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MAY09'05 PM 1:56 BOARD

May 5, 2005

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

To: NCUA Board,

I am writing in regards to NCUA's proposed changes in the definition of Construction and Development lending as it pertains to regulation 723.

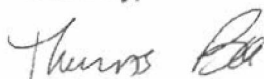
As a community credit union, Central Minnesota Federal Credit Union is located in an area with a high percentage of small businesses. If the proposed change becomes reality, it would have a negative impact on our current and potential members. To not be able to serve our members request because of the proposed change would be a disappointment and would have a negative impact on the credit union philosophy of "not for profit, not for charity, but for service."

Central Minnesota Federal Credit Union has been writing construction and development loans for 66 years. To be required to operate within such a broad definition of construction and development potentially encompasses a significant portion of our loan portfolio and becomes an extremely difficult task. Central Minnesota Federal Credit Union has a long and successful history of providing such services.

I oppose the proposed amendment to the definition of construction or development loans to include loans for renovating or developing property already owned by a borrower, for income producing purposes.

I would like to thank NCUA for your consideration in this matter.

Sincerely,



Tom Budde