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JUN28'05 PM12:35 BOARD

June 15, 2005

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Community One Federal Credit Union's Comments on Part 723 Member Business Loans

Dear Sirs:

In response to your request for comments on the proposed revisions to Part 723 of the Rules and Regulations, we support the revisions to net worth definition, capital requirements for corporate credit unions and the treatment of loans to renovate or develop property already owned for income-producing purposes as a construction and development loan.

With regard to expanding the scope of government guaranteed loan programs, we believe NCUA should allow participation in all federal government guaranteed loan programs. Our view is that safety and soundness concerns are substantially mitigated through the stringent underwriting requirements imposed when a federal government guarantee is provided. If deemed necessary, measures such as portfolio limitations or minimum net worth requirements could be considered to further address safety and soundness concerns.

These changes will afford credit unions greater opportunity in the business lending arena and will result in an increased ability to serve the needs of our members. Therefore, we look forward to implementation of the proposed amendments.

Sincerely,

J. Alan Pughes
President and Chief Executive Officer