NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Promulgation

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 relating the issuance of grants 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 December 9, 2022 for public comment. On January 11, 2023 a public hearing was held virtually by the TLC and the rule was adopted by the Commission on_____.

Statement of Basis and Purpose

On March 17, 2022 the Commission adopted rules establishing the eligibility criteria for applying for a supplemental loan deficiency guaranty through the Medallion Relief Program ("MRP"). The goal of the MRP is to support the recovery of the yellow taxicab industry in New York City by helping medallion owners restructure their outstanding debt to more sustainable levels on more favorable terms.

These proposed rules increase the number of loans eligible for a supplemental loan deficiency guaranty by extending participation in the program from those who have an interest in five or fewer medallions to those who have an interest in six or fewer medallions. TLC wants to offer the program to as many small business owners as possible so that they can lower their debt during difficult financial times.

Based on agency comment, an additional change was made that increase the number of loans eligible for participation in the supplemental loan deficiency guaranty program. Previously, the loan restructure had to be for 25 years. The amendment will allow loan restructures of less than 25 years, so long as the restructure is for at least 10 years and the level monthly loan payments do no exceed $1,235.00.

The Commission's authority to promulgate this rule is found in sections 2303 and 2304 of the New York City Charter and section 19-503 of the New York City Administrative Code. The rules that the Commission is seeking to amend are contained within Chapters 58 and 82 of Title 35 of the Rules of the City of New York.

New material is underlined.
[Deleted material is in brackets.]

Section 1. Paragraph (2) of subdivision (b) of section 58-51 of Title 35 of the Rules of the City of New York is amended to read as follows:

(2)   Applicant must possess an interest in no more than [five (5)] <u>six (6)</u> medallions;

Section 2. Paragraph (2) of subdivision (e) of section 58-51 of Title 35 of the Rules of the City of New York is amended to read as follows:

(2)   Applicant's Application must contain a Loan Restructure that meets the following minimum standards:
   (i)   Remaining principal balance of $170,000 or less,
   (ii)   A fixed interest rate of 7.3% or less,
   (iii)   Fully amortized over <u>no less than 10 years and no more than </u>25 years, [and]
   (iv)   Does not contain personal guaranties or guaranties other than the Supplemental Loan Deficiency Guaranty<u>, and</u>
   (v)   <u>Level monthly loan payments do not exceed $1,235.00</u>.

<u>Statement of Substantial Need for Earlier Implementation</u>

I hereby find, pursuant to Section 1043(f)(1)(c) of the New York City Charter, that there is a substantial need for the implementation of the rules establishing eligibility criteria for a supplemental loan deficiency guaranty immediately upon publication of the promulgated rule in the City Record.

The combined effects of the Covid epidemic and inflation have put many taxicab medallion owners in a critical financial situation. They need to restructure their debt, with the assistance of the Medallion Relief Program, as soon as possible. Immediate implementation of these rules is necessary to dispense funds to eligible applicants to ensure the yellow taxi industry, and individual medallion owners, recovers as quickly as possible.

_____
David Do, Commissioner/Chair
NYC Taxi and Limousine Commission

Approved: _____
    Eric Adams, Mayor

Date: _____