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MAY09'05 PM 1:54 BOARD

May 5, 2005

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

Dear Ms. Rupp:

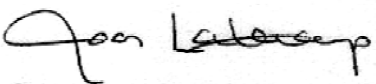
I am writing in regards to NCUA's proposed changes in the definition of Construction and Development lending. Central Minnesota Federal Credit Union has a large field of membership. This field consists of a wide range of members from individuals, to small business owners to corporate members. The proposed definition and rules for construction and development lending will hinder Central Minnesota Federal Credit Union's ability to serve our member's needs.

Our loan officers at the credit union have years of lending experience. Construction and improvement loans can be risky loans to write. We have a good underwriting system, which our loan officers use to approve loans. With our qualified lending staff and our policies and procedures in place, I feel there is minimal risk in doing these loans.

Our loan officer's expertise and ability to write good loans is proven by our low charge off rates, which are consistently less than our charge off ratio for consumer loans. Our credit union has received the CAMEL 1 rating, which again proves our strength in our lending ability.

Thank you for your time and consideration in this matter.

Sincerely,



Joan Loxtercamp
Loan Processor