

May 4, 2005

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

Dear Ms. Rupp:

I am writing to you because I oppose the proposed amendments to the definition of the construction and development lending requirements as stated in NCUA Rules and Regulations 742.

As a community credit union, we serve the little guy, sole proprietors, in addition to larger, corporate borrowers. There are many ways in which they access this credit to make improvements to their business including credit cards, home equity loans, lines of credit and ready reserve loans. Under the new definition, the entire balance of any of these types of credit would be identified as a construction and development loan even if only a small portion were used for an improvement.

If this proposal goes into effect, it will have a negative impact on Central Minnesota Federal Credit Union's ability to serve our current members and also our potential members. The proposed changes would hinder our member business lending and in turn CMFCU may be forced to discontinue service to our current and potential members. This is why I believe that the construction aspect of this proposal and of this regulation be discontinued.

Thank you for your attention in this matter.

Sincerely,

  
Kari Thompson