



News Release

Contact:
Dan Weinbach
The Weinbach Group, Inc.
305-668-0070
dweinbach@weinbachgroup.com

CRAFUND ADVISORS TO MANAGE FIRST CRA-QUALIFIED BOLI PORTFOLIO INSIDE INSURANCE SEPARATE ACCOUNTS

CRAFund Working with COLI/BOLI Market Veteran Daniel Borten to Bring New Product to Market

FT. LAUDERDALE, FL & GAITHERSBURG, MD.– November 14, 2006 – CRAFund Advisors, manager of a \$700 million Community Reinvestment Act (CRA) fund, has exclusively licensed a patent-pending on “CRA-BOLI,” which will be the CRA-qualified bank-owned life insurance (BOLI) investment to be offered in insurance separate accounts.

The OCC, in consultation and agreement with the other banking regulators, approved the concept of a “BOLI-CRA” separate account in July 2004. CRA-BOLI will give banks a more tax-efficient vehicle to meet CRA investment test requirements. Over 3400 banks report owning BOLI – but none has previously used the cash value inside of BOLI to make CRA-qualified investments.

“After two and a half years developing the product, I chose to align with the premier CRA asset manager, CRAFund Advisors”, said Daniel Borten, the inventor and more than 20-year veteran of the COLI/BOLI market. “I am excited to finally bring a product to market that can help a bank “kill two birds with one stone”. By that, I mean that they can satisfy part of their CRA investment test mandate while simultaneously mitigating human resource liabilities with BOLI.”

Clark Consulting Chairman & CEO Tom Wamberg said: “This new investment option for banks makes perfect sense as part of a well-designed and diversified BOLI portfolio. CRA-BOLI provides a competitive rate of return, CRA regulatory credit, and it is totally consistent with the ‘COLI Best Practices Act’ that was just signed into law. In fact, it counters the previous negative characterizations of COLI and BOLI and creates a ‘win – win’ scenario for all; bank officers are insured with their consent, and the investment dollars flow to affordable housing, small business loans, and other services targeted towards low- to moderate-income communities.”

CRAFund Advisors Director and Portfolio Manager Alyssa Greenspan said: “CRA-BOLI embodies the true spirit of the Community Reinvestment Act, in that it provides an innovative vehicle to increase the flow of capital to America’s communities while also working for our investors. Given the long-term nature of BOLI, we will have a unique funding source to make innovative and high impact community development investments across the US. CRAFund Advisors has helped over 300 clients successfully pass over 360 CRA exams. This new product will fit right into a bank’s CRA strategy.”

Borten explained: “BOLI earnings accrue to the P&L statement without current taxation, so CRA-BOLI can offer a more favorable ROA and ROE than CRA qualified MBS, SBAs, and taxable municipal bonds.”

By partnering with Callinectes Consulting, CRAFund Advisors can focus on investment management and leave distribution to the specialty BOLI brokers with whom Borten has worked for years.



CRAFund Advisors will act as sub-advisor to separate accounts established by BOLI underwriters. New purchasers as well as existing policy owners may allocate their BOLI cash value to a CRA separate account. With those funds, CRAFund Advisors will make qualified investments which promote community development and directly benefit the assessment area of the investor. CRAFund Advisors will report on the specific investments made so that each bank may provide its CRA examiners with details on the community development impact of their investment dollars.

CRAFund Advisors has purchased high credit quality (A-rated or better), fixed income securities on behalf of investors since 1999. For the CRA-BOLI mandate, investments are expected to include: targeted mortgage-backed securities, affordable multi-family housing bonds and loans, Small Business Administration loans and pools - part of the 7(a) program offering access to capital that would otherwise be unavailable to the borrower; U.S. Department of Agriculture pools and loans; and taxable municipal bonds and asset-backed securities that finance economic development and enterprise growth.

ABOUT THE GROUPS

CRAFund Advisors is the largest fixed-income, CRA money manager in the United States. Since 1999, CRAFund Advisors has provided clients with relative value via actively managed fixed-income portfolios while promoting economic and community development throughout the United States. To date, CRAFund Advisors has made \$1.8 billion in community investments on behalf of its clients. CRAFund Advisors also oversees a \$700 million CRA mutual fund that invests in fixed-income securities used to finance projects such as affordable housing, small business loans, health care, economic development and schools in cities nationwide.

Callinectes Consulting, Inc. (CCI) is a community development structured finance company established in 2004 to commercialize the patent pending on CRA-BOLI. CCI founder, Daniel A. Borten, conceived of wrapping CRA qualified investments inside of separate account BOLI while wholesaling for MetLife in late 2002. Though there was no formal guidance from any banking regulator, Borten was convinced that the structure would be approved and resigned in 2003 to pursue the development of the product.

November, 2006

SOURCE:

CRAFund Advisors, Fort Lauderdale, FL.

CONTACT: Patrick Mitchell, for CRAFund, (703) 276-3266 or pmitchell@hastingsgroup.com.