



July 25, 2019

Stephen T. Levin  
Co-Chair  
Taxi Medallion Sale Prices Task Force  
250 Broadway, Suite 1820  
New York, NY 10007

Ydanis Rodriguez  
Co-Chair  
Taxi Medallion Sale Prices Task Force  
250 Broadway, Suite 1763  
New York, NY 10007

Dear Councilmember Levin and Councilmember Rodriguez,

We write to express our deep concern for taxi medallion holders in New York City. As you are aware, *The New York Times* published a two-part investigation last month on medallions and the questionable lending practices in the medallion loan industry.<sup>1</sup> The investigation detailed the rise and fall of medallion prices and the crushing financial situations that immigrants who have purchased these alleged keys to the middle class now face. We applaud the City Council's effort in combatting this crisis and support the creation of the Taxi Medallion Sale Prices Task Force. While it is crucial to hold lenders accountable, we agree that we must additionally ensure that victims of these predatory loans receive needed assistance to regain their livelihoods.

In their investigation, the *Times* interviewed Muhammad Ashraf, a Bangladeshi driver who ended up spending 40% of his monthly income on loans that he had taken out to purchase a medallion. After operating expenses, his income comes out to less than 15% of his total monthly revenue.<sup>2</sup> He has debated declaring bankruptcy but does not want to ruin his credit and his income. Mr. Ashraf is not alone in this. The *Times* combed through records and saw that more than 950 medallion holders have filed for bankruptcy, with many more struggling to stay afloat.<sup>3</sup> Unfortunately, some medallion owners have resorted to taking their own lives rather than continually face the crippling financial consequences of these loans for the remainder of their lives.<sup>4</sup>

As many drivers signed onto these often-crippling loans, the *Times* learned that the city made more than \$855 million from selling medallions directly and by collecting taxes on their private sale.<sup>5</sup> During this time, despite numerous staffer complaints, the city continued to advertise medallions as strong investments.<sup>6</sup> Additionally, leaders of the unscrupulous lenders found themselves making

---

<sup>1</sup> Rosenthal, B. M. (2019, May 19). "They Were Conned": How Reckless Loans Devastated a Generation of Taxi Drivers. Retrieved from <https://www.nytimes.com/2019/05/19/nyregion/nyc-taxi-medallions-suicides.html>

<sup>2</sup> *ibid*

<sup>3</sup> Rosenthal, B. M. (2019, May 19). As Thousands of Taxi Drivers Were Trapped in Loans, Top Officials Counted the Money. Retrieved from <https://www.nytimes.com/2019/05/19/nyregion/taxi-medallions.html>

<sup>4</sup> Fitzsimmons, E.M. (2018, December 02). Why Are Taxi Drivers in New York Killing Themselves?. Retrieved from <https://www.nytimes.com/2018/12/02/nyregion/taxi-drivers-suicide-nyc.html>

<sup>5</sup> Rosenthal, B. M. (2019, May 19). As Thousands of Taxi Drivers Were Trapped in Loans, Top Officials Counted the Money. Retrieved from <https://www.nytimes.com/2019/05/19/nyregion/taxi-medallions.html>


<sup>6</sup> *ibid*

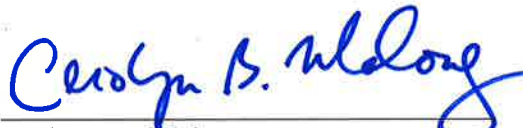
millions of dollars during this time, with the head of Progressive Credit Union's salary surging to \$30 million per year.<sup>7</sup>

We welcome the City Council's announcement establishing the Taxi Medallion Sale Prices Task Force to make recommendations that will help drivers who are suffering and to examine the causes of this crisis. **As the Task Force conducts its work, we strongly encourage you to explore ways to provide much needed monetary assistance to relieve the thousands of medallion holders stuck in high interest loans with tremendous balances.** Specifically, the Task Force should consider the creation of a relief fund for the taxi medallion holders who have been hit the hardest in this crisis. Not only should this program provide a mechanism for relief for drivers, but it should also ensure that taxpayers are not on the hook while unscrupulous actors are allowed to profit.

The problems in this industry have been building for years, and the consequences have been heartbreaking for many drivers and their families.<sup>8</sup> In addition to ensuring that lending practices are improved so that this crisis does not worsen, we need to take action now for the thousands of drivers who are facing financial ruin today. Medallion holders should be able to make a sustainable living for themselves without paying the majority of their income to lenders. We look forward to seeing the work the Task Force is doing to make a meaningful impact for these entrepreneurs and hope to see what can be done at the Federal level to help medallion owners in New York City.

Sincerely,


  
Nydia M. Velázquez  
Member of Congress

  
Carolyn B. Maloney  
Member of Congress

  
Gregory W. Meeks  
Member of Congress

  
Grace Meng  
Member of Congress

  
Adriano Espaillat  
Member of Congress

  
José E. Serrano  
Member of Congress

<sup>7</sup> Rosenthal, B. M. (2019, May 19). 'They Were Conned': How Reckless Loans Devastated a Generation of Taxi Drivers. Retrieved from <https://www.nytimes.com/2019/05/19/nyregion/nyc-taxis-medallions-suicides.html>

<sup>8</sup> Fitzsimmons, E.M. (2018, December 02). Why Are Taxi Drivers in New York Killing Themselves?. Retrieved from <https://www.nytimes.com/2018/12/02/nyregion/taxi-drivers-suicide-nyc.html>



---

Yvette D. Clarke  
Member of Congress



---

Tom Suozzi  
Member of Congress



---

Alexandria Ocasio-Cortez  
Member of Congress



---

Hakeem Jeffries  
Member of Congress

Cc:  
Council Speaker Corey Johnson  
Mayor Bill de Blasio