



Via E-mail

May 6, 2005

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

RE: National Credit Union Administration Request for Comment Regarding Revisions to Member Business Loan rule.

Dear Ms. Rupp:

Digital Federal Credit Union appreciates the opportunity to comment on the National Credit Union Administration's proposed changes to the Member Business Loan rule. We support the proposal and believe it will enable us to better serve our business loan members

With regards to including construction or development loan rules to properties already owned, we wholly support this change. Properties that are already owned may have more equity in them than newly purchase properties. Thus the risk to the CU may be lower. In addition already owned properties have a better documented history, thus analysis of a loan request will be more accurate than for an acquired property.

With regard to extending MBL rule exceptions beyond only the SBA program, we wholly support this change. Some programs actually have larger guarantees than the SBA, such as the USDA guarantee of 90%, thus better protecting the CU. Other programs may have lower fees, thus helping the member and/or the CU. Our general comment is that Government guaranteed programs were created to help unbankable businesses obtain favorable credit by lowering the risk to the lender. CU's should be able to provide their business members with these programs that are being offered by other lenders.

Sincerely,

Stephen K. Mackowitz
Vice President
Digital Federal Credit Union