

## UNIVERSITY BANK SCORES “OUTSTANDING” FOR COMMUNITY REINVESTMENT Big Numbers for Tiny Bank

June 13, 2003, Ann Arbor, Michigan – Ann Arbor based University Bank® earned the coveted “Outstanding” rating for Community Service and Community Reinvestment during the Community Reinvestment Act (“CRA”) evaluation recently conducted by the Federal Deposit Insurance Corporation (“FDIC”). According to the most recent information available on the FDIC’s web site at [www.fdic.gov](http://www.fdic.gov), only 16 other FDIC evaluated banks out of 100 in the State of Michigan, in addition to University Bank, share this highest rating. University Bank is the only FDIC evaluated bank in Washtenaw County with a grade of Outstanding for its CRA activities.

According to the Report of Examination delivered to University staff on Friday, June 6, 2003: *“The institution has taken a leadership role in actively seeking community development loans and in contacting community and economic development corporations and informing them of lending vehicles available at the bank.”*

University Bank CEO and CRA Officer **Rebecca David** says the bank’s CRA Committee, senior management and board are extremely proud and gratified by the result of their evaluation.

“We serve Washtenaw County’s low and moderate-income individuals and minorities not to earn a good grade, but *because giving back to the community is the right thing to do*,” said Ms. **David**. “The amount of energy and resources we expend for a community bank of just \$45 million in assets is significant,” she continued, “and we’re delighted to have it publicly acknowledged”.

Indeed. The small community bank's community development loans totaled approximately \$1.6 million and its investments totaled \$995,330. The bank's community loans and investments are *“especially noteworthy when considering the institution's asset size . . . exhibit excellent responsiveness to community development needs . . . because the bank sought and found opportunities to make qualifying donations,”* the Report of Examination continued. The Bank also received extensive credit for its Innovative and Flexible Lending Practices and Community Development Services. *“The level of services is deemed to be superb, in part because of the nature of the involvement of bank officers,”* said the FDIC Report.

The CRA was enacted in 1977 to ensure that banks and thrifts serve the credit needs of their communities, including low and moderate-income areas.

Banks such as University Bank with less than \$250 million in assets are evaluated as “small banks” and must meet or exceed five specific criteria such as assessment area concentration and demonstrate their lending to individuals of different income levels. Large banks over \$250 million in assets face a higher level of scrutiny and are evaluated on their record of lending, investments and services.

However, small banks engaged in significant levels of CRA related community development lending, investments and services, as is University Bank, might, at their option, ask to have this performance reviewed during their examination.

Ms. **David** is a seasoned bank executive with over 24 years in the industry. However, she readily admits she's a “rookie” CRA Officer. “I've been a bank CEO and President,

but being CRA Officer is new territory for me,” said Ms. **David**. “And this is the first financial institution I’ve worked for to receive an Outstanding for its CRA evaluation. “I’m proud of the commitment we’ve made as an institution to serve the credit and other banking needs of our whole community,” Ms. **David** added.

Among other community development and service organizations, Ms. **David** is a representative on the Washtenaw County Individual Development Account Program Board, the Washtenaw County Workforce Development Board and is a member of the Rotary Club of Ann Arbor North. Within the past few months, she has been named one of Washtenaw County’s “Most Influential Women”, one of the “100 Emerging Business Leaders” by Detroit Regional Chamber members and staff, and was selected one of southeastern Michigan’s “Top 50 Fittest CEO’s”. She is a 1995 graduate of the American Banker Association’s Stonier Graduate School of Banking.

Ann Arbor based University Bancorp owns 100% of University Bank. University Bank is an FDIC-insured, locally owned and managed Community Bank primarily serving the cities of Ann Arbor and Ypsilanti of Washtenaw County. The Community Banking operation focuses on local businesses, minorities and the non-profit communities. Other Community Banking specialties include highly competitive deposit products for business owners, residential mortgages, commercial real estate lending and insurance, investments and money management through its wholly owned subsidiary University Insurance & Investments, Inc.

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