



March 6, 2009

Special Inspector General – TARP
1500 Pennsylvania Avenue, NW
Suite 1064
Washington, D.C. 20220

Subject: Mission Community Bancorp/Mission Community Bank
OMB Control No. 1505-0212

Gentlemen:

This letter is in response to the communication received dated February 6, 2009 from your office.

1. Mission Community Bancorp, the Holding Company for Mission Community Bank received \$5.11 Million in TARP funds on January 9, 2009. The principal anticipated use for these funds was to fund the small business and community development lending function of the bank. Mission Community Bank is an active Small Business lender and over the years been recognized for the local small business lending programs utilizing the SBA guarantee programs. Additionally, Mission Community Bank is a Certified Community Development Financial Institution (CDFI) and works closely in the community to provide loans to benefit low income, underserved and minority individuals and businesses.

In 2008, the bank reported the following:

- 337 loans made totaling \$85 Million
- 65% were CDFI qualifying
- 23% of the loans were to Low Income or Minorities (in number of loans)
- 159 Small Business Loans or 43% of total dollars loaned
- 158 new jobs created by the Small Business loans
- 774 jobs retained

(b) (4) Currently the SBA Loan pipeline reflects \$5 million in new loan opportunities within the next 90 days.

(b) (4)

SBA Loans funded in 2009 YTD \$ 2.0 million

(b) (4)

2. **Executive Compensation**

Unnecessary Risk: Mission Community Bank and Mission Community Bancorp currently do not have an incentive compensation plan in place. However, at some point in the future, the Board of Directors may adopt an Incentive Compensation Plan; which may provide incentives to CEOs based upon performance which would be judged to be for the benefit of the shareholders and the community at large. Any future Plan would adhere to the standards required under EESA and the American Recovery and Re-investment Act of 2009.

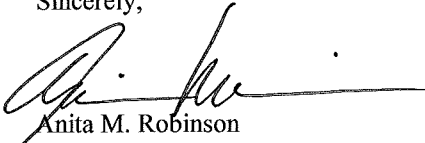
Golden Parachute Payments: In connection with the initial TARP closing, our CEO's executed waiver agreements to conform their compensation to the TARP requirements. We are currently in the process of reviewing salary continuation arrangements and will seek to amend those that need to be amended to comply with the recent American Recovery and Reinvestment Act of 2009.

The TARP funds are currently held in a segregated Capital account and an internal accounting of use of these funds will be made available to the Board of Directors. Further, the Company tracks and reports the lending and community development activities in its Annual Report. This scorecard will contain an accounting of the benefit provided by the TARP funds in the 2009 Annual Report.

(b) (4)

I hope that this adequately addresses your questions. Please feel free to call me if you have further questions or require additional information.

Sincerely,



Anita M. Robinson
Chief Executive Officer

MISSION COMMUNITY BANCORP

OFFICER'S CERTIFICATE

March 9, 2009

This Officer's Certificate (this "Certificate") is delivered from MISSION COMMUNITY BANCORP, OMB Control No. 1505-0212 (the "Company") to the Office of the Special Inspector General Troubled Asset Relief Program ("SIGTARP") in connection with the Company's Response ("Response") to the SIGTARP's request for information letter dated February 6, 2009.

The undersigned duly authorized senior executive officer of the Company hereby certifies to the SIGTARP, on behalf of the Company, and

- (A) All statements, representations, and warranties contained in the Response are true and complete to the best of my knowledge. The Company acknowledges that such statements, representations, and warranties will be materially relied upon by the SIGTARP to be true and accurate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the date first written above.

