

New Home for Harbor Health Elder Services Takes Shape With \$3.4 Million in Tax Credit Financing From U.S. Bancorp

MATTAPAN, MA, Feb. 17, 2009— Harbor Health Services' Elder Service Program (ESP), soon to be relocated in the Mattapan neighborhood of Boston, announced that it has recently closed \$3.389 million in New Markets Tax Credit equity from U.S. Bancorp Community Development Corporation (USBCDC) which it will use in a \$13 million renovation of an existing building at 1135 Morton Street. HEFA, the Massachusetts Health and Educational Facilities Authority, provided the tax credits and also issued \$10.6 million in tax-exempt bonds, which were purchased by Wainwright Bank, to finance the project.

Harbor Health's ESP is at full capacity at its current location in an old school building less than a mile from the new 5.5 acre site. Harbor Health plans to move to the new location to improve services, handle its growing waiting list of new patients, and to bring together its various support offices which are currently located at several different locations. Harbor Health currently provides health care, day care, rehabilitation programs, meals and other services to 284 elderly clients, a majority of whom qualify for Medicaid or Medicare. Harbor Health's remodeling of the 33,000 square foot building will allow them to more efficiently serve 300 plus elderly patients. The new building is expected to be ready by fall 2009.

"Our goal is to make a positive impact in this community by providing cost-effective services to the elderly," said Dan Driscoll, president and CEO of Harbor Health. "This is an ideal situation as there will not be a disruption in service to our clients who count on us to be there for them. The conditions up to now have been crowded for both our patients and administrators, so this new site will be a blessing for many at a time when our services are greatly in need."

Laura Vowell, vice president of USBCDC, said, "This project furthers the goal of the New Markets Tax Credit program and of U.S. Bancorp Community Development Corporation to provide financing for projects that serve as catalysts to economic development and social improvement in communities across the country." She noted that this is the first project that U.S. Bancorp and HEFA have worked together on.

"This is the first time HEFA has invested New Markets Tax Credits and issued bonds for the same organization at once. It was an unusual transaction that required hard work and creative thinking from all parties involved," said Benson T. Caswell, HEFA executive director. "The complexity of this deal, made even more challenging by the current condition of the credit market, demanded nothing short of excellence on all sides," said Caswell. "We are proud to have played a role in the success of this project. Helping smaller organizations secure financing to better serve underprivileged communities is at the heart of HEFA's mission."

About the New Markets Tax Credit Program

Signed into law in 2000, the New Markets Tax Credit Program (NMTC Program) is administered through the Community Development Financial Institutions Fund (CDFI Fund) by the U.S. Department of the Treasury. The NMTC Program serves as a catalyst to encourage investment of private equity capital into urban and rural, low-income communities and allows tax paying investors to receive a credit against Federal income taxes for making equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments under favorable terms in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. To date, the CDFI Fund has made 364 awards totaling \$19.5 billion in allocation authority.

About Harbor Health Services, Inc.

Harbor Health Services, Inc. (HHSI) is a private nonprofit community health agency providing comprehensive outpatient health care services, pre-school education as well as community and social services to the residents of the Dorchester neighborhood of Boston as well as to surrounding communities. Harbor Health also administers community health programs on Cape Cod. The agency came into existence in 1985 with the merging of the Neponset Health Center and the Geiger-Gibson Community Health Center, the nation's first community health center. Currently, HHSI operates three health centers, a children's day care center, WIC programs, a dental center and the ESP (Elder Service Plan – created in 1996 - a comprehensive Medicare/Medicaid capitated program which is designed to maintain frail elders in the community), assuring the availability of primary health care services throughout the continuum of life.

About U.S. Bancorp Community Development Corporation

With assets of over \$5.5 billion, U.S. Bancorp Community Development Corporation is the largest New Markets Tax Credit investor in the country, investing billions of dollars nationwide in hundreds of transactions. These equity investments have provided much needed revitalization and new resources to communities throughout the country. USBCDC finances community development and affordable housing projects through the use of New Markets, Historic, Low-Income Housing, and Renewable Energy tax credits.

USBCDC is a subsidiary of U.S. Bank and U.S. Bancorp (NYSE: USB).

About U.S. Bank

With \$266 billion in assets, U.S. Bancorp is the parent company of U.S. Bank, which is the 6th largest commercial bank in the United States as of September 30, 2008. Through U.S. Bank, U.S. Bancorp, and other subsidiaries, the company serves more than 13 million customers with more than 2,791 banking offices in 24 states, additional specialized offices across the U.S. and in several foreign countries, Internet and telephone banking, and over 5,000 ATMs, and provides a comprehensive line of banking,

brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at www.usbank.com.

About HEFA

HEFA is a quasi-public authority that provides tax-exempt financing to nonprofit organizations in the fields of higher education, health care, cultural institutions and human services. Authorized by the state Legislature, HEFA is fully self-funded and receives no taxpayer dollars. Last year HEFA was the sixth largest issuer of municipal bonds in the nation. HEFA's New Markets Tax Credit Program focuses on health care institutions and is funded by a 2007 \$66 million NMTC allocation -- the only Massachusetts entity to receive an allocation that year. For more information, visit www.mhefa.org.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding U.S. Bancorp's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.