



## News Release

CARFINCO INCOME FUND (TSX: CFN.UN)

For Immediate Release - September 9, 2005

### Carfinco Income Fund Declares September 2005 Cash Distribution to Unitholders

EDMONTON, ALBERTA /CNW/ - Carfinco Income Fund ("Carfinco" or the "Fund") announces that a cash distribution of \$0.022 per trust unit has been declared for September 2005, with a payable date of September 30, 2005, to unitholders of record on September 20, 2005. The ex-distribution date is September 16, 2005. This brings the total year-to-date distribution per unit to \$0.169.

On September 1, 2005, Carfinco entered into a 3-year interest rate swap agreement with a notional amount of \$20,000,000. The interest rate swap is utilized to limit interest rate risk and this instrument locks the prime rate at approximately 5.0%. The senior debt facility carries an interest rate of prime (currently at 4.5%) plus 1.0% or bankers acceptance rate plus 2.5%. The swap agreement has effectively locked in \$20,000,000 of the Fund's senior debt facility at an all-in rate of 6.00% for a three-year period.

"The interest rate swap agreement is intended to cap the interest rate exposure on \$20,000,000 minimizing the Fund's exposure to possible increasing interest rates over the next three years", said Tracy Graf, CEO of the Fund. "The Board of Trustees will continually monitor the rates and if it is in the best interest of the Fund, will terminate the interest swap agreement."

A growth-oriented income trust, Carfinco focuses on providing consumer car loans to borrowers unable to obtain financing through traditional lending sources. A network of select independent and franchise dealerships offer Carfinco's payment plan to their customers who must, along with the vehicle, meet Carfinco's stringent credit criteria.

The units of the Fund trade on the Toronto Stock Exchange under the symbol "CFN.UN".

Caution Regarding Forward-Looking Statements - This news release contains certain forward-looking statements, including statements regarding the business and anticipated financial performance of the Fund. These statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Fund does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf.

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