COMPANY:

MISSION COMMUNITY BANCORP

By: 

Name: Anita M. Robinson

Title: President and Chief Executive Officer

31107020
Printed by: LISA RAMSER

MISSION COMMUNITY BANK
Reporting Institution: 25

Liability: 31107020 - SURPLUS - TARP

	Description	Summary Account
Branch:	BRANCH 20 - ADMINISTRATION	31107025
CONSOLIDATED:	CONSOLIDATED	31107099

Liability Summary

Current Balance:	\$5,116,000.00	Previous Balance:	\$5,116,000.00
Fiscal Year Budget:	\$0.00	Credits:	\$0.00
Fiscal Year Budget Variance:	\$5,116,000.00	Debits:	\$0.00
		Current Balance:	\$5,116,000.00
Mar 2009 Average:	\$5,116,000.00	Fiscal Year Average:	\$4,476,500.00
Mar 2009 Budget:	\$0.00	Last Month End Balance	\$5,116,000.00
Mar 2009 Budget Variance	\$5,116,000.00	Application Balance	\$0.00
		Adjustment:	

Target Budget Amount

	Budget	Actual	Variance
January:	\$0.00	\$5,116,000.00	\$5,116,000.00
February:	\$0.00	\$5,116,000.00	\$5,116,000.00
March:	\$0.00	\$5,116,000.00	\$5,116,000.00
April:	\$0.00	\$0.00	\$0.00
May:	\$0.00	\$0.00	\$0.00
June:	\$0.00	\$0.00	\$0.00
July:	\$0.00	\$0.00	\$0.00
August:	\$0.00	\$0.00	\$0.00
September:	\$0.00	\$0.00	\$0.00
October:	\$0.00	\$0.00	\$0.00
November:	\$0.00	\$0.00	\$0.00
December:	\$0.00	\$0.00	\$0.00
Average	\$0.00	\$5,116,000.00	\$5,116,000.00

Projected Target Budget

	Projected
January:	\$0.00
February:	\$0.00
March:	\$0.00
April:	\$0.00
May:	\$0.00
June:	\$0.00
July:	\$0.00
August:	\$0.00
September:	\$0.00
October:	\$0.00
November:	\$0.00
December:	\$0.00
Average	\$0.00

2009 Historical Information

Debits Posted	Credits Posted	Average Balance	Month End Balance
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**SBA APPLICATIONS
IN PROCESS**

Priority	*Complete	Amount	Type	Officer	Ref. By	Status %	Estimated Closing
3	10/3/2008	\$17,000	SBA 7A	b(4), b(6)			March-09
3	10/30/2008	\$11,550	SBA 7A				
1	10/30/2008	\$350,000	SBA 7A				
1	10/9/2008	\$50,000	SBA 7A				
1	1/29/2009	\$250,000	SBA 7A				
1		\$100,000	SBA 7A				
1		\$75,000	SBA7A				
1	2/4/2009	\$150,000	SBA7A				
2	1/15/2009	\$242,000	SBA7A				
1	2/5/2009	\$500,000	SBA GP				
1	2/3/2009	\$442,000	SBA 7a				
2	2/13/2009	\$200,000	SBA 7a				3/30/2009
1	2/9/2009	\$100,000	LOC				
1	2/13/2009	\$210,000	SBA 7a				
1	2/27/2009	\$50,000	SBA 7a				
1		\$800,000	SBA 7a				
1		\$325,000	SBA 7a				
1		\$600,000	SBA 7a				
1		\$100,000	SBA 7a				
		\$4,572,550		Count	0		

Priority Codes= 1 Prequalification Pending; 2 Processing/ Underwriting Pending (Prequal complete); 3 Closing/Funding
 **This date represents the last (drop dead) date to either approve or decline the credit request.
 ***This date represents the date the adverse action letter was sent.
 * This date represents the date the loan officer receives a complete application

**MISSION COMMUNITY BANK
2008 CDFI TOTALS**

LOANS	# Loans in Assessment Area (not low income or Hispanic)	Loans to Low Income (not Hispanic)	Loans to Hispanics	Total Qualifying Loans	Total Loans *	Percentage
Total	141	59	18	218	337	64.69%
LOANS	Dollar Amount of Loans in Assessment Area (not low income or Hispanic)	Dollar Amount of Loans to Low Income (not Hispanic)	Dollar amount of loans to Hispanics	Total Qualifying Dollar Amount of Loans	Total Dollar Amount of All Loans *	Percentage
Total	\$45,185,640	\$5,838,500	\$1,027,886	\$52,052,025	\$85,621,087	60.79%

Affordable Housing	# Units
Total	6
Affordable Housing	Dollar Amount of Loans in Assessment Area
Total	\$753,350

Women owned / controlled Business	Total Loans
Total	18
Women owned / controlled Business	Dollar Amount
Total	\$3,077,051

Jobs Created 158
Jobs Retained 774

Number of Small Business Loans 159
Dollar amount of Small Business Loans \$36,924,361

*Loans include all new originations, increases, annual renewals, credit cards, leases and overdraft DDL
I hereby certify that this information is true and correct to the best of my knowledge.

