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May 4, 2005

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

To: NCUA Board

I am writing in regards to NCUA's proposed changes in the definition of Construction and Development Lending as it pertains in Regulation 723.

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.

Central Minnesota Federal Credit Union is a community credit union located in a rural area where there are a high percentage of small businesses. We also have been writing construction and development loans since we opened in 1938.

I oppose the proposed amendment 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.

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

Sincerely,

Jenny Mayers