

53

MAY09'05 PM 1:54 BOARD

May 5, 2005

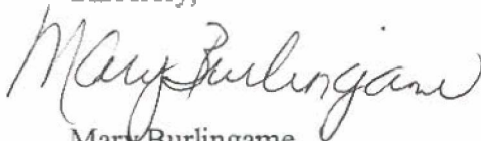
Mary Rupp
Secretary of the Board
National Credit Union Administration
177 Duke Street
Alexandria VA 22314-3428

As an employee of Central Minnesota Federal Credit Union, I am concerned about the strict NCUA regulations for construction and development lending. My credit union plays a very active role in the growth and development of the smaller communities in which we live and work. It's unfortunate that we could potentially be limiting our member's ability to improve or repair their properties.

Our loan portfolio consists of more than 60% of agricultural and commercial loans. Many of these loans could qualify as construction and development loans. Our offices are located in rural areas where farming and small businesses are predominant. We are proud of our commitment to servicing this group of members and we hope to maintain this reputation in our communities.

I work with a team of professionals who are very experienced in commercial and agricultural lending. These types of loans would not put any more risk on our credit union because of the policies that we already have in place to lessen our exposure. I am asking the NCUA to redefine their definition of construction and development loans to exclude previously owned properties. It would also greatly benefit our credit union to increase the net worth limitation to 45%.

Sincerely,



Mary Burlingame
Retail Loan Officer