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MAY 11 '05 PM 2:18 BOARD

May 7, 2005

Mary Rupp, NCUA Secretary of the Board
1775 Duke Street
Alexandria VA 22314-3428

Dear Mary:

I am writing in opposition of the proposed amendments to the definition of construction and development loans to include loans for renovating or developing property already owned by a borrower, for income producing purposes.

Construction and Development loans are a service we need to be able to offer to our members. We are committed to helping the businesses in our community grow. Under the new definition we will not be able to help members improve or even maintain their existing buildings. Without the ability to do these types of loans our borrowers will have to look elsewhere to meet their needs, this puts us on an unfair playing field with our competitors, namely banks. A broader definition would allow us to better serve members and meet their needs.

We have been in the agriculture and business lending for many years and managed our risk very well. With any type of lending there is always some risk out there. We have done a good job of managing our risks and minimizing losses. Our charge off ratio for member business loans is very low compared to our consumer loans.

I would encourage you to review our CAMEL rating over the past years. We consistently receive a #1 rating. Our credit union is very organized and complex compared to most credit unions. We need to be allowed to do construction and development loans to serve our members as best as we possibly can and to remain successful.

Sincerely,



Kevin Uphoff
Central Minnesota Federal Credit Union
Retail Lender