

## New foreclosure adds to Steve Croman's \$300M debt

### Landlord says lenders purchased debt with the intent to create defaults

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Steve Croman is facing yet another foreclosure lawsuit, this time in Midtown East.

An entity connected to Dalan Real Estate filed the suit against the notorious New York landlord. Dalan purchased a portfolio of Croman's loans in 2024.

It's just the latest for Croman, who is facing foreclosure suits on more than \$300 million in loan principals and previously served time for mortgage fraud.

Croman said the lenders purchased the loans with the intent to create a default situation.

"We will settle and refinance with more reputable, institutional lenders," he said over text message. An attorney for the lender did not immediately respond to a request for comment.

Croman purchased the building at [340 East 58th Street](#) through an affiliate in 2019 for \$12.3 million. He created the holding company while in jail in

Manhattan, according to [Gothamist](#). The property is a seven-story, 1917 building with 37 residential units.

A borrower connected to Croman took out \$8.2 million on the property from Axos Bank in 2019, with the loan not due until 2050.

Dalan purchased the debt, along with [\\$140 million in loans connected to 25 other Croman buildings](#) and more than 350 apartments, in 2024.

Since then, the lender has been waging war on Croman. In addition to the new foreclosure suit, the Dalan entity, called NYC Multifamily Portfolio LLC, [filed suits](#) regarding 16 properties so far [in 2026](#). There are 11 ongoing commercial suits between the Dalan entity and Croman's companies and [one regarding his personal home](#) on East 72nd Street.

The lender has named Croman as a defendant and is hoping to collect on limited guaranty agreements that he signed.

Separately, Croman is facing 26 foreclosure suits from an entity connected to Bellwether Asset Management.

Croman's properties are often at least partially rent-stabilized. But their locations in expensive areas of Manhattan may make them more attractive for lenders to seize.

Croman gained a reputation for harassing tenants, eventually settling with the state attorney general's office for \$8 million in tenant restitution. He spent about eight months in prison for mortgage and tax fraud and was released in 2018.