

144

JUN10'05 PM 3:13 BOARD

Co-op Credit Union

1507 E. Washington Avenue • P.O. Box 472 • Montevideo, MN 56265-0472
1003 St. Olaf Avenue • P.O. Box 38 • Canby, MN 56220
1555 Minnesota Avenue • Benson, MN 56215

June 7, 2005

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

Ms. Rupp:

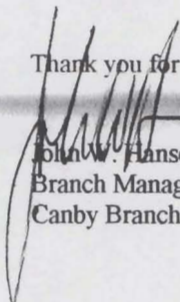
I am writing in regards to the National Credit Union Administration 12 CRF part 723 concerning Member Business Loans, specifically regarding the definition of construction and development.

I never felt that this was a problem as it seemed to address construction and speculative real estate lending which we do very little of at my branch unless it is a home construction loan which will be refinanced into a conventional loan once the construction is done. But after recent examinations in our area I feel that it has become more than that and instead of addressing the problem it seems that it is going to be expanded into the regulation.

Under recent interpretation it seems that any improvement to any agricultural or commercial property falls under this regulation. From the simplest improvement of painting and general maintenance to the building of a livestock facility that I would finance under normal circumstances and I don't feel this was the intent of the regulation.

It is the mission of the credit union to help small and medium size businesses and farmers that the banks consider to small to mess with but this regulation would certainly curtail that type of lending.

Thank you for your consideration in this matter,


John W. Hansen
Branch Manager
Canby Branch



Federally Insured by NCUA

Montevideo - Phone: 320-269-2117 • Fax: 320-269-2118
Canby - Phone: 507-223-5737 • Fax: 507-223-5138
Benson - Phone: 320-843-4210 • Fax: 320-843-4240
E-Mail - ccu@co-opcreditunion.com



We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.