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MAY09'05 PM 1:56 BOARD

May 6, 2005

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

Dear Ms. Rupp,

I am writing you this letter to inform you of my opposition of the proposed amendments to Member Business Lending.

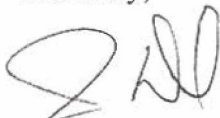
The proposed changes in the definition of construction or development loans to include loans or renovating property already owned by a borrower, for income purposes will have a tremendous adverse impact on members. It will limit our ability to meet the small business and farm members' needs. We are a community credit union in a rural area and rural communities have a high percentage of small business loans.

The current proposal will take our members existing loans and add them to the total of construction and development loan. This will take an existing members car loan, credit card, real estate loan and include it in the total. A small improvement such as a furnace in a farmer's home will bring all his chattel debt into the equation.

I have worked for a bank in our lending area and in my opinion our member business lending staff is more experienced than the local banks in our area. If you are looking to mitigate risk of business lending, please look at the each credit union individually and consider their staff experience and their history and ability to handle the charge offs. You must also take into consideration that there are business loans in loan portfolios that have SBA or FSA guarantees. The credit union I work for has a CAMEL 1 rating. The proposed changes I believe will force a number of credit unions to convert their charter to a bank.

The current proposal does not allow a credit union to mitigate its risk it flat out eliminates it and as a result our member, (the small business owners). The changes will economically hurt our community and members. I would like to thank you and NCUA for your consideration in this matter.

Sincerely,



Jerome Duevel