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

MAY 05 AM 8:53 BOARD

This letter is being written to express my concerns about NCUA's proposed changes to the definition of the "Construction and Development" lending in regulation 723.

As a Member Service Representative for the Central Minnesota Federal Credit Union (CMFCU) I oppose how the definition of the construction and development lending portion of regulation 723 would effect our agricultural borrowers. Many of our members are farmers and there are very few ways farmers can improve efficiency and profitability. If the proposed change is adopted we would not be able to assist our core members to improve and upgrade grain and livestock facilities on property already owned by them.

In addition, Guaranteed Department of Agriculture Loan and Farms Service Agency loans should be excluded from the Definition of Construction and Development loans.

CMFCU has a member base that has been successfully serviced for more than 60 years, which we credit to knowing and servicing their lending needs with experienced personnel, knowing our charge off history, and securing these loans with real estate.

Finally, the proposed changed would require us to attempt to determine whether a borrower's intent was to improve or simply perform maintenance, which would require additional and unnecessary background information.

I am certain that your decision will allow us to continue serving our rural area in the spirit that our members have come to expect from the Central Minnesota Federal Credit Union.