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May 3, 2005

MAY 10 '05 PM 2:21

Dear Ms Rupp and National Credit Union Administration,

I am writing this letter in regards to the proposed amendments to the definition of construction or development loans.

As a community credit union we serve the little guy, sole proprietors, in addition to larger, corporate borrowers. There are many ways in which our members access this credit to include credit cards, home equity loans, lines of credit even cash out refinances to be used for their business to make improvements. Under the new definition, the entire balance of any of these types of credit would be identified as a construction and development loan even if only a small portion were used for an improvement.

The current cap on construction and development loans of 15% restricts us from meeting our member's needs. Any change to expand the definition will result in further limitations in our ability to meet our member's needs. Further restrictions on our ability to serve member needs could result in additional conversions from credit union to bank charters.

I strongly oppose the proposed amendments and hope that you take my letter and concerns into consideration.

Thank You,

Jessica Olson
Member Service Representative
Central Mn Federal Credit Union