

New York Taxi Workers Alliance

MEDALLION LOAN ACQUISITION FUND

The Acquisition Fund: *Do Well by Doing Good!*

The Medallion Loan Acquisition Fund is a tremendous **opportunity** for **social-justice oriented lenders** who are looking to expand and have a high-profile impact in one of the most iconic industries in New York City. This is a chance to not only **generate profits**, but to also preserve **worker ownership** in the New York City taxi industry. In the process, lenders participating in this fund will have a positive impact in the **lives of thousands** of New York City **immigrant families**.

THE MEDALLION: To operate a yellow cab, you need a medallion, which is a license issued by the City. There are 13,000 medallions in the City of New York and nearly 3,000 are owned and operated by “Owner-Drivers,” another 3,000 are owned by individuals such as former drivers now retired, and the remaining are owned by corporations. Of the 6,000 we estimate that 3,000 medallions are underwater and need debt restructuring.

THE ACQUISITION FUND: Currently there are six medallion lenders who are looking to sell a combined total of 1,000 medallions. This is an opportune time for mission driven lenders to step up and **do well by doing good**.

HOW WILL IT WORK:

- ◇ Establish a \$115 million fund to purchase 1,000 medallions loans: estimated average purchase price of \$115,000 per medallion.
- ◇ Secure government backstop for entire purchased loan portfolio, effectively eliminating all risk
- ◇ Refinance the loans directly to owner-drivers at terms that are profitable for lender and allow drivers to earn a living wage.

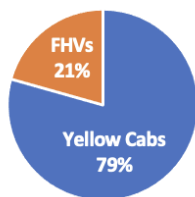
NOW IS THE RIGHT TIME: The New York City medallion market is at a pivotal point. As the City begins to re-open, right now is the perfect time for a **mission driven lender** to intervene in the medallion industry to have lasting impact in our City and position owner-drivers to fully participate in a **just recovery**.

Simply put, this is a perfect **time** and **opportunity** to **do well by doing good!**

Preserving an Iconic Industry

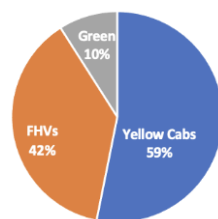
For nearly a hundred years, yellow cabs have been one of the most recognizable symbols of New York City. The yellow cab industry is vital to New York City not only for the services that it provides millions of city residents, but also for the vibrant economic activities it represents as well as the billions of dollars in revenues that the industry generate for City and State.

Wheelchair Accessible



Yellow cabs provide nearly 80% of all wheel-chair accessible rides in the City.

Climate Impact



Nearly 60% of yellow cabs are hybrids, compared to 42% of Uber and Lyft vehicles.

Financial Impact

+25K

Yellow cab industry supports more than 25,000 jobs, including lease drivers, dispatchers, office staff, etc....

+\$1.2B

Since 2002, yellow cab drivers brought in more than \$1.2 billion in revenue to fund the MTA

New York Taxi Workers Alliance

MEDALLION LOAN ACQUISITION FUND

The Acquisition Fund: By the Numbers

ACQUISITION: bulk purchase of individual medallion loans from current lenders.

The Acquisition Fund	
Avg. Purchase Price	\$115,000
Total Loans	1,000
Fund Total	\$115,000,000

REFINANCE: Following the bulk purchase, lender will refinance individual medallion loans at purchased value + 4% interest, fixed over 20 years and no prepayment penalty.

A refinance at these terms would allow for a sustainable monthly mortgage that is commensurate to driver daily earnings.

RETURN VALUE: The Fund will generate **\$52 million dollars** profit & impact **1,000 New York families**

Interest Earned	Full Term	Investment Impact
Avg. Principal balance	\$115,000	Help bring 1,000 yellow cab owner-drivers out of poverty and crushing debt
Number of Loans	1,000	
Interest Rate	4%	Stabilize biggest accessible private transport system in NYC
Total Interest Earned	\$52,250,570	Help stabilize an industry of 25,000 jobs

RISK ANALYSIS: Even Absent a Government Guarantee, the loan portfolio is low risk.

Risk Factors & Mitigators	Total
Avg. Principal balance	\$115,000
Collateral	(\$75,000)
Exposure per loan	\$40,000
Total Fund Exposure	\$40,000,000
Projected Default rate*	5%
Projected Fund Exposure without Govt Guarantee	\$2,000,000

*[Full interactive Risk analysis model](#) available for review.

