

May 5, 2005

Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street, Alexandria, VA 22314-3428

Re: Comment Letter on 12 CFR Part 723 (Member Business Lending)

Dear Mary,

Members Business Services, LLC, a multiple credit union owned business lending CUSO, supports the proposed revisions to the Member Business Lending Rules.

We agree that loans for the "construction and development" of income property should not be limited to purchase transactions.

- Many municipalities, including state, county, and city governments, have developed small business guaranteed loan programs. These programs allow small businesses to obtain loans that would normally be declined by the local banks. Their guarantee, much like guarantees provided by the Small Business Administration, helps lending institutions mitigate credit risk. These local programs often are more flexible and inclusive than SBA programs, and are often targeted specifically to an underserved or needy segment of the local business population.

Therefore, in our opinion, all government guarantee programs ought to be included in the MBL rule.

Additionally, the guaranteed portion of any government guaranteed loan should be excluded from the PCA calculation just as it is excluded from the MBL cap calculation.

Sincerely,



Steve von Rajcs
President/CEO

