

Central Minnesota Federal Credit Union

With you wherever you go.

April 28, 2005

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

Dear Ms. Rupp:

I am writing in response to the proposed changes to the definition of Construction and Development lending pertaining to part 723. I am concerned regarding the proposed change in the definition of the construction or development loans to include property already owned by a borrower.

This would have a negative impact on our credit union and the members that we serve. I work with very experienced lenders and serve on various loan committees taking minutes. I have gained extensive knowledge serving on these committees and see "firsthand" all the decisions and discussions that take place to help the credit union but most of all, help our members' needs. There are very serious discussions about ratios, risk, collateral and every aspect of the loan portfolios to make sure our systems are in place for the safety and soundness of the credit union.

I previously worked at a Bank and immediately saw the difference between a credit union and a bank. Credit unions work together and help one another out. I especially know that we are people before profit. We are well known in the community for our leadership and expertise in our agriculture and business loans. People come to us because of our service and knowledge of our lenders to help them out whenever there is a need. When a misfortune happens at a business, they look to us for help. By proposing this change, we may not be able to serve them because of these restrictions and they will go elsewhere. We serve several small communities and they rely on us as you can see by our strong growth.

On a personal note, my husband and I own a dairy operation and the credit union has helped us out greatly with our needs. Previously, we had our farm business at a bank and my husband has been very pleased with the service we receive at the credit union. Our Ag and Business lenders are more knowledgeable and willing to work with you. It would be detrimental if we could not have the credit union service our needs because of restrictions.



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