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MAY13'05 AM 8:53 BOARD

May 3, 2005

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

Dear Ms. Rupp,

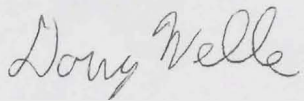
As an employee of the Central Minnesota Federal Credit Union, I am writing in response to the NCUA's proposed changes in the definition of Construction and Development lending as it pertains to regulation 723.

I oppose the proposed amendments to the definition of construction or development loans to include loans for renovating or developing property already owned by a borrower, for income producing purposes. As a community credit union we serve the little guy, sole proprietors, in addition to larger, corporate borrowers. There are many ways in which they access this credit including (credit cards, home equity loans, cash out refinances, lines of credit, even ready reserve loans) to be used for their business to make improvements. Under the new definition, the entire balance of any of these types of credit would be identified as a construction and development loan even if only a small portion were used for an improvement. An example would be if we increased a business line to replace a roof. With the new definition the entire line would be considered a construction loan.

We are a community credit union in a rural area and have a high percentage of small businesses. We have offered construction and development loans since our inception in 1938. As a percentage of our total loan portfolio, agricultural and commercial loans make up 60% of our portfolio. Any change to expand the definition will result in limitations in our ability to meet our member's needs.

I would like to thank NCUA for your consideration in this matter.

Sincerely,



Doug Welle
Retail Loan Officer