

« [Pop-Up Cactus Garden, Brought to You by Boutique Hotel Developers](#)

[Coming Soon: NYU Langone Medical Center at Essex Crossing](#) »

Steve Croman Released From Jail; Lawmakers Push Legislation to Combat Predatory Equity



Steve Croman after his surrender May 9, 2016.

Property owner Steve Croman was sprung from jail on Friday, after serving eight months of a one-year sentence for mortgage and tax fraud. Croman owns a large portfolio of buildings throughout New York City, including many properties on the Lower East Side.

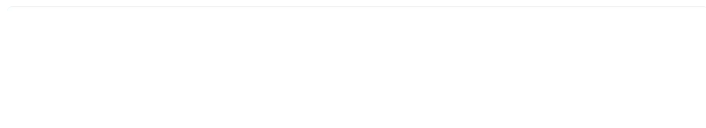
While his official release date was Sunday, Croman actually walked out of the Manhattan Correctional Facility in Lower Manhattan a couple of days early.

Croman pleaded guilty last summer, as part of a deal with the state attorney general's office. [In a separate civil case](#), he agreed to pay tenants \$8 million and accept a court-ordered monitor for his real estate empire.

In an email, Croman's high-powered attorney, Ben Brafman, [told The Real Deal](#), "Anyone who gets a one-year sentence gets released after 2/3 of the sentence is served... It's the law for city jail sentences." Brafman said his client plans to, "relax and spend time with family." [Page Six reported](#) that Croman's wife is planning big "welcome home" party for him in Greece.

While news broke over the weekend regarding Croman's release, two local elected officials were holding a news conference outside the headquarters of another controversial landlord, first son-in-law Jared Kushner. State Sen. Brad Hoylman and State Assembly member Harvey Epstein announced legislation to crack down on "predatory equity." According to a press release:

The legislation directs the New York State Department of Financial Services (DFS) to collect data on financial institutions that lend to property owners with the intent to displace current tenants. Specifically, the bill requires DFS to investigate the role financial institutions play in encouraging anti-tenant practices by notorious landlords like Jared Kushner, Steven Croman and Raphael Toledano. Similar to the subprime mortgage crisis of 2008, lax underwriting standards and a general lack of transparency have allowed speculators and real estate agents to secure outsized mortgages with very little discretion and oversight. Owners use these loans to make purchases based on unrealistic projections of rising rents, and in turn have difficulty paying the mortgages. Building owners — anxious to recoup on their hefty investments — often resort to abusive and exploitative tactics to drive rent-regulated tenants out. These abusive practices, known as predatory equity, are best-exemplified by figures like Steven Croman and Jared Kushner.





ANHD
@ANHDNYC

Happy to be joining [@bradhoylman](#) and [@HarveyforNY](#) as they introduce state legislation to tackle predatory equity!

1:04 PM - Jun 3, 2018

15 See ANHD's other Tweets

On Friday, the [Stabilizing NYC coalition](#) released its annual list of 10 predatory landlords. Steve Croma was among those property owners singled out. Local advocates and tenant leaders gathered at City Hall to draw attention to the updated list. One of the founders of the “Stop Croman Coalition,” Cynthia Chaffee, said, “Even though Croman is (was) in jail, the harassment of

tenants continues, including the deprivation services, poor maintenance and the lack of repairs... We will not stop until Croman is permanently eliminated as a landlord. Period.”

On May 17, tenants living in Croman building on the Lower East Side staged rallies to drive home the point that they fully intend to keep up the pressure on the notorious landlord for as long as it takes.



Council member Carlina Rivera at Stabilizing NYC event. Photo: John McCarten/New York City Council.

[Twitter](#) [Facebook](#) [LinkedIn](#) [Google](#) [Tumblr](#)

Also on The Lo-Down

- Steve Croman's Tenants Deliver a Message They

Explore The Lo-Down: News from the Lower East Side

Hope He'll Receive in Prison

- Steve Croman Figures Prominently in New York Times' Housing Crisis Series
- Follow-up: NYCHA's Plan to Build New Mixed-Income Housing at the La Guardia Houses
- Elected Officials Raise Concerns About Asbestos at 85 Bowery (Updated)
- Like Us on Facebook
- New Exhibition Showcases Meryl Meisler's Remarkable Lower East Side Photos From the 1970s & 1980s
- CB3 Panel Approves Seward Park Plan; 9 Members Vote "No," Citing City Betrayal
- Subscribe to Our Daily Newsletter
- Report: Hotel Indigo About to Change Hands For \$160 Million
- Public Library Asks For Your Help in Advocating For Funding in City Budget
- Coming Soon: NYU Langone Medical Center at Essex Crossing
- Rooftop Films Returns to Lower East Side June 9
- 44 People, Including Rapper China Mac, Arrested During Video Shoot at Baruch Houses
- How to Find 311 Complaints Near You

Powered by

By [Ed Litvak](#) in [Real Estate](#) on **June 4, 2018 9:32 am**

[predatory equity](#) [stabilizing nyc](#) [steve croman](#) [tenant-landlord battles](#)
