

# 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 establishing eligibility criteria for applying for a Supplement Loan Deficiency Guaranty 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 January 5, 2022, for public comment. On February 8, 2022, a public hearing was held virtually by the TLC and the rule was adopted by the Commission on March 17, 2022.

## Statement of Basis and Purpose of Rule

On November 3, 2021, the Mayor announced a supplement to the recently enacted Medallion Relief Program (MRP). This supplemental program would offer a deficiency guaranty, subject to appropriations by the City and provided by a third party, on renegotiated loans, regardless of original loan balance, that meet additional, specified requirements, in addition to a grant of \$30,000 through the MRP. The goal of adding a deficiency guaranty to MRP renegotiated loans is to incentivize more lenders to participate in the MRP and to offer terms that are as favorable as possible to all eligible medallion owners in their portfolios. This loan deficiency guaranty supplement to the MRP will support the goals of the original MRP in promoting the recovery of the yellow taxicab industry in New York City.

These rules establish the eligibility criteria for applying for a supplemental loan deficiency guaranty 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. Subdivision (a) of section 58-51 of the title 35 of the Rules of the City of New York is amended to read as follows:

(a) *Definitions Specific to this Section*

- (1) *Applicant* means a medallion owner that is applying for a Grant, [or] Supplemental Grant, or Supplemental Loan Deficiency Guaranty.

- (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, Supplemental Grant, or Supplemental Loan Deficiency Guaranty.
- (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, and provide Supplemental Loan Deficiency Guaranties.
- (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.
- (7) *Supplemental Loan Deficiency Guaranty* means a guaranty on the principal balance of Loan Restructure that meets the criteria established in subdivision (e) of this section provided by the Program Administrator to the Applicant's lender.

Section 2. Section 58-51 of title 35 of the Rules of the City of New York is amended by adding a new subdivision (e), to read as follows:

- (e) *Supplemental Loan Deficiency Guaranty Eligibility Criteria: To be eligible for Supplemental Loan Deficiency Guaranty, an Applicant must satisfy the following criteria:*
- (1) Applicant must be the recipient of or be eligible to receive a Grant provided in accordance with subdivision (b) of this section, meeting the criteria established in paragraphs (1) through (5) of that subdivision; and
  - (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 5% or less,
    - (iii) Fully amortized over 20 years, and
    - (iv) Does not contain balloon payments, personal guaranties, or guaranties other than the Supplemental Loan Deficiency Guaranty.