

04/26/05

Mary Rupp

Secretary of the Board

National Credit Union Administration 1

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Dear Mary,

This letter is in response to the Construction and Development proposed rule change for regulation 723. Being a Credit Union employee, this rule change will have a severe negative impact on our Credit Union.

The day I began working at the credit union, our philosophy was always people helping people. With the proposed ruling, we will no longer be able to help the small business within our community. They are forced to find other financial solutions to fund their needs. Every day we strive to meet the needs of our members and gain a financial relationship that will benefit both sides. Our vision statement is: "To serve members and community". How are we going to accomplish this with the strict regulation you are proposing?

Growing up within a small community, I have been fortunate enough to find employment with good benefits in the same community. If the ruling 723 is implemented, our Credit Union will see significant layoffs of employees. We live in a rural area, where farms and small businesses are a primary means of income. If we are unable to finance their needs for construction and future development of their farms and business, we will not succeed as an organization or as a community.

Our lending staff is very dedicated to continue their education to make sure we are meeting **all** of the rules and regulations imposed on the Credit Unions. They stay abreast of the issues facing our business members, and agricultural communities. In fact, some of our lenders spent several days working with NCUA regulators and training them on business lending. If you are going to implement a ruling, I believe any Credit Union that has proven they can effectively grant and monitor business lending while maintaining low charge off ratios and excellent capital ratios, should be exempt from the ruling.

We are losing Credit Unions at a record pace of 1 per day, due to mergers and acquisitions. The impact of this ruling could increase that significantly. Without Credit Unions, will there be a need for National Credit Union need to work together to provide other financial solutions for people other than a bank.