UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA

Andrew Singleton and Myra F. Singleton v. Freedom Mortgage Corporation, DHI Mortgage Company, Ltd., LP.

No. 2:25-cv-02030 DJC AC PS, United States District Court for the Eastern District of California (October 2, 2025)

SUMMARY

The United States District Court for the Eastern District of California orders pro se plaintiffs to file a substantive opposition to a motion to dismiss and recommends denying their motion to remand. The court concludes that diversity jurisdiction exists because the parties are diverse and the value of the property at issue exceeds $75,000. The action concerns alleged mortgage-payment misapplication, foreclosure proceedings, and related state-law claims.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Allison Claire
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	October 2, 2025
DOCKET	2:25-cv-02030 DJC AC PS
DISPOSITION	remanded
PROCEDURAL POSTURE	Plaintiffs filed a California state-court action challenging mortgage servicing and foreclosure proceedings. Freedom removed the action based on diversity jurisdiction. Plaintiffs moved to remand, and Freedom moved to dismiss. The magistrate judge issued an order giving plaintiffs a final opportunity to oppose the motion to dismiss and findings and recommendations that the motion to remand be denied.
STANDARD OF REVIEW	The removing party must establish complete diversity and, by a preponderance of the evidence, that the amount in controversy exceeds $75,000. In actions seeking declaratory or injunctive relief, the amount in controversy is measured by the value of the object of the litigation.
PRECEDENTIAL VALUE	Nonprecedential magistrate judge findings and recommendations; subject to district-judge review.

PARTIES	Andrew Singleton, Myra F. Singleton v. Freedom Mortgage Corporation, DHI Mortgage Company, Ltd., LP.

TOPICS

subject matter jurisdiction · civil procedure · foreclosure · quiet title · motions to dismiss

PRACTICE AREAS

civil procedure · real estate · mortgage foreclosure · bankruptcy · consumer protection

QUESTIONS PRESENTED

1. Whether federal diversity jurisdiction existed where the parties were diverse and the action sought declaratory and injunctive relief concerning real property.
2. Whether the amount in controversy exceeded $75,000 when plaintiffs did not state a specific damages amount and argued that only allegedly misapplied mortgage payments were at issue.

HOLDINGS

1. The court concluded that diversity jurisdiction was satisfied because the parties were diverse and the amount in controversy was measured by the value of the property, which exceeded $75,000; it therefore recommended denying the motion to remand.

KEY QUOTATIONS

> *"In actions seeking declaratory or injunctive relief, it is well established that the amount in controversy is measured by the value of the object of the litigation."* (at 3)

> *"As the authorities cited by the Chapman court make clear, the amount in controversy is determined by the value of the Property."* (at 5-6)

FACTUAL BACKGROUND

Plaintiffs obtained a $405,461 mortgage loan secured by a deed of trust on their Elk Grove, California property. After receiving a Chapter 13 discharge in February 2024, plaintiffs allege that they continued making mortgage payments, but Freedom failed to credit them and issued notices of default and foreclosure-related communications. Plaintiffs sued in state court seeking damages, injunctive relief preventing a trustee sale, declaratory relief, and quiet title relief.

PROCEDURAL HISTORY

Plaintiffs commenced the action in Sacramento County Superior Court on June 18, 2025. Freedom removed it to the Eastern District of California on July 21, 2025, invoking 28 U.S.C. § 1332. Plaintiffs moved to remand, arguing that the amount in controversy was below $75,000; defendants opposed. Plaintiffs did not substantively oppose the motion to dismiss, so the court ordered them to file a written opposition within 21 days and recommended denial of the motion to remand.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The case was not remanded to state court. Plaintiffs were ordered to file a substantive written opposition to the motion to dismiss within 21 days. The recommendation was that the motion to remand be denied; the assigned district judge was to review the recommendation after any objections.

CASES CITED

- Olmos v. Residential Credit Solutions, Inc., 92 F. Supp. 3d 954, 956 (C.D. Cal. 2015)
- Kokkonen v. Guardian Life Insurance Co. of America, 511 U.S. 375, 377 (1994)
- Home Depot U.S.A., Inc. v. Jackson, 587 U.S. 435, 437 (2019)
- Morris v. Princess Cruises, Inc., 236 F.3d 1061, 1067 (9th Cir. 2001)
- Singer v. State Farm Mutual Automobile Insurance Co., 116 F.3d 373, 376 (9th Cir. 1997)
- Sanchez v. Monumental Life Insurance Co., 102 F.3d 398, 404 (9th Cir. 1996)
- Hunt v. Washington State Apple Advertising Commission, 432 U.S. 333, 347 (1977)
- Cohn v. Petsmart, Inc., 281 F.3d 837, 840 (9th Cir. 2002) (per curiam)
- Chapman v. Deutsche Bank National Trust Co., 651 F.3d 1039, 1045 (9th Cir. 2011)
- Garfinkle v. Wells Fargo Bank, 483 F.2d 1074, 1076 (9th Cir. 1973)
- Woodside v. Ciceroni, 93 F. 1, 4 (9th Cir. 1899)
- Turner v. Duncan, 158 F.3d 449, 455 (9th Cir. 1998)
- Martinez v. Yist, 951 F.2d 1153, 1156-1157 (9th Cir. 1991)
- Chapman v. Deutsche Bank National Trust Co., 129 Nev. 314, 302 P.3d 1103 (2013)