

For Immediate Release

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**UNIVERSITY BANK APPOINTS JOHN J.H. ("JOE") SCHWARZ, M.D. AS DIRECTOR &
ANNOUNCES NEW MEDCASH MANAGER™ PRODUCT**

Ann Arbor, Michigan, April 26, 2007 – University Bank, a wholly-owned subsidiary of University Bancorp, Inc. (NASDAQ: UNIB) announced that it has appointed former Congressman John J.H. ("Joe") Schwarz, M.D. to its board of directors.

John J.H. ("Joe") Schwarz, M.D. is a graduate of the University of Michigan and of Wayne State University School of Medicine. Schwarz completed his specialty training at Harvard. He is a veteran of five years service in Southeast Asia with the U.S. Navy and with the C.I.A. Dr. Schwarz has been a practicing otolaryngologist in Battle Creek for more than thirty years. He served in the Michigan Senate from 1986 to 2002, and in the U.S. House of Representatives from 2004 to 2006. Schwarz is the Chairman of the Board of the Alumni Association of the University of Michigan. He is widowed and has one adult daughter. He recently completed service on a select panel appointed by the Secretary of Defense to investigate health care services provided at Walter Reed Army Medical Center and the National Naval Medical Center at Bethesda.

University Bank Chairman & President Stephen Lange Ranzini, in announcing the appointment stated, "Former Congressman Joe Schwarz brings a wealth of experience and contacts to our board deliberations. We look forward to his guidance as University Bank helps the local people and enterprises who have the courage to find new business lines and new products and services to offer the citizens of Michigan. One industry, where we are leading the state-wide effort is in a new industry called **"health information technology"** and Joe has 30 years of knowledge and expertise in healthcare to guide us as we try to assist Michigan to overcome its healthcare crisis by leveraging the many benefits of HIT.

University Bank also announced today that it has introduced a new financing program for the healthcare industry, the first commercial product related to its ongoing pilot with Michigan HIMSS (www.mi-himss.org) and the U.S. Government's General Services Administration's eAuthentication Program Initiative. The product, MedCash Manager™ allows University Bank to provide credit to healthcare service providers for procedures performed for patients the day after the service is performed, rather than waiting the typical 60-120 days for reimbursement. In exchange for the expedited availability of funds, University Bank will charge a small fee to the healthcare service provider. Future enhancements of the product will enable ever more seamless exchange of secure & privacy enhanced healthcare related data through the new Healthcare Information Exchanges now being built in Michigan.

Ann Arbor based University Bancorp owns 100% of University Bank which services a total of over \$4.10 billion in loans. University Bank is an FDIC-insured, locally owned and managed community bank, and is the only financial

institution headquartered in Washtenaw County rated "Outstanding" by the FDIC for Community Service and Community Reinvestment. University Bank focuses on local businesses, minorities and the non-profit communities primarily serving the cities of Ann Arbor and Ypsilanti of Washtenaw County. Other University Bank 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. University Bank also engages in Islamic Banking through 80%-owned University Islamic Financial Corporation, the first and only Islamic Banking subsidiary of a bank in the U.S. University Islamic Financial Corporation offers mortgage alternative financing, the only FDIC-insured Islamic deposits (offered through University Bank) and Islamic equity mutual funds (offered through University Insurance & Investments, Inc.). University Bank also specializes in mortgage subservicing and mortgage origination primarily serving over 270 credit unions (representing 2.8% of all credit unions nationwide) through its 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 through 22 in the Company's report on Form 10K for the year ended December 31, 2006 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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