(b) (6)
AVP CRA / Loan Compliance Officer

RECEIVED
2/9/09

OFFICE OF THE SPECIAL INSPECTOR GENERAL
TROUBLED ASSET RELIEF PROGRAM
1500 Pennsylvania Ave., N.W., Suite 1064
Washington, D.C. 20220

February 6, 2009

Ms. Anita M. Robinson
Mission Community Bancorp/Mission Community Bank
581 Higuera Street
San Luis Obispo, CA 93401

Dear Ms. Anita M. Robinson,

The Emergency Economic Stabilization Act of 2008 ("EESA") that established the Troubled Asset Relief Program (TARP) also created the Office of the Special Inspector General for Troubled Asset Relief Program (SIGTARP). SIGTARP is responsible for coordinating and conducting audits and investigations of any program established by the Secretary of the Treasury under the act. As part of an audit into TARP recipients' use of funds and their compliance with EESA's executive compensation requirements,

I am requesting that you provide my office, within 30 days of this request, the following information:

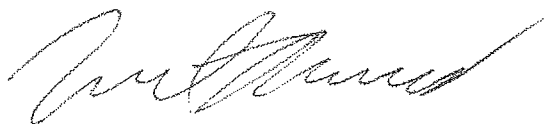
- (1) A narrative response specifically outlining (a) your anticipated use of TARP funds; (b) whether the TARP funds were segregated from other institutional funds; (c) your actual use of TARP funds to date; and (d) your expected use of unspent TARP funds. In your response, please take into consideration your anticipated use of TARP funds at the time that you applied for such funds, or any actions that have taken that you would not have been able to take absent the infusion of TARP funds.
- (2) Your specific plans, and the status of implementation of those plans, for addressing executive compensation requirements associated with the funding. Information provided regarding executive compensation should also include any assessments made of loan risks and their relationship to executive compensation; how limitations on executive compensation will be implemented in line with Department of Treasury guidelines; and whether any such limitations may be offset by other changes to other, longer-term or deferred forms of executive compensation.

In connection with this request:

- (1) We anticipate that responses might well be quantitative as well as qualitative in nature regarding the impact of having the funds, and we encourage you to make reference to such sources as statements to the media, shareholders, or others concerning your intended or actual use of TARP funds, as well as any internal email, budgets, or memoranda describing your anticipated use of funds. We ask that you segregate and preserve all documents referencing your use or anticipated use of TARP funds such as any internal email, budgets, or memoranda regarding your anticipated or actual use of TARP funds.
- (2) Your response should include copies of pertinent supporting documentation (financial or otherwise) to support your response.
- (3) Further, I request that, your response be signed by a duly authorized senior executive officer of your company, including a statement certifying the accuracy of all statements, representations, and supporting information provided, subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.
- (4) Responses should be provided electronically within 30 days to SIGTARP at SIGTARP.response@do.treas.gov, with an original signed certification and any other supporting documentation mailed to: **Special Inspector General – TARP; 1500 Pennsylvania Avenue, NW; Suite 1064; Washington, D.C. 20220.**

We think this initiative is vital to providing transparency the TARP program and the ability of SIGTARP and others to assess the effectiveness of TARP programs over time. If you have any questions regarding this initiative, please feel free to contact Mr. Barry W. Holman, my Deputy Inspector General for Audit at **(202) 927-9936**.

Very truly yours,



Neil M. Barofsky
Special Inspector General

OMB Control No. 1505-0212
(Expires August 2009)