UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

In re Nelson

Nelson · No. 25-CV-11178-AK / 25-CV-11057-AK · Decided March 13, 2026

SUMMARY

The United States District Court for the District of Massachusetts affirmed Bankruptcy Court orders allowing Wells Fargo's proof of claim, granting relief from the automatic stay, and denying reconsideration motions in Kyra Nelson's Chapter 13 case. The court held that Wells Fargo possessed a valid and perfected mortgage lien despite prior bankruptcy proceedings and the transfer of the property, and that the transfer and bankruptcy filing supported relief under 11 U.S.C. § 362(d)(1) and (d)(4). The court also concluded that Nelson received an adequate opportunity to be heard and had not shown any manifest error warranting reconsideration.

CASE DETAILS

COURT	United States District Court for the District of Massachusetts
WRITING FOR THE COURT	Angel Kelley
JURISDICTION	United States District Court for the District of Massachusetts
DECIDED	March 13, 2026
DOCKET	25-CV-11178-AK / 25-CV-11057-AK
DISPOSITION	affirmed
PROCEDURAL POSTURE	Debtor appealed Bankruptcy Court orders allowing Wells Fargo's proof of claim, granting relief from the automatic stay and in rem relief, and denying motions for reconsideration. The District Court reviewed the bankruptcy appeals and affirmed all challenged orders.
STANDARD OF REVIEW	The District Court reviewed factual findings for clear error, legal issues de novo, and mixed questions of law and fact for clear error unless the analysis was infected by legal error. The court also applied waiver principles to issues not adequately developed or raised below.
PRECEDENTIAL VALUE	Unknown; memorandum and order with no reported citation
PARTIES	Kyra Nelson v. Wells Fargo Bank, N.A.

TOPICS

bankruptcy | appellate procedure | proof of claim | automatic stay | mortgages

PRACTICE AREAS

Bankruptcy | Bankruptcy appellate procedure | Mortgage foreclosure

QUESTIONS PRESENTED

1. Whether Bradley Nelson's bankruptcy discharge prevented Wells Fargo from enforcing its in rem rights against the property or filing a proof of claim in Kyra Nelson's bankruptcy.
2. Whether Wells Fargo was a creditor holding a valid claim secured by the property despite Kyra Nelson's name not appearing on the mortgage.
3. Whether Wells Fargo's mortgage lien was perfected and transferred through the relevant banking name changes and merger without a separate assignment.
4. Whether Wells Fargo's attorney could execute and file the proof of claim without personal knowledge of the underlying facts.
5. Whether Kyra Nelson's statute-of-limitations argument was waived because it was conclusory and underdeveloped.
6. Whether relief from the automatic stay was warranted under 11 U.S.C. § 362(d)(1) and (d)(4).
7. Whether Kyra Nelson was denied due process or entitled to an evidentiary hearing.
8. Whether the Bankruptcy Court properly denied the motions for reconsideration.

HOLDINGS

1. A proof of claim filed in compliance with the Bankruptcy Rules is prima facie evidence of the claim's validity and amount, and Wells Fargo's supporting documents were sufficient to establish the prima facie validity of its claim.
2. A bankruptcy discharge eliminates personal liability for a debt but does not eliminate an otherwise valid lien or prevent enforcement of the lien against the property in rem.
3. A mortgagee holds a bankruptcy claim secured by the debtor's property even when the debtor has no personal liability and even when the debtor's name does not appear on the original mortgage. A transfer of property subject to an existing mortgage does not extinguish the mortgagee's lien or claim.
4. The mortgage lien transferred to Wells Fargo through the banking name changes and merger as a matter of law, without a separate assignment, and the recorded mortgage established perfection.
5. A creditor's authorized attorney may execute and file a proof of claim on the creditor's behalf, and the attorney need not have personal knowledge of the underlying facts.
6. An issue presented only in a conclusory, underdeveloped manner is waived, and an issue not addressed by the lower court is not properly considered for the first time on appeal.
7. Relief from the automatic stay was warranted under § 362(d)(4) because the petition was part of a scheme to delay, hinder, or defraud Wells Fargo that included transferring the property without the

secured creditor's consent.

8. A debtor's bad-faith filing constitutes cause for relief from the automatic stay under § 362(d)(1), evaluated under the totality of the circumstances.
9. Nelson received an adequate opportunity to be heard, and the Bankruptcy Court could resolve the contested matters without an evidentiary hearing where the core facts were undisputed and no evidentiary hearing was requested.

KEY QUOTATIONS

> *"Although the Bankruptcy Code provides "discharge of personal liability for debt, it does not discharge the ongoing burdens of owning property.""* (at 8)

> *"Relief was warranted under Section 362(d)(4) because the Property was transferred without Wells Fargo's consent."* (at 12)

FACTUAL BACKGROUND

Bradley Nelson executed mortgages on the property in 2007, later filed bankruptcy, and received a Chapter 7 discharge. The property was transferred to Kyra Nelson by warranty deed in December 2023 subject to existing liens and encumbrances, and Kyra Nelson filed a Chapter 13 petition one day before a scheduled foreclosure sale. Wells Fargo submitted mortgage, note, recording, merger, name-change, and escrow documentation with its proof of claim. The Bankruptcy Court found that Wells Fargo held a valid perfected lien, that the lien survived Bradley Nelson's discharge and the transfer, and that Kyra Nelson's bankruptcy filing was part of a scheme to hinder, delay, or defraud Wells Fargo.

PROCEDURAL HISTORY

Kyra Nelson filed a Chapter 13 bankruptcy petition shortly before a scheduled foreclosure sale of property previously transferred to her by her father, Bradley Nelson. Wells Fargo filed a proof of claim and sought relief from the automatic stay. The Bankruptcy Court allowed the claim, granted relief under 11 U.S.C. § 362(d)(1) and (d)(4), and denied reconsideration. The District Court consolidated Nelson's appeals and affirmed.

DISPOSITION

affirmed

CASES CITED

- Nelson v. Wells Fargo Bank, N.A., 621 B.R. 542, 546-58 (1st Cir. BAP 2020)
- Nelson v. World Sav. Bank, FSB, 2381CV01919 (Middlesex Super. Ct. Apr. 24, 2024)
- Nelson v. World Sav. Bank, FSB, et al., 106 Mass. App. Ct. 1101, 2025 WL 2535808 (Mass. App. Ct. Sept. 4, 2025)
- In re Gianasmidis, 318 F. Supp. 3d 442, 449 (D. Mass. 2018)
- Monarch Life Ins. Co. v. Ropes & Gray, 65 F.3d 973, 978 (1st Cir. 1995)

- In re Stewart, 948 F.3d 509, 519 (1st Cir. 2020)
- Williams v. Poulos, 11 F.3d 271, 278 (1st Cir. 1993)
- In re Orsini Santos, 349 B.R. 762, 768 (1st Cir. B.A.P. 2006)
- In re Old Cold, LLC, 602 B.R. 798, 821 (1st Cir. B.A.P. 2019)
- In re Hemingway Transport, Inc., 993 F.2d 915, 925 (1st Cir. 1993), cert. denied, 510 U.S. 914 (1993)
- In re Canning, 706 F.3d 64, 68 (1st Cir. 2013)
- Canning v. Beneficial Maine, Inc. (In re Canning), 442 B.R. 165, 172 (Bankr. D. Me. 2011)
- Long v. Bullard, 117 U.S. 617, 620-21 (1886)
- Johnson v. Home State Bank, 501 U.S. 78, 83-86 (1991)
- Brandt v. Broderick, 63 Mass. App. Ct. 1105, 2005 WL 549497, at *2 (2005)
- Eaton v. Fed. Nat. Mortg. Ass'n, 969 N.E.2d 1118, 1124 (2012)
- Rice v. Wells Fargo Bank, N.A., 2 F. Supp. 3d 25, 35 (D. Mass. 2014)
- Nelson v. Wells Fargo Bank, N.A., 621 B.R. 542, 556 (1st Cir. BAP 2020)
- Robb Evans & Assocs. LLC v. United States, 850 F.3d 24, 32 (1st Cir. 2017)
- Glob. NAPs, Inc. v. Verizon New England, Inc., 706 F.3d 8, 16 (1st Cir. 2013)
- United States v. Zannino, 895 F.2d 1, 17 (1st Cir. 1990), cert. denied, 494 U.S. 1082 (1990)
- McCoy v. Mass. Inst. of Tech., 950 F.2d 13, 22 (1st Cir. 1991)
- In re Harvey Rd. Assocs. VIII, 140 B.R. 302, 305 (Bankr. D. Mass. 1992)
- In re Gonzalez-Ruiz, 341 B.R. 371, 381 (B.A.P. 1st Cir. 2006)
- In re Cabral, 285 B.R. 563, 577 (B.A.P. 1st Cir. 2002)