OWNER DRIVER RISK PROFILE: Prior to COVID-19, 89% of owner drivers made mortgage payments on time

- 70% made full payments
- 19% made reduce payments

GUARANTEE FUND: With a government guarantee this low-risk investment would be 100% secure

CITY GUARANTEE: of the \$65 million allocated by the Mayor, monies can be set aside for guaranteed recovery of any outstanding balance following a foreclosure.

FEDERAL GUARANTEE: while we have secured funds for the City program, we are also actively working with Congress members on a national medallion loan guarantee program run by the US Treasury.

New York Taxi Workers Alliance

MEDALLION LOAN ACQUISITION FUND

About NYTWA: The New York Taxi Workers Alliance is the 26,000-member-strong union fighting for justice, rights, respect, and dignity for New York City's 150,000+ yellow cab, green car, and black car drivers. Our members come from every community, garage, and neighborhood, and represent over 90 countries. In 2018, NYTWA led an unprecedented mobilization by drivers across the sector against poverty, debt and despair, as nine drivers had taken their own life due to economic crisis. The 20-plus actions in six months led to landmark legislation, including a first-time cap on Uber and Lyft vehicles, and pay requirements to bring App-dispatched drivers to minimum wage. NYTWA has won back close to \$100 million in stolen wages, established the first-ever livable income standard for drivers in the country, provided free health screenings to over 10,000 drivers, and annually serves 15,000 drivers and families through a robust social services and advocacy program. NYTWA members' federal litigation against Uber's misclassification of drivers as independent contractors led to the company paying back \$86 million in stolen wages. NYTWA, working with Brooklyn Legal Services, also won the first ruling of employee status of Uber drivers by the NYS Labor Department. On January 28, 2017 NYTWA yellow cab members went on strike at JFK Airport to protest the White House's hateful Muslim ban and on May 8, 2019 NYTWA organized the first-ever NYC-wide Strike of App drivers as part of a Global Day of Strikes on the eve of Uber's IPO. In 2011, NY and Philadelphia TWA formed the National TWA, the 57th affiliate of the AFL-CIO and its first one of independent contractors.

About Our Medallion Campaign: Our campaign for Debt Forgiveness for medallion owner-drivers has been in overdrive since 2019. We have shut down bridges, streets, and offices of lenders and held vigil at Gracie Mansion and City Hall for 32 days between March and April 2021. In total, we have had over 50 actions. Our members featured heavily in the *New York Times* Pulitzer Prize winning expose on the underpinnings of the crisis and we served on the NYC Medallion Taskforce. Our proposal for a government guarantee to incentivize loan write downs has been endorsed by NYC Comptroller, NYS AG, and several Congress Members, and has led the Mayor to allocate \$65M to address the crisis. Our campaign has also led to a bill in both houses in Congress for a ban on Confessions of Judgment in small business contracts, and the House has introduced a bill to exempt medallion owners from tax liability on forgiven debt.

Learn more at: www.nytwa.org/debt-forgiveness Video: www.youtube.com/watch?v=YZk7EXgixY8

CONSENSUS AMONG ELECTED OFFICIALS: THE DEBT CRISIS MUST BE SOLVED

CHUCK SCHUMER, SENATE MAJORITY LEADER

"I stand with the New York Taxi Workers Alliance in their urgent mission to forge a financial lifeline for their hard-pressed members to restructure medallion debt, salvage their future retirement, and have a fair chance at earning a living wage for all of their many hours behind the wheel."

SCOTT STRINGER NEW YORK CITY COMPTROLLER

"The taxi medallion crisis is a test of our commitment to fighting poverty and preserving pathways to the American Dream."

BERNIE SANDERS U.S. SENATOR

"Thousands of taxi workers are struggling to put food on the table because of the greed of predatory lenders and massive rideshare companies. I stand with NYTWA taking action: the debt of these workers must be forgiven now."

REP. ALEXANDRIA OCASIO-CORTEZ

"This is manufactured financial indentured servitude. And it is wrong. We need to bail out these drivers."

TISH JAMES, NEW YORK ATTORNEY GENERAL

"NYC's taxi medallion owners have been economically devastated in recent years, and the New York Taxi Workers Alliance relief package provides a responsible way to help these small businesses and the industry recover."