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NEWSRELEASE

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Albina Community Bank Participates In Small Business Administration (SBA) Program To Provide 100% Guaranteed SBA “America’s Recovery Capital” (ARC) Loans For Qualifying Small Businesses Experiencing Financial Hardship

Portland, Oregon – June 15, 2009 – One local bank today announced its participation in the United States Small Business Administration (SBA) Program’s “America’s Recovery Capital” (ARC) Loan Program to provide 100% guaranteed SBA ARC loans for qualifying small businesses experiencing financial hardship. America’s Recovery Capital (ARC) Loan Program is a new guaranteed-loan program authorized by the American Recovery and Reinvestment Act of 2009 enacted on February 17, 2009. Applications for the ARC program may be accepted from June 15, 2009, until September 2010, or until SBA funding is depleted.

Albina’s ARC Loans are deferred-payment loans of up to \$35,000, and are available to qualifying businesses that need short-term help to make their principal and interest payments on existing, qualifying loans. ARC Loans are interest-free to the borrower, 100% guaranteed by SBA to the lender, have no fees associated with them, and can be used for a wide range of repayment requirements.

“We are hearing from our clients that larger banks in Portland are not offering ARC loans because they are unable to collect fees,” noted Bob McKean, CEO of the bank. “Albina Community Bank was founded to be an economic development catalyst for underserved small businesses and neighborhoods, and we could not pass up the opportunity to provide small businesses the access to the capital needed to drive economic recovery and to retain jobs. Because we are unable to collect fees for these

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loans, we will only accept applications from businesses located in the Portland metropolitan area. Priority will be given first to our existing customers, and then to those businesses that are committed to establishing full business and personal banking relationships with us."

Oregon currently ranks as the #2 state in the country for unemployment. As noted in their *Community Impact Scorecard*, Albina Community Bank helped create 514 jobs in Portland neighborhoods, while also maintaining another 4,097 jobs in 2008. Far outranked in size, year-to-date in 2009, Albina Community Bank was recently listed as the #4 SBA lender in the Portland district by the SBA, and is certified as a 7a, 504, SBA Express and Patriot Express lender. "Through creative endeavors to strengthen our communities, we'll get through these challenging economic times, hand-in-hand with our neighbors. Albina will continue to do everything we can to be an economic backbone for our local neighborhoods," explained Mr. McKean.

Requirements For Albina SBA ARC Loans:

- \$35,000 maximum loan
- Small business must be a viable, for profit small business experiencing immediate financial hardship
- Must be an established business, have financial statements demonstrating it was profitable in one of the past three years, and be able to project sufficient cash flow to meet current future loan payments over a two-year period from loan approval. **ARC loans are not designed for start-up businesses.**
- Loans can be used to pay principal and interest on qualified small business loans – including mortgages, secured and unsecured loans, 504 first mortgages, capital leases, notes payable to vendor and/or suppliers, home equity loans used to finance business operations, SBA loans made or guaranteed on or after February 17, 2009, and/or credit card obligations used to finance business operations.
- Loans have a six-month draw period upfront. At the end of the draw period,

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there is a 12-month payment deferral. After this deferral, the borrower will repay the loan at 0% interest amortized over five years.

- An immediate financial hardship is defined as a business experiencing: loss/reduction of customer base; loss/reduction of 20% or more in working capital and or similar loss/reduction of short-term credit facilities; decline in gross or operating margin of 20% or more in the preceding 12 months; loss/reduction of employees, etc.

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About Albina Community Bancorp

Albina Community Bancorp was established in 1995 as a bank holding company headquartered in Portland, Oregon. Albina Community Bank, its first subsidiary, is a full-service independent commercial bank that provides a full range of banking products and services, while also maintaining the bank's mission to promote jobs, growth of small businesses, and wealth in our local Portland neighborhoods. One of just 61 commercial banks across the country certified by the U.S. Treasury Department as a community development financial institution, Albina is the only CDFI in the Pacific Northwest.

Albina Community Bank is locally owned, and operates from five local Portland locations including offices at: 2002 NE Martin Luther King Jr. Boulevard; 8040 N. Lombard in the St. John's neighborhood; 4020 NE Fremont in the Beaumont neighborhood; 5636 NE Sandy Boulevard in the Rose City Park neighborhood of the International District; and 430 NW 10th Avenue in Portland's Pearl District. For more information about Albina Community Bank, please call 503-288-7281 or visit www.albinabank.com.

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