

Page 1 of 2
PRESS RELEASE

RIGHTS ARE NOW LISTED ON NASDAQ SMALL CAP MARKET
RIGHTS OFFERING EXPIRATION DATE EXTENDED

October 31, 2001 - University Bancorp, Inc. (NASDAQ Symbol UNIB) (the "Company") announced the following changes to its Rights Offering Prospectus:

The expiration date of its rights offering, due to expire at 5:00 P.M., New York time, on Wednesday October 31, 2001, has been extended by the Company to 5:00 P.M., New York time, on Tuesday, November 13, 2001.

The rights are now listed on the NASDAQ Small Cap Market and trading has commenced under symbol UNIBR.

Shareholders and rightsholders wishing to subscribe under the Basic, Step-Up or Oversubscription Priviledge should either:

a) if their shares are held in street name, contact their broker with instructions to exercise;

b) if they do not hold their shares via a broker and hold a Form of Subscription Agreement, they should mail their payment along with a completed Form of Subscription Agreement to the Subscription Agent, John Harmann, Computershare, 12039 Alameda Parkway, Suite Z-2, Lakewood, CO 80228.

Interest will be paid on amounts tendered for Over-Subscriptions from the time these amounts are received by the subscription agent through Tuesday, November 13, 2001 at 4.00%. Interest will be paid to Monday, November 12, 2001.

If prior to the Expiration Date the subscription agent has received the full Subscription Price, together with a written or telefaxed guarantee (use fax number (303) 986-2444) from a bank, trust company or a member of the NYSE, other national securities exchange or the National Association of Securities Dealers, Inc. that states either:

* Rights with respect to the common stock subscribed for have been mailed to the subscription agent, or;

* Rights will be delivered to the subscription agent prior to 3:00 P.M., Michigan time, on Tuesday, November 20, 2001;

the subscription will be accepted subject to receipt of the properly exercised rights. Common stock certificates will be dated and authenticated as of November 20, 2001.

The Company anticipates filing a post-effective amendment to its Form S-2 Registration Statement in the immediate future, incorporating these changes.

As of the close of business October 30, 2001, a total of 1,576,319 rights had been exercised, of the total amount outstanding of 2,092,801 rights.

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Ann Arbor-based University Bancorp owns 100% of University Bank, an FDIC-insured community bank also based in Ann Arbor, Michigan. In addition to its community bank operations, University Bank specializes in mezzanine capital lending through its Ann Arbor-based 31.5%-owned subsidiary, Michigan BIDCO, Inc., and mortgage subservicing through its 80%-owned subsidiary, Houghton-based subsidiary, Midwest Loan Services, Inc.

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