member of Paragon Prime Funding recently arranged \$6,795,000 in Construction to Permanent financing for the 2nd Phase at the Spinney at Pond View in Schodack, New York.

Phase II consists of 70 market rate active adult apartment units with 6 cottage style units to choose from. The units will include high end finishes, private entrances, porches / patios, and yards with

outdoor storage. Phase One, which Paragon also arranged, was recently completed and stabilized.

Complex amenities will include an indoor rehabilitation pool, recreational facilities, and a full-time on-premises community coordinator.

The Libor based construction loan was originated at the lesser of 80% of value and 80% of total project costs. Paragon



also arranged a forward commitment for permanent financing at Sub 5% for a term of 30 years.

* 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.