

The Depository Trust Company

IMPORTANT

B#: 2430

DATE: September 21, 2001

TO: All Participants

CATEGORY: Dividends

FROM: Nilesh Desai, Supervisor, Dividend Department

ATTENTION: Dividend Managers, Cashiers & Reorganization Managers

SUBJECT: Rights: University Bancorp, Inc. R/D: 8/30/01
Common CUSIP#: 914090105 Rights CUSIP#: 914090113
Expires: 10/31/01 (5:00 p.m. Michigan (EST) time)
Rate: one right for each share of common stock held

***** Warning Time Critical *****

University Bancorp, Inc (the "Company") is issuing transferable rights ("Rights") to its shareholders as of the close of business on August 30, 2001 (the "Record Date"). Each Shareholder is entitled to receive one Right for each share of common stock owned on the Record Date.

Transferability of the Rights

Rights may be sold through the usual investment channels, including banks and brokers, however the Rights may be only purchased by or transferred to bona fide residents of the state of Michigan (unless a Blue Sky exemption or other exemption is available). While Rights may be traded on the NASDAQ SmallCap Market or OTC Bulletin Board under symbol UNIBR, there can be no assurance of the extent, if any, that trading will take place or how long it will continue.

Restrictions on Certain Holders of Common Stock

In order to comply with securities laws of the State of Florida and Texas, this offering is not being made to persons residing in the states who are not holders of record of common stock on the record date. In addition, any transfer of rights to residents of these states who are not holders of record of common stock on the record date will not entitle those residents to exercise the rights provided by these rights.

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The Depository Trust Company ("DTC") credited Rights to participants' accounts on September 20, 2001.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY (DIVA) FUNCTION, SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY AND PAYMENT INFORMATION.

IT IS IMPORTANT THAT PARTICIPANTS REFER TO THE DTC REORGANIZATION INQUIRY FOR PARTICIPANTS (RIPS CODE 59) FOR INFORMATION REGARDING THE SUBSCRIPTION PRIVILEGE AND ANY EXTENSION OF THE EXPIRATION DATE.

If participants have any questions concerning this Important Notice, please contact Mr. Ray Lew or Mr. John McCarthy of DTC's Stock Dividend Department at (212) 855-4523/4521.

If participants have any questions regarding the Rights Offering, they may contact the Subscription Agent, Computershare Trust Company, at (303) 984-4046.