

Community Corner (<https://Patch.Com/New-York/West-Village/Around-Town>)

Slumlord Buys White Horse Building With Loan From Bank He Scammed

The same bank that Steve Croman scammed has lent him cash to buy the building that houses the White Horse Tavern.

By Sydney Pereira, Patch Staff (<https://patch.com/users/sydney-pereira>) | May 3, 2019 5:24 pm ET | Updated May 4, 2019 8:43 am ET

([https://patch.com/new-york/west-](https://patch.com/new-york/west-village/amp/28056778/slumlord-buys-white-horse-building-with-loan-from-bank-he-scammed)

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The White Horse Tavern at 567 Hudson St. is closed for renovations. (Google Maps)

WEST VILLAGE, NY — When the White Horse Tavern building was purchased by the notorious landlord Steve Croman, West Villagers grew anxious for the building's future.

Croman had served jail time for tax fraud and was required to pay \$8-million (<https://patch.com/new-york/east-village/slumlord-steve-croman-pay-8-million-harassed-tenants>) in restitution back to tenants he was accused of harassing. The landlord ultimately pleaded guilty (<https://patch.com/new-york/east-village/bernie-madoff-landlords-takes-plea-deal-will-serve-one-year-jail>) to a scheme that involved obtaining multi-million dollar refinancing loans — which included submitting false mortgage documents to New York Community Bank and Capital One Bank.

But now, New York Community Bank has welcomed Croman back.

The bank is the lender for Croman's purchase of the \$13.7 million building, located at 567 Hudson St., mortgage documents and property records show.

A spokesman for New York Community Bank did not return multiple calls for comment.

Tenants' advocates have raised concerns about the standards banks hold landlords to when they give out loans.

"I'll leave it to the bank regulators to decide whether it's safe and sound to lend to someone who defrauded you," said Jaime Weisberg, a senior campaign analyst for Association for Neighborhood and Housing Development (ANHD).

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"We've been in regular conversation with the bank about this particular landlord for years," Weisberg added. "To be doing business with somebody with such a poor record with tenants is concerning."

"We want banks to be mindful of this because their lending matters," she said.

A spokesman for 9300 Realty Management, owned by Croman, defended the company's practices and noted ongoing oversight by the New York Attorney General (<https://ag.ny.gov/press-release/ag-early-schneiderman-announces-unprecedented-consent-decree-nyc-landlord-steven-croman>).

"Given our commitment to using best practices to provide quality housing for our residents, as well as continued oversight by the Attorney General, any lenders can be confident that our well-managed buildings will support loans they make to us and that we will maintain good tenant relations at our properties," the spokesman said in a statement to Patch.

Tenants' advocates have targeted their attention towards banks, seeing lenders as a powerful tool to discourage landlords from practices that lead to rent-regulated units being deregulated and tenants pushed to move out, she said.

Back in 2017, New York Community Bank made former Public Advocate Letitia James' list of banks that had loaned the most cash to those on James' worst landlords list, DNAInfo reported (<https://www.dnainfo.com/new-york/20170815/prospect-lefferts-gardens/banks-lending-financing-worst-landlords-letitia-james-public-advocate/>) at the time.

Since then, the bank has signed onto a pledge (<https://anhd.org/wp-content/uploads/2017/11/NYCB-CRA-Pledge-2017-19.pdf>) aimed at protecting tenants and housing affordability from the ripple effect (<https://>

business partnerships between banks and landlords, advocates say.

The pledge says that New York Community Bank would "take into consideration the 'Worst Landlord List,' landlords under investigation by government agencies (e.g., the . Attorney General), DOB violations and other similar reference sources," as well as "indicators of harassment, displacement, and loss of rent-regulated housing." The bank committed to holding "regular information and engagement sessions as needed with tenant organizers and tenant leaders to identify problem landlord and practices, including questionable renovation/construction records," the pledge says.

Brandon Kielbasa, a lead organizer with the Cooper Square Committee, "If you look at the pledge and try to vet Croman as a borrower by it, it doesn't bode well for him."

"I never thought that you could trust a bank, but this moment really reinforces that you can't," Kielbasa said.

The building, at the corner of Hudson and West 11th streets, has been under heavy scrutiny from West Villagers and local politicians since the building and bar ownership has changed.



In early March (<https://patch.com/new-york/west-village/west-villages-historic-white-horse-tavern-has-new-ownership>), the historic bar itself was bought by restaurateur Eytan Sugarman, who co-owns a Midtown steakhouse with former White House communications director Anthony Scaramucci. He insisted at a Community Board 2 meeting (<https://patch.com/new-york/west-village/new-white-horse-tavern-owner-insists-bars-spirit-will-remain>) the bar's historic "spirit" would remain and emphasized that he has no control over his landlord.



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This week, the bar shuttered for renovations. Gothamist reported (http://gothamist.com/2019/04/29/white_horse_tavern_shuttered.php) a sign on the bar's door said, "Have no fear, we have no intention of changing any of the historical elements that make the White Horse Tavern the landmark that it is." (Sugarman's spokesman did not respond to a request for comment on the renovations this week.)

Preservationists and politicians have called for the interior of the tavern to be landmarked since the exterior is protected under the Greenwich Village Historic District — though interior landmarks are rare relative to building landmarks designations.



May 1, 2019

Commissioner Sarah Carroll, Chair
Landmarks Preservation Commission
1 Centre Street, 9th Floor
New York, NY 10007


Dear Chair Carroll:

We are writing to follow up on our March 20th letter to the Landmarks Preservation Commission (LPC) requesting designation of The White Horse Tavern's interior spaces as New York City landmarks as soon as possible. In light of the recent purchase of 567 Hudson Street by ill reputed landlord Steve Croman and yesterday's news accounts of the Tavern's temporary closing to begin renovations, we must urge LPC to act more quickly in this case.

As noted in our March letter, it is our hope that Mr. Croman will act responsibly in preserving The White Horse's magnificent interiors; however, without the firm protections of an interior landmark designation, and given Mr. Croman's longstanding reputation as a property owner with a history of conducting extensive and harmful renovations, we have no confidence whatsoever that care will be taken to protect the historical aspects of the Tavern.

Thank you for your attention to this urgent request and for LPC's ongoing commitment to preserving our city's history.

Sincerely,



Senator Brad Hoylman
@bradhoylman

The White Horse Tavern is one of NY's most historic businesses. But notorious landlord Steve Croman now owns the building, & he could destroy it.

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We can't let that happen. [@NYCSpeakerCoJo](#)
[@DeborahJGlick](#) & I wrote [@nyclandmarks](#) today urgently
calling for its preservation.

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