



# TAXICAB SERVICE ASSOCIATION, INC.

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**November 27, 2018 NEW YORK CITY COUNCIL HEARING: #1069-DEBT OWED BY MEDALLION OWNERS 250 Broadway, NY**

## **Testimony by David Pollack on behalf of the TSA (Taxicab Service Association).**

The value of the medallion has gone through a major correction during the past few years devaluing the businesses that immigrant Individual medallion owners purchased from the city. During this same period, several credit unions have been placed into conservatorship and were ultimately dissolved, being absorbed by other credit unions. Many Credit Unions were formed by a field of membership consisting of taxi drivers and their immediate family members. There were Credit Unions that were started by taxi drivers asking other taxi drivers to save five or ten cents a week, so that other taxi drivers could borrow money for emergencies, while banks posted signs saying, "No Dogs Or Taxi Drivers." LOMTO Credit Union's first loan was a \$4.00 loan to a taxi driver for his wife's hospital bill in 1933 and was paid back in full at ten cents a month. Of course, today's medallion loans are a far cry from the 1930's but that was also a time when the HAAS ACT was passed, limiting the number of medallions because there were too many taxis and too few passengers, similar to today.

For many decades since the 1930's, Credit Unions have partnered with the city of New York by loaning money to medallion owners. Up until a few years ago, potential medallion owners were drivers who had saved enough to purchase their own medallion, along with the financial help of their family and in some cases, also maxing-out their credit cards.

Taxi Credit Unions understand the medallion collateral business as well as anyone, and we ask that our President, Robert Familant from Progressive Credit Union, be used as a resource for information. Our medallion industry is quite complicated as we have medallion owners who purchased a medallion decades ago and refinanced to buy a home - send their children to college or buy another business. We have passive medallion owners who are retired and leasing their medallions, we have medallion owners who purchased at the last city-held auction and paid over \$900,000 and have medallion owners who owe hundreds of thousands of dollars and are working six or seven days a week and need help.

One thing I want to make perfectly clear is that current TSA member Taxi Credit Unions, are doing everything in our power to work out deals with medallion owners thereby avoiding bankruptcy and possible suicides.

Once again, we ask this committee to use the Taxi Credit Unions as a resource regarding Intro 1069 for assistance to medallion owners, identifying organizations that may help, and to set limits on the terms of medallion financing.

Respectfully,

David Pollack on behalf of the TSA