

New York City Taxi and Limousine Commission

Notice of Promulgation of Rules

Notice is hereby given in accordance with section 1043(b) of the New York City Charter (“Charter”) that the Taxi and Limousine Commission (“TLC”) promulgates amendments to its rules establishing eligibility criteria for applying for a grant under the Medallion Relief Program.

This rule is promulgated pursuant to sections 1043 and 2303 of the Charter and section 19-503 of the Administrative Code of the City of New York. This rule was published in the City Record on August 25, 2021 for public comment. On September 27, 2021, a public hearing was held virtually by the TLC and the rule was adopted by the Commission on _____.

Statement of Basis and Purpose of Rule

On March 9, 2021, the Mayor and Taxi and Limousine Commission (TLC) Chair announced a commitment of \$65 million to fund a Medallion Relief Program (MRP) to assist financially troubled medallion owners restructure their outstanding medallion debt. The goal of the MRP is to support the recovery of the yellow taxicab industry in New York City, which has seen a gradual decline in trips numbers and an increase in the number of medallions being placed into storage, which removes the medallion from the vehicle and temporarily returns it to the TLC until the taxi returns to service, over the past several years, problems which were exacerbated during the COVID-19 crisis. Despite the decline in earnings, medallions owners continued to carry loans on their medallions, many of which were financed during times of higher taxi demand and revenue.

This decline in taxi demand made many medallion loans unsustainable for medallion owners. Under the MRP, eligible medallion owners may apply for grants of up to \$20,000 to be provided to their lenders as a down payment in restructuring their medallion-related loans. Additionally, medallion owners who demonstrate additional and specific hardship after restructuring their loans may be eligible for additional grants of up to \$9,000 to help support initial loan payments. Relief payments will be distributed by a Community Development Financial Institution selected by the TLC and are intended to help individual medallion owners afford their medallion debt, so more owners can continue operating yellow taxis and more yellow taxis are available to serve the public.

The TLC’s Owner-Driver Resource Center has worked with over 700 medallion owners and a dozen different lenders on renegotiating loans. Lenders have participated in the process and have offered restructuring and forgiveness terms that would meet the required parameters of these rules.

These rules establish the eligibility criteria for applying for a grant through the MRP.

TLC’s authority for these rules is found in section 2303 of the New York City Charter and section 19-503 of the New York City Administrative Code.

New material is underlined.

[Deleted material is in brackets.]

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Title 35 of the Rules of the City of New York is amended by adding a new section 58-51, to read as follows:

§58-51 Medallion Relief Program

(a) Definitions Specific to this Section

- (1) Applicant means a medallion owner that is applying for a Grant or Supplemental Grant.
- (2) Application means a written request in a form satisfactory to the TLC, supplemented by all requested supporting documents, made by an Applicant to the TLC to determine the eligibility of an Applicant for a Grant.
- (3) Grant means one or more disbursements from the Medallion Relief Program for purposes of restructuring a medallion loan.
- (4) Loan Restructure means the new terms agreed to by the Applicant with their lender for the medallion loan.
- (5) Program Administrator means the entity selected by the TLC to receive Applications and distribute Grants and Supplemental Grants.
- (6) Supplemental Grant means one or more disbursements from the Medallion Relief Program for purposes of supporting payments on loans restructured under the Medallion Relief Program.

(b) Grant Eligibility Criteria. To be eligible for a Grant, an Applicant must satisfy the following criteria:

- (1) Applicant must be a Medallion Owner;
- (2) Applicant must possess an interest in no more than five (5) medallions;
- (3) Applicant may not apply for more than one Grant per medallion in which the applicant has an interest;
- (4) Only one Applicant may apply for a Grant for any particular medallion;
- (5) Applicant must have acquired the interest in the medallion for which the Applicant seeks a Grant no later than March 9, 2021.
- (6) Applicant’s Application must contain a Loan Restructure that meets the following minimum standards:
 - (i) Reduce principal owed by at least 40% and a monthly payment under \$2,000, or
 - (ii) Reduce principal owed by at least 30% and a monthly payment under \$1,750, or

(iii) Reduce principal owed by at least 20% and a monthly payment under \$1,500.

(iv) A Loan Restructure may be submitted with an Application if it does not meet the above minimum standards if:

A. The loan principal is reduced by at least 10%, and

B. The Loan Restructure contains other features, as determined by the Program Administrator, that are favorable to the Applicant, including extended payment terms, waiver of penalties and/or fees, absence of a confession of judgement, and other features the Program Administrator deems appropriate.

(c) Supplemental Grant Eligibility Criteria. To be eligible for a Supplemental Grant, an Applicant must satisfy the following criteria:

(1) Applicant must have received a Grant for a Loan Restructure

(2) Applicant must demonstrate a discrete and resolvable economic or other personal hardship that the Program Administrator determines would temporarily and substantially hinder the Applicant from making the totality of the initial payments on the Applicant's Loan Restructure. Examples of such hardships include but are not limited to:

(i) Applicant does not have a Vehicle attached to the Medallion

(ii) Applicant is temporarily unable to drive the Applicant's Taxi

(d) Selection Criteria. Grant and Supplemental Grant funds will be awarded in order of completed applications received until such time as the funds are exhausted or TLC's agreement with the Program Administrator terminates.