

A04582 Summary:

BILL NO A04582

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SPONSOR Cunningham

COSPNSR

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Add §13, Bank L

Prohibits a state chartered banking institution from providing financing to a landlord who has engaged in certain bad f
acts.

A04582 Actions:

BILL NO A04582

02/04/2025 referred to banks

01/07/2026 referred to banks

A04582 Memo:

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A4582

SPONSOR: Cunningham

TITLE OF BILL:

An act to amend the banking law, in relation to prohibiting bank investments in bad faith landlords

PURPOSE OR GENERAL IDEA OF BILL:

To prevent landlords convicted of fraud or violating laws from receiving financing from state-chartered banks.

SUMMARY OF PROVISIONS:

Section one prevents state chartered banking institution from providing financing or investing in any person or business entity engaged in leasing residential real estate if the person or entity has been convicted of illegal conduct against a tenant, convicted of financial fraud or embezzlement, or has entered into certain consent decrees with the office of the attorney general.

Section two establishes the effective date.

JUSTIFICATION:

When a landlord is found time and again to disregard housing law and target tenants with harassment, it is reasonable to expect financial institutions to analyze this record when considering future financing. Certain bad actors have been convicted of illegal harassment, coercion, or fraud against tenants, only to turn around and get financing for a new building to exploit.

Perhaps the most notorious example of this phenomenon has been Steve Croman, the New York City landlord who in 2017 was sentenced to one year of jail time and ordered to pay \$8 million in restitution to tenants for his crimes. A consent decree required that Croman place over 100 of his properties under new independent management, with a monitor in place to oversee compliance. However, after his stint in jail, Croman returned only to go on a buying spree of new buildings. Despite his past legal troubles, tenants report a landlord that continues old patterns of harassment and neglect.

This bill would help address the lack of accountability by prohibiting State chartered banks from issuing loans to landlords that have been convicted of violating housing laws. Bad actors that act with impunity should not be given the chance to continue victimizing New Yorkers.

PRIOR LEGISLATIVE HISTORY:

2023-24: A4125/S5401 - referred to banks