UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE, NASHVILLE DIVISION

Ronald G. Bellamy and Regina Bellamy v. 1 Public Homes, LLC and Michael Moody

Case No. 3:25-cv-00110 · No. 3:25-cv-00110 · Decided January 12, 2026

SUMMARY

The United States District Court for the Middle District of Tennessee grants Ronald and Regina Bellamy leave to proceed in forma pauperis but dismisses their pro se complaint without prejudice for lack of subject-matter jurisdiction. The court alternatively concludes that the complaint fails to state a claim under 28 U.S.C. § 1915(e)(2)(B)(ii), because merely citing the Truth in Lending Act rescission regulation does not establish a federal claim and the alleged transaction is exempt from rescission. The court certifies that any appeal would not be taken in good faith and directs the Clerk to enter judgment.

CASE DETAILS

COURT	United States District Court for the Middle District of Tennessee, Nashville Division
WRITING FOR THE COURT	Aleta A. Trauger
JURISDICTION	United States District Court for the Middle District of Tennessee, Nashville Division
DECIDED	January 12, 2026
DOCKET	3:25-cv-00110
DISPOSITION	dismissed
PROCEDURAL POSTURE	The pro se plaintiffs filed a complaint alleging wrongful foreclosure and eviction and sought leave to proceed in forma pauperis. The district court granted pauper status, conducted the mandatory screening required by 28 U.S.C. § 1915(e)(2)(B), and dismissed the action without prejudice for lack of subject-matter jurisdiction, alternatively dismissing it for failure to state a claim.
STANDARD OF REVIEW	De novo consideration of subject-matter jurisdiction at the initial screening stage; screening under 28 U.S.C. § 1915(e)(2)(B) for frivolousness, failure to state a claim, and claims seeking relief from immune defendants.

PRECEDENTIAL VALUE	unpublished
PARTIES	Ronald G. Bellamy, Regