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MAY09'05 PM 1:54 BOARD

May 4, 2005

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

RE: Member Business Lending Rule, Part 723

Dear Mary Rupp,

As a Business Loan Processor, I am writing this letter in regards to NCUA's proposed changes in the definition of Construction and Development lending as it pertains to regulation 723. When/If the proposal becomes ideal, it will have a negative impact on our ability to serve our current and potential members.

I know that there is an amount of risk when being associated with lending, but the risk can be minimized by, for example, monitoring them properly. I understand that NCUA has some concerns but for this matter, I don't think this should be a "one size fits all" regulation.

As the NCUA is very well aware, all Credit Unions are not the same, yet the proposed regulation seems to address the approach as a one size fits all. Things that may work for a Credit Union of \$5 million in assets and very few Member Business Loans will not work for a Credit Union that is \$300 million in assets and over \$100 million in Member Business Loans.

CMFCU has been making Member Business Loans for over 20 years. We also have many lenders with over 15 years experience in granting Business Loans. This Credit Union has been criticized by NCUA examiners for having an excessive amount of capital and continues to have more than its peers. I think the amount of capital and experience of the Credit Unions lenders should be taken into consideration when determining the level of Construction and Development loans a Credit Union is allowed to grant and service.

I am very pleased to be working with the Credit Union. I really like the fact that we put people before profit. This organization has helped me help people which is also a very good feeling, knowing that I can be here to help.

I would like to thank NCUA for your consideration in this matter. I do hope that NCUA will consider revising the proposed regulation to provide some flexibility for Credit Unions with many years experience in Business Lending .

Sincerely,

Karla Fleischhacker
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Freeport, MN 56331