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Northeast Bank Ramps Up for Mortgage Growth; Creates 10 New Jobs

Trafton first of many to be hired as homebuyers turn to community banks for financing

Lewiston, MAINE (December 1, 2009) – The recent jump in unemployment from 9.8 to 10.2 is definitely a cause for alarm, however, not for one Maine community bank which has continued to add jobs throughout the recession.

Northeast Bank is gearing up for a projected increase in loan demand the result of the little known extension and expansion of the First-Time Homebuyer Tax Credit Program. Amidst a flurry of other national news, the new bill was signed into law recently extending the \$8,000 tax credit for first-time buyers from December 31, 2009 to June 30, 2010 and expanding the program by giving a \$6,500 tax credit for those who are selling one home to purchase another.

In light of the current mortgage demand, Northeast Bank announced the hiring of long-term mortgage banker, Skip Trafton of West Gardiner as Director of Mortgage Sales. In addition, the company also announced that it has created 10 new jobs for mortgage bankers on top of the 4 new hires made during 2009 as they expanded their lending footprint into Southern Maine and New Hampshire.

“We are seeing record volumes in loan applications. We’re finding that borrowers are looking for a lending partner they can trust who has access to the products and services they need – expanding our mortgage division gives our customers more choice. In addition, with the new tax credits, we’re anticipating that the real estate market gridlock will loosen and home sales in the mid-market will begin to turnaround,” said Marcel Blais, Senior Vice President & COO of Northeast Bank.

About Skip Trafton

Trafton will be located in the Bank’s Lewiston headquarters where he will oversee the bank’s mortgage sales team. He is a 20-year veteran in mortgage banking, holding positions such as District Manager and Area Director for mortgage companies such as First Horizon Home Loans and MetLife Home Loans. A University of Maine graduate, Trafton holds a BA in Marketing in addition to a Maine Real Estate license and resides in West Gardiner.

“Making the jump from a national mortgage company to a local community bank made sense. What I found very attractive was that Northeast Bank is a local company which has decided to expand its retail mortgage footprint within Maine and New Hampshire. Decisions are made

quickly with sensitivity to local market conditions. Plus, I have more products to offer customers, like construction and seasonal home loans, which I didn't have available before. It's very exciting – rates are low, it is a buyers market, and the government has extended and enhanced the homebuyer tax credit program. 2010 is going to be a great year.” said Trafton.

Northeast Bank has mortgage bankers that cover the market areas of Central, Western, Mid-Coast, and Southern Maine, as well as Seacoast New Hampshire. A full list can be found in the Mortgage Section of the bank's website (www.northeastbank.com). “We are always in the market for good talented people, who believe in our mission of doing what is in the best interest of the customers. Our customers count on us as trusted advisors, so it's important that we look out for their financial well-being.” noted Blais.

To learn more about the New and Expanded Homebuyer Tax Credit Program visit [www.http://www.irs.gov/newsroom/article/0,,id=204671,00.html](http://www.irs.gov/newsroom/article/0,,id=204671,00.html)

About Northeast Bank

Northeast Bank, a leader in delivering one-stop shopping for financial services, is headquartered in Lewiston, Maine and is a wholly-owned subsidiary of Northeast Bancorp (NASDAQ: NBN). The Company has approximately \$607 million in assets as of March 31, 2009 and operates 26 retail outlets, including 11 bank branches, 15 insurance offices and 3 financial centers serving the financial needs of western, central, mid-coastal and southern Maine, as well as seacoast New Hampshire. Information regarding Northeast Bank can be found on its website at www.northeastbank.com or by contacting 1-800-284-5989.

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