

June 16, 2020

Dear Supervisors:

We have just learned that you put forward a resolution that concerns San Francisco Federal Credit Union (SFFedCU) that will be decided at today's meeting. We understand that you elected not to submit it to committee, which avoids any public discussion or fact finding. Given the lack of notice to the party which will be affected by the resolution, it does not sound like you want to find the underlying facts or have a conversation about a real solution. If this was not your intent, we would welcome such a discussion with anybody who would like to have one.

The past two months of medallion loan deferrals have resulted in over \$1.0 million in deferred payments. One significant problem with continuing to defer payments is that due to the massive decline in taxi business, these borrowers will continue not being able to make their loan payments any time soon, let alone pay back the amounts deferred. It is also against the National Credit Union Association (NCUA) regulations and Generally Accepted Accounting Principles (GAAP) to accrue income that, in all likelihood, will never be recovered. This means that another three more months of loan deferrals being requested will likely trigger an additional loss of \$1.5 million to the Credit Union. The SFMTA's continued inaction in admitting the medallion market has failed and caused an extreme hardship to the Credit Union and its members. In addition, we are hearing continuing demands from remaining medallion owners that the City should keep its original promise to repurchase their medallions. As a Low to Moderate Income (LMI) designated Credit Union, meaning over 50% of our members reside in zip codes that are designated LMI, your proposed action will hurt the very people the Mayor's office had campaigned to support. A much more comprehensive approach is needed to address the problems facing the taxi industry as a whole, including the medallion loans.

We look forward to continuing to partner with the City in the youth program, expanded ATM access for low to moderate income areas, the Accessory' Dwelling Unit program and the Bank on Program. However, with respect to taxi drivers and medallion loans, further partnering necessitates a much more collaborative approach than that being exhibited by the SFMTA at this time.

Respectfully,



Jonathan Oliver

Cc: Mayor London Breed