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COMMERCIAL NEW YORK



Maverick can foreclose on Steve Croman, judge rules

High-risk loan ensnared infamous landlord's Kips Bay rentals



Steve Croman and Maverick Real Estate Partners' David Aviram with 208-214 East 25th Street (Mavericks Real Estate Partners, Google Maps)

By Orion Jones

Research by Jay Young

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When a hardball lender took an ex-con landlord to court, it became known as the “battle of the baddies.”

Now, Maverick Real Estate Partners can move ahead with foreclosure on a Kips Bay portfolio owned by Steve Croman, a judge has ruled.

Croman’s attorney, Terrence Oved, said that he intends to appeal the decision. Attorneys for Maverick declined to comment.



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investor bought a \$25 million mortgage note secured by four Croman buildings on East 25th Street.

Maverick has rejected the characterization of its strategy as “loan-to-own,” but it was quite aggressive in going after Croman’s buildings. The month after Croman missed a loan payment in July 2021, Maverick bought the debt from Miami-based BankUnited and, one day later, sued to foreclose on the portfolio of more than 80 apartments.

Croman, who once served time on Rikers Island for defrauding tenants, called Maverick’s move “unconscionable” and said the size of the default — two months of nonpayment in July and August which were later rectified — were minimal compared to the severity of the consequences.



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In the decision, the judge noted that “when a mortgagor defaults on loan payments, even if only for a day,” a lender may accelerate the loan, and require that the balance be paid and start foreclosure proceedings. Croman’s claim that he did not default and that Maverick acted in bad faith “are entirely belied by the facts,” the judge wrote.

Croman acquired the Kips Bay apartments in 2001, records show. The BankUnited mortgage, issued in 2016, consolidated 10 loans into a single \$25 million debt.

In a similar case in 2021, Maverick lost in its effort to foreclose on Andreas Steiner, the owner of a five-story rental building on West 25th Street, partly because it failed to provide Steiner with 30 days to cure the default.

In Croman’s case, although he paid the arrears, more than a month had passed since the default. However, the similarity of the cases may give Croman’s attorney, who also represented Steiner, some fodder for an appeal.

In a recent LinkedIn post, Maverick co-founder David Aviram commented on how far banks may be willing to go to protect their borrowers from firms like his.

“If a borrower maintains a healthy relationship with a bank, it’s rare that the bank will sell their debt,” Aviram wrote. “But in times like these, banks want cash infusions. So borrowers should listen to their lenders, and find the cash to pay down their loans.”

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