

Congress of the United States
Washington, DC 20515

January 31, 2020

The Honorable Rodney Hood
Chairman
National Credit Union Association
1775 Duke Street
Alexandria, VA 22314

Dear Chairman Hood:

We write to request that the National Credit Union Administration (NCUA) consider halting any search for a potential buyer of the taxi medallion loans the agency has acquired. There is no strong reason for the NCUA to rush to sell these loans, and there are myriad reasons for the agency to take a different path.

First and foremost, it would be devastating to taxi drivers if the NCUA engaged in a bulk sale of these loans. In New York City, several thousand drivers find themselves in dire financial straits because of their taxi medallion loan and over 900 have already filed for bankruptcy. Tragically, a number of medallion owners in deep financial debt have committed suicide and a large number are still battling despair. Many of these drivers are immigrants and people of color, who were told that a taxi medallion was the route to the American dream rather than a path to financial ruin.

Second, a wholesale dumping of the loans would backfire on the financial institutions and credit unions who made these loans. The NCUA has already received a letter from the Credit Union National Association, the Cross State Credit Union Association, the New York Credit Union Association, and the Illinois Credit Union League expressing its "strong opposition" to the NCUA's reported plan to sell its medallion loan portfolio. As the letter explains, a bulk sale of the loans would result in a lower sales price, would devalue loans still held on the books of individual credit unions, and likely would lead to extended litigation that would benefit neither financial institutions nor the drivers themselves. Crucially, such a sale would debase the reputations of credit unions and other financial institutions that engaged in taxi medallion lending. These institutions should be working directly with the indebted drivers to find a more feasible solution for all.

Finally, the timing of such a sale is particularly nonsensical. Some private lenders like Signature Bank have already done the right thing and provided significant debt relief to medallion holders. Congressman Gregory Meeks has drafted and introduced a bill that would take the critical step of ensuring this debt relief is not subject to tax at the federal level. Meanwhile, the City of New York is actively working on a bailout framework to further assist indebted medallion holders and is expected to release alternatives soon. The delegation believes the NCUA should wait until

New York City has developed this alternative, and then give serious consideration to working with the City on its proposal.

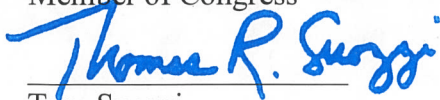
This issue is of crucial importance to each member of the New York delegation, and Representative Maloney has already expressed her strong opposition to the NCUA's reported plans. For members of the delegation, taxi drivers are family members, friends, and constituents, not to mention part and parcel of New York City's special history and culture.

The NCUA should seek to be more transparent about its plans with Congress and should carefully consider any attempts to unload its taxi medallion portfolio. We ask that the agency should respond to this letter promptly and explain why it seeks to embark on a plan that would prove so destructive to so many taxi drivers.

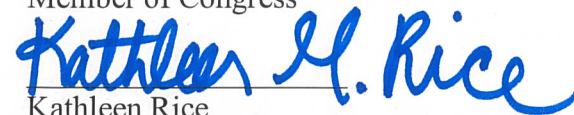
Sincerely,



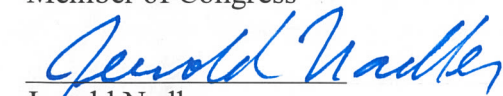
Gregory W. Meeks
Member of Congress



Tom Suozzi
Member of Congress




Kathleen Rice
Member of Congress



Jerrold Nadler
Member of Congress



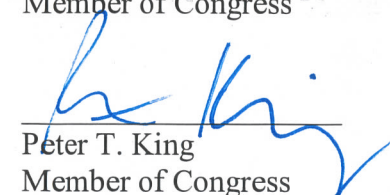
Max Rose
Member of Congress



Jose Serrano
Member of Congress



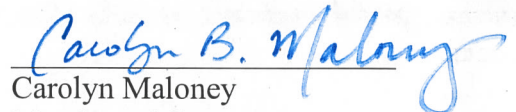
Grace Meng
Member of Congress



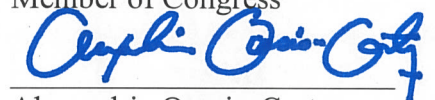
Peter T. King
Member of Congress



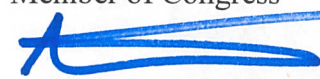
Nydia Velazquez
Member of Congress



Carolyn Maloney
Member of Congress



Alexandria Ocasio-Cortez
Member of Congress



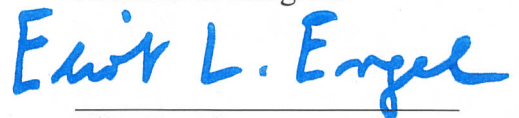
Adriano Espaillat
Member of Congress



Hakeem Jeffries
Member of Congress



Yvette Clarke
Member of Congress



Eliot Engel
Member of Congress