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May 4, 2005

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

Dear Mary Rupp,

Good morning, my name is Catherine Burkhart and I am a Business Loan Processor for Central Minnesota Federal Credit Union in the Paynesville, MN branch, and I would like to discuss some concerns that I have with the proposed modifications to the Member Business Lending rule, part 723.

Working on a Construction and Development loan is a common task for me, and one that I do not want to be without. Central Minnesota Federal Credit Union serves members all over Central Minnesota. By restricting Central Minnesota Federal Credit Union's allocation of funds for Construction and Development loans, we would be turning down many good loans and members. Members come first and by placing this broad definition on what is considered a Construction and Development loan, members would end up at the bottom of the priority list. With two competing financial institutions in Paynesville, MN, we have become the primary financial institution for many in Paynesville and its surrounding areas. With this broad definition, we would be sending our loyal members to a bank, where no one knows their name when they walk in the door.

For example, since Central Minnesota Federal Credit Union is the number one Agricultural Lending Credit Union in the United States, we service a huge number of local farmers, many of them being smaller farms. This day in age, a small herd farmer struggles to survive. There are many larger herd dairies moving into the area and forcing the small farmer out of business if they are not able to upgrade and update their existing facilities. Many smaller farms are looking for ways to efficiently and effectively modify their operations, in order to compete with the larger herds in the area. Many of these farmers look for simple to complex ways to improve their operation, from building on to the existing barn, putting up a freestall barn, or just needing a little help with doing some minor repairs on the farm.

Yes, there have been record milk prices in the past year, however many farmers, were left with bills that had to go unpaid from years past when the milk price was less than desirable. How can farmers catch up if they have no one willing to help them out? Farmers count on coming into Central Minnesota Federal Credit Union and leaving with the monetary funds they need to make the much needed improvements to keep on surviving in a sector of American Society that is slowly becoming overran by large conglomerates. When do you draw the line between a small farmer that needs to upgrade his/her manure handling system to comply with government environmental policies to a land developer who is cutting down a forest to build a multi-million dollar housing development?

Central Minnesota Federal Credit Union was established to serve the people of Central Minnesota. If we have to start turning away farmers and other business owners for simple improvement loans, we are not serving them; instead we have just began to help in serving our competitors, BANKS. We need to keep our members in our branches, within the Credit Union, members install trust in our ability to provide services that will help the member, if we take away those services, trust will soon be close to follow. Our members would go else where, to our competitors, the banks, and without our members there would be no Central Minnesota Federal Credit Union. And without Central Minnesota Federal Credit Union, I would be unemployed along with many others.

Thank you for your time and consideration. It is inevitable that change is going to happen, please let change be a positive thing to happen to Central Minnesota Federal Credit Union. We need to keep providing the services that Central Minnesota Federal Credit Union is known for. We need to provide for our members.

Sincerely,



Catherine M. Burkhart  
Business Loan Processor and Member  
Central Minnesota Federal Credit Union