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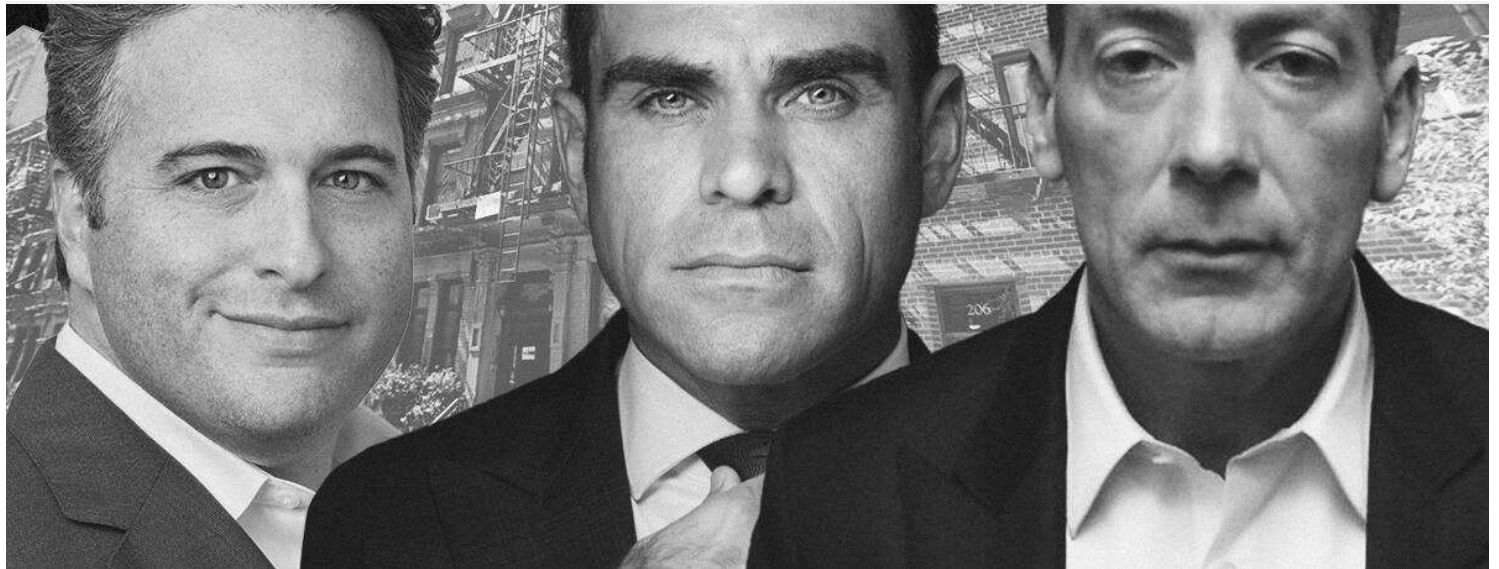
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Steve Croman: I was duped by predatory lender

In bankruptcy court, notorious landlord claims victimhood

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By **Suzannah Cavanaugh**

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Karma has come for **Steve Croman**.

The **bane** of countless New York City tenants — and some lenders — sought Chapter 11 bankruptcy Wednesday for **four contiguous buildings** in Kips Bay, blaming unscrupulous business people.

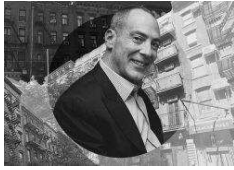
The notorious landlord, **who did jail time** for defrauding commercial real estate banks, needs bankruptcy protection for **208-214 East 25th Street**, his lawyers claim, because he fell “victim to predatory lending practices.”

Maverick Real Estate Partners had **moved to foreclose** on the portfolio when Croman fell behind on debt payments last summer.

FIA Capital Partners’ **David Goldwasser**, the chief restructuring officer on the bankruptcy, offers Croman’s side of the story.

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Despite problems with rent collections during the pandemic, the landlord kept current on a \$25 million loan serviced by BankUnited, Goldwasser's filing says. Croman even forked over some of his own funds to offset revenue shortfalls and make good on his \$110,000 monthly payment to BankUnited.

That is, until July, when BankUnited attempted to collect from Croman's account and came up more than \$16,000 short, the filing explains.

Goldwasser claims Croman wasn't notified of the problem, and on Aug. 11, after another "modest" shortfall arose, the bank accelerated the debt and sold it to a limited liability company associated with Maverick.



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Two days later, **Maverick sued to foreclose** on the four buildings, demanded Croman cough up the \$22.7 million he owed and pay 24 percent penalty-rate interest for the rest of the loan's life.

In the bankruptcy filing, Goldwasser claims Croman tried to get back in good standing with Maverick.

He made regular monthly payments — without the default interest — from September 2021 until now, but Maverick rejected them, so Croman put the roughly \$1.5 million in escrow.

Goldwasser claims Maverick rejected the payments as part of a “thinly-veiled strategy to increase the running of default interest.”

“In many respects, the debtor is a victim of predatory lending practices,” the restructuring officer wrote, slipping in that Madison has a “questionable reputation” for buying distressed debt to charge **default interest**.

Maverick invoked similar tactics to foreclose on a Holocaust survivor's Chelsea apartment building, charging 24 percent interest, which the property owner **argued was unfounded**.

Last November, Maverick was forced to **throw in the towel** on that foreclosure attempt when a panel of five Appellate Division judges rejected the firm's appeal of two lower court decisions.

Croman's bankruptcy buys him time to blunt Maverick's attempt to foreclose on the East 25th Street buildings.

Neither Maverick nor BankUnited responded to a request for comment. Croman could not be reached.

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