

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION

Lakeview Loan Servicing, LLC v. Tennyson

Civil Action No. 3:25-CV-1232-L (N.D. Tex. Mar. 23, 2026) · No. 3:25-CV-1232-L · Decided March 23, 2026

SUMMARY

The United States District Court for the Northern District of Texas sua sponte dismissed the action without prejudice for lack of subject matter jurisdiction. The court held that 28 U.S.C. § 2410 waives sovereign immunity but does not independently confer federal jurisdiction over an action originally filed in federal court, and that the pleadings did not establish federal-question or diversity jurisdiction. The court denied the pending motions as moot and overruled the defendant’s objection as moot.

CASE DETAILS

COURT	United States District Court for the Northern District of Texas, Dallas Division
WRITING FOR THE COURT	Sam A. Lindsay
JURISDICTION	United States District Court for the Northern District of Texas
DECIDED	March 23, 2026
DOCKET	3:25-CV-1232-L
DISPOSITION	dismissed
PROCEDURAL POSTURE	The plaintiff brought an original federal action seeking judicial foreclosure of real property and asserted jurisdiction under 28 U.S.C. §§ 2410 and 1331. The court sua sponte examined subject matter jurisdiction, denied the pending motions as moot, and dismissed the action without prejudice for lack of subject matter jurisdiction.
STANDARD OF REVIEW	The court independently reviewed subject matter jurisdiction and had a duty to raise jurisdiction sua sponte. The party invoking federal jurisdiction bore the burden of establishing it, and jurisdiction was presumed absent.
PRECEDENTIAL VALUE	unpublished district court memorandum opinion and order; precedential status unknown

TOPICS

- subject matter jurisdiction
- foreclosure
- quiet title
- statutory interpretation
- civil procedure

PRACTICE AREAS

civil procedure

federal jurisdiction

real estate law

foreclosure

QUESTIONS PRESENTED

1. Whether 28 U.S.C. § 2410 independently created federal subject matter jurisdiction over Lakeview's original federal foreclosure action.
2. Whether Grable & Sons Metal Products, Inc. v. Darue Engineering & Manufacturing displaced or overruled the Fifth Circuit's holding in Hussain v. Boston Old Colony Insurance Co. that § 2410 waives sovereign immunity but does not itself create federal subject matter jurisdiction.
3. Whether Lakeview's complaint established federal-question jurisdiction under 28 U.S.C. § 1331.
4. Whether Lakeview's pleadings established diversity jurisdiction under 28 U.S.C. § 1332.

HOLDINGS

1. Section 2410(a) waives the United States' sovereign immunity in qualifying foreclosure and lien actions but does not itself create a basis for federal subject matter jurisdiction in an action originally filed in federal court.
2. Grable did not overrule Hussain, and Grable's passing discussion of § 2410 was nonbinding dicta because the issue was not necessary to the decision.
3. Lakeview did not adequately plead a quiet-title cause of action against the United States because it alleged only conclusory statements concerning HUD's lien and requested that junior lienholders' interests be deemed inferior to Lakeview's interest.
4. The complaint did not establish federal-question jurisdiction because Lakeview pleaded a state-law breach-of-contract foreclosure claim that did not arise under federal law and did not necessarily turn on construction of federal law.
5. The complaint did not establish diversity jurisdiction because Lakeview did not allege diversity and its allegation concerning Tennyson's residency did not establish her citizenship or domicile.

KEY QUOTATIONS

“Section 2410(a) only waives sovereign immunity and does not create a basis for federal subject matter jurisdiction.” (Section III.A)

“The court, therefore, dismisses without prejudice this action for lack of subject matter jurisdiction” (Section IV)

FACTUAL BACKGROUND

Lakeview sought to judicially foreclose on real property owned by Rachel Tennyson in Ellis County, Texas. The United States, on behalf of HUD, was named as a defendant because Lakeview alleged that HUD had a subordinate lien or mortgage interest in the property. Lakeview characterized the action primarily as a breach-of-

contract claim against Tennyson and alleged, in conclusory terms, that § 2410 waived sovereign immunity and supported federal jurisdiction.

PROCEDURAL HISTORY

Lakeview filed the action on May 14, 2025, against Rachel Tennyson and the United States, on behalf of the Secretary of Housing and Urban Development. Tennyson moved to dismiss under Rule 12(b)(6), and Lakeview later moved under Rule 41(a)(2) to dismiss the action and associated counterclaims without prejudice. After a magistrate judge questioned subject matter jurisdiction, Lakeview argued that § 2410, Grable, and subsequent Fifth Circuit decisions supported jurisdiction. The district court vacated the referral, rejected those arguments, concluded that the pleadings did not establish federal-question, § 2410, or diversity jurisdiction, and dismissed without prejudice.

DISPOSITION

dismissed

CASES CITED

- Hussain v. Boston Old Colony Ins. Co., 311 F.3d 623 (5th Cir. 2002)
- Grable & Sons Metal Prods., Inc. v. Darue Eng'g & Mfg., 545 U.S. 308 (2005)
- Lewis v. Hunt, 492 F.3d 565 (5th Cir. 2007)
- Bradford v. United States Dep't of Agric., Rural Dev., 606 F. App'x 259 (5th Cir. 2015)
- Bartolomeo USA, L.L.C. v. HUD, No. 21-10493, 2021 WL 5458117 (5th Cir. Nov. 22, 2021) (per curiam)
- International Truck & Engine Corp. v. Bray, 372 F.3d 717, 721 (5th Cir. 2004)
- Merrell Dow Pharms. Inc. v. Thompson, 478 U.S. 804, 808 (1986)
- Kokkonen v. Guardian Life Ins. Co., 511 U.S. 375, 377 (1994)
- Home Builders Ass'n of Miss., Inc. v. City of Madison, 143 F.3d 1006, 1010 (5th Cir. 1998)
- Getty Oil Corp. v. Insurance Co. of N. Am., 841 F.2d 1254, 1259 (5th Cir. 1988)
- Ruhrgas AG v. Marathon Oil Co., 526 U.S. 574, 583 (1999)
- McDonal v. Abbott Labs., 408 F.3d 177, 182 n.5 (5th Cir. 2005)
- Royal Canin U.S.A., Inc. v. Wullschleger, 604 U.S. 22, 26 (2025)
- Franchise Tax Bd. of State of Cal. v. Constr. Laborers Vacation Tr. for S. Cal., 463 U.S. 1, 9 (1983)
- MidCap Media Fin., L.L.C. v. Pathway Data, Inc., 929 F.3d 310, 313 (5th Cir. 2019)
- SXSW, L.L.C. v. Fed. Ins. Co., 83 F.4th 405, 407 (5th Cir. 2023)
- Strain v. Harrelson Rubber Co., 742 F.2d 888, 889 (5th Cir. 1984) (per curiam)
- Freeman v. Northwest Acceptance Corp., 754 F.2d 553, 555-56 (5th Cir. 1985)
- Preston v. Tenet Healthsystem Mem'l Med. Ctr., Inc., 485 F.3d 793, 798-99, 803 (5th Cir. 2007)
- Texas v. Florida, 306 U.S. 398, 424 (1939)

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