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MAY 09 '05 PM 1:54 BOARD

May 5, 2005

National Credit Union Administration
Attn: Mary Rupp, Secretary of the Board
1775 Duke St.
Alexandria, VA 22314-3428


Dear Ms. Rupp:

I am writing to you in response to the NCUA's proposal to limit business lending in the credit union environment. Our credit union (Central Minnesota Federal Credit Union) has been serving our members needs for many years and has responded to Member's ever changing needs during that time frame. In the past credit unions, in general, have predominately issued only consumer loans but as times have changed the member has wanted and needed more from us as their primary financial institution. Business lending is an integral part of our service to our members and our own business success. To limit those business opportunities is to limit our members access to quality financial options and inherently limits our ability to compete with local and regional banking institutions.

In my view there is no valid reason to limit the potential success of any credit union with proposed construction and development lending limits as it pertains to Reg. 723. It only weakens the ability to serve the credit union members, when needed. Isn't that why we are in this business in the first place, to meet member's needs? If we are not able to meet those needs the member will find what they need elsewhere, weakening our credit union member base by reducing proactive, quality, members from our institution. You already audit our financial institution to monitor our underwriting abilities and if those abilities prove inefficient we put policies and procedures in place to correct those issues. I truly do not see any advantage to the NCUA or credit union movement by limiting the amount of capital we use to ensure our members success in whatever viable business activity they choose.

Thank you for your time and consideration to this matter.

Sincerely,



Marty Host