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MAY09'05 PM 1:54 BOARD

Joseph Prodinsky  
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Melrose MN 56352

May 5, 2005

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

I am writing in regards to NCUA's proposed changes to regulation 723 regarding Construction and Development lending definitions. As a lender at Central Minnesota Federal Credit Union, I am always concerned about any changes that would have a negative impact on our ability to serve members.

Central Minnesota Federal Credit Union has been serving the needs of our area Farmers and Business owners since our inception. Under the new definition we have to consider advances on credit cards, home equity lines, and other lines of credits as constructions and development loans if they are using any of that advance for an improvement. This may force us to turn away members that have done business with us for many years. How long will it take for these members to move their entire account if we are unable to help them with an advance?

We have an experienced lending staff with policies and procedures in place to serve all of our members. Central Minnesota Federal Credit Union is a complex credit union with the necessary staff and leadership in place to handle all types of loans. This is apparent in our charge-off ratios and CAMEL ratings that we have received.

I urge you to consider factors such as equity level in the property, length of time the property has been owned, and the credit union's experience with this type of lending when considering the proposed changes. Thank you for your attention to this matter. Please help us to continue to serve our members needs.

Sincerely,



Joseph Prodinsky