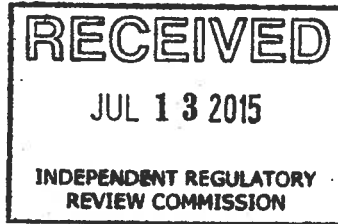


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Via Electronic Mail

Independent Regulatory Review Commission
333 Market St., 14th Floor
Harrisburg, PA 17101

Re: Proposed Regulation No. 126-11

Dear Members of the Independent Regulatory Review Commission:

Melrose Credit Union is a federally insured, non-profit corporation that has been providing financing for taxicab medallions in Philadelphia for the past nine years. During this time, Melrose has financed over \$135 million to medallion owners in Philadelphia to purchase taxicab medallions based on the fair market value of these medallions. Philadelphia taxicab medallions collateralize these medallion loans.

Melrose strongly opposes Proposed Regulation 126-11 for the following reasons:

1. The Proposed Regulation compromises our collateral.

The Pennsylvania legislature granted property rights to Philadelphia medallions through Act 94 of 2004 (53 Pa.C.S. § 5701 et seq.), thus permitting the medallions to be pledged to lenders as security for debt. Act 94 also gave the power to regulate medallion taxicabs in Philadelphia to the Philadelphia Parking Authority (PPA) in order to protect these security interests.

The Proposed Regulation is an attempt to convert our collateral by only allowing medallion taxicabs to operate using wheelchair accessible vehicles (WAVs). WAV taxicabs are worth significantly less than standard taxicab medallions. Passing the Proposed Regulation would compromise all of the collateral securing the millions of dollars in loans we have extended in Philadelphia.

If Melrose's collateral is diminished, Melrose will have no choice but to call all of our loans in Philadelphia pursuant to the terms of our loan documents. Such an event will inevitably lead to litigation and Melrose may have no choice but to initiate a lawsuit against the PPA for the damage caused by the Proposed Regulation.

ALL MEMBERS ACCOUNTS INSURED UP TO \$250,000 BY THE NCUA

2. Our borrowers cannot afford the additional expenses imposed by the Proposed Regulation.

Melrose's borrowers cannot endure the financial strain that the Proposed Regulation would cause. We are already facing numerous loan delinquencies due to the illegal entry of Uber and Lyft into the Philadelphia for-hire transportation market. Many borrowers have informed us that their revenues are insufficient to make timely loan payments and Melrose is facing a number of medallion foreclosures. Enacting the Proposed Regulation will only intensify this problem. Our borrowers simply cannot shoulder the costs of increased insurance premiums and expensive brand-new WAVs.

Sincerely Yours,

By: 

Name: Lawrence A. Fisher

Title: Loan Dept Supervisor

cc: James R. Ney (via email)
Dennis G. Weldon, Esquire (via email)