

For Immediate Release

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MIDWEST LOAN SERVICES RECEIVES SAS70 CERTIFICATION

Ann Arbor, Michigan, May 15, 2005 – University Bancorp, Inc. (NASDAQ: UNIB) announced that it's Midwest Loan Services, Inc. subsidiary has achieved compliance with the highly coveted industry certification the American Institute of Certified Public Accountant's (AICPA) Statement of Auditing Standards #70 (SAS70). The certification underscores a strong commitment to making security a central focus of its development efforts and protecting the safety and integrity of customer data. In today's global economy, service organizations and providers must demonstrate that they have adequate controls and safeguards in place when they host or process customer data. To address these needs, the AICPA have established standards to protect customer information in all organizations that store, process or transmit data.

"The credit unions that Midwest subservices for have high standards for ensuring that their customer data is protected," said Ed Burger president, Midwest Loan Services. "This certification serves as further proof to our customers that Midwest takes its role in processing mortgage transactions very seriously, taking all the steps necessary to protect essential customer data."

The SAS70 compliance process involves a formal, in-depth report by a third party auditor that analyzes the design, implementation, and operational effectiveness of the controls that reside within a service organization. The SAS70 audit report allows service organizations to disclose their control activities and processes to customers, thus demonstrating adequate controls and safeguards are in place. The addition of Section 404 of the Sarbanes-Oxley Act make SAS70 audit reports even more important to the process of reporting effective internal controls.

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Ann Arbor based University Bancorp owns 100% of University Bank® which manages a total of \$2.5 billion in assets. 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. University Bank is the only financial institution headquartered in Washtenaw County to be rated "Outstanding" by the FDIC for Community Service and Community Reinvestment. 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. In addition to its Community Banking operations, University Bancorp specializes in mortgage subservicing and mortgage origination primarily serving over 160 credit unions (representing 1.75% of all credit unions nationwide) through the Bank's Houghton-based 80%-owned subsidiary, Midwest Loan Services.

Any prediction of the future is inherently not assured. Investors should read the risk factors listed on pages 21 and 22 in the Company's report on Form 10K for the year ended December 31, 2004 and any prediction in this release is intended to be covered by the Safe Harbor provisions of Section 21E of the Securities Exchange Act of 1934.

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