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Steve Croman Faces Loss of Residence Due to Non-Performing Loan

BY LOIS WEISS   OCTOBER 7, 2025 12:23 PM

Steve Croman, the multifamily landlord who spent time in prison at Rikers Island for fraud and larceny, may need a new place to live.

JLL's **Brett Rosenberg** is conducting the Uniform Commercial Code sale of a $31 million non-performing loan on Croman's townhouse at 12 East 72nd Street and 100 percent of the membership interest in the LLC that owns the property.

The loan was originated by **Axos Bank,** and is now held by **NYC Multifamily Portfolio LLC,** an entity of **Dalan Real Estate,** which bought many of Croman's loans in October 2024.

Croman, who once owned over 140 multifamily buildings throughout the city with many of them rent-stabilized, purchased 12 East 72nd Street in 2002 along with his wife, **Harriet Croman,** and his father, **Edward Croman,** for $5.5 million when it was a multifamily apartment building. He secured a $3.02 million mortgage on the building.

Croman was eventually able to force out the building's 22 rent-stabilized tenants and convert the building into a six-story, 19,216-square-foot home with eight bathrooms and two pools, one in the cellar and one on the roof. Initial plans called for a four-story apartment for Croman and his family along with a duplex for his sister-in-law and her family, but Building Department records only show one unit.

Over the years, Croman has changed lenders and increased the debt on the property until it reached $31 million with Axos Bank in 2023.

Croman, who was once referred to as "the Bernie Madoff of landlords" by then-New York Attorney General **Eric Schneiderman,** and was so loathed by his tenants that they created a website called the "Stop Croman Coalition," was arrested in May 2016 and charged with 20 felonies. According to the New York Times, charges included "grand larceny, criminal tax fraud, falsifying business records and a scheme to defraud, relating to accusations he inflated his rental income to secure more than $45 million in bank loans."

In 2017, Croman pled guilty to grand larceny and other felonies, and was given a one-year sentence, eventually serving eight months at the Manhattan Detention Complex (MDC).

In 2022, Croman sued **Michael Besen** of **Besen Partners**, whose company, **NYCM**, was hired as a third-party operator of Croman's buildings under Croman's agreement with New York State.

Croman alleged that Besen had a secret relationship with Croman's then-attorney, **Mitchell Kossoff**, who went to jail for 13 years for stealing $14 million from 30 clients including Croman's management firm, **Centennial Properties NY**. Besen claimed Croman owed him money. The case is still ongoing, according to state court records.

In February of 2024, Gov. **Kathy Hochul** announced that Croman had agreed to pay $514,000 for offering nine furnished apartments for rent for less than one year through the rental apartment platform Blueground. At that time, he had already refunded $74,000 to some prior occupants.

This past July, the 87-year-old Edward Croman sued his son for mismanagement, saying in the lawsuit that he had never received distributions of any rental income from a portfolio of 63 properties, nor on the sales of several other properties.

Last October, Dalan bought a portfolio of Croman's mortgages for $140 million from lender Axos, and has been filing foreclosures against them in New York State Supreme Court.

Last month, the judge overseeing some of those lawsuits ordered that a receiver be appointed on **450 West 51st Street**, **1978-82 Third Avenue**, **20-22 Prince Street** and **221 Mott Street**.

The receiver, attorney **Fred Stevens**, has worked on thousands of bankruptcy and mortgage foreclosure cases including on the **Fyre Festival**, **340 Madison Avenue**, and **Jeffrey Winick**'s personal bankruptcy.

Court records show both Croman and his wife were personally served the summonses and complaints at the townhouse on East 72nd Street. City records show that the now single-family home is valued at $53 million and pays $95,900 a year in property taxes, but is still being billed $13 for a yearly apartment registration fee, and receiving violations for not filing items that are required for a single-family dwelling occupied by the owner.

Steve Croman and Dalan Real Estate could not be reached for comment, and JLL declined to comment.