SUPREME COURT OF NEVADA

Saticoy Bay LLC Series 9050 W Warm Springs 2079 v. Nev. Ass'n Servs.

444 P.3d 428 (Nev. 2019) · Decided July 3, 2019

SUMMARY

The Nevada Supreme Court considered whether a homeowner validly redeemed property after a homeowners' association foreclosure sale under NRS 116.31166. The court held that the homeowner substantially complied with the redemption notice requirement and that the redemption payment was valid despite the use of sale proceeds held by the foreclosure-sale agent, affirming summary judgment in the homeowner's favor.

CASE DETAILS

COURT	Supreme Court of Nevada
WRITING FOR THE COURT	Stiglich, J.; Hardesty, J.; Silver, J.
JURISDICTION	Nevada
DECIDED	July 3, 2019
DISPOSITION	affirmed
PROCEDURAL POSTURE	Saticoy Bay appealed the district court's grant of summary judgment to James Markey and Ditech Financial LLC, which terminated the HOA foreclosure sale and quieted title in Markey subject to Ditech's first deed of trust.
STANDARD OF REVIEW	Summary judgment and issues of statutory construction, including whether statutory procedural requirements require strict or substantial compliance, are reviewed de novo; evidence is viewed in the light most favorable to the nonmoving party.
PRECEDENTIAL VALUE	Published Nevada Supreme Court opinion; precedential.
PARTIES	Saticoy Bay LLC Series 9050 W Warm Springs 2079 v. Nevada Association Services, James P. Markey, Ditech Financial LLC

TOPICS

real estate · statutory interpretation · remedies · appellate procedure · standard of review

PRACTICE AREAS

real estate · property law · homeowners' association law · foreclosure and redemption · statutory interpretation

QUESTIONS PRESENTED

1. Whether Markey complied with NRS 116.31166(3) when Nevada Association Services used foreclosure-sale proceeds held in trust, together with Markey's funds, to tender the redemption amount.
2. Whether Markey's failure to provide a certified copy of his deed with his redemption notice rendered the redemption invalid under NRS 116.31166(4), or whether substantial compliance was sufficient.

HOLDINGS

1. Markey complied with NRS 116.31166(3) because, under the circumstances, he was entitled to use the excess foreclosure-sale proceeds held by Nevada Association Services to satisfy the redemption amount, and the sale agent could tender that amount on his behalf.
2. Substantial compliance, rather than strict compliance, is sufficient under NRS 116.31166(4). Markey substantially complied because Saticoy Bay had actual knowledge of his intent and authority to redeem and suffered no prejudice from the absence of a certified copy of the deed.

KEY QUOTATIONS

> *"Absent any such authorization to the purchaser, common sense dictates that Saticoy Bay does not have such authority."* (433)

> *"Substantial compliance may be sufficient to avoid harsh, unfair[,] or absurd consequences."* (435)

> *"We conclude that Markey substantially complied with NRS 116.31166(4) and that his substantial compliance was sufficient to satisfy the statute's requirements."* (436)

FACTUAL BACKGROUND

Saticoy Bay purchased property at an HOA foreclosure sale for $48,600. Within 60 days, homeowner James Markey notified the sale agent, Nevada Association Services, of his intent to redeem, but did not provide a certified copy of his deed. Nevada Association Services used sale proceeds held in trust, together with funds supplied by Markey, to tender the statutory redemption amount to Saticoy Bay before the redemption period expired. Saticoy Bay rejected the tender and challenged the redemption, while Ditech authorized use of any sale proceeds in which it might have had a superior interest.

PROCEDURAL HISTORY

Saticoy Bay purchased the property at an HOA foreclosure sale and later sought quiet title, declaratory relief, and specific performance after the homeowner attempted to redeem the property. Ditech moved for summary judgment, Markey joined the motion, and Saticoy Bay filed a countermotion. The district court granted summary judgment to Markey and Ditech, concluded that the redemption tender satisfied the statute, terminated the foreclosure sale, and quieted title in Markey. The Nevada Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- SFR Investments Pool 1, LLC v. U.S. Bank, N.A., 130 Nev. 742, 334 P.3d 408 (2014)
- Wood v. Safeway, Inc., 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005)
- Leven v. Frey, 123 Nev. 399, 402, 408, 168 P.3d 712, 714, 718 (2007)
- Zohar v. Zbiegien, 130 Nev. 733, 737, 334 P.3d 402, 405 (2014)
- Robert E. v. Justice Court, 99 Nev. 443, 445, 664 P.2d 957, 959 (1983)
- Beazer Homes Holding Corp. v. Eighth Judicial Dist. Court, 128 Nev. 723, 731, 291 P.3d 128, 133 (2012)
- Chapman v. Deutsche Bank Nat'l Tr. Co., 129 Nev. 314, 318, 302 P.3d 1103, 1106 (2013)
- Forderer v. Schmidt, 154 F. 475, 477 (9th Cir. 1907)
- Old Aztec Mine, Inc. v. Brown, 97 Nev. 49, 52, 623 P.2d 981, 983 (1981)
- Leyva v. Nat'l Default Servicing Corp., 127 Nev. 470, 475-76, 255 P.3d 1275, 1278-81 (2011)
- Pasillas v. HSBC Bank USA, 127 Nev. 462, 465-67, 255 P.3d 1281, 1284-85 (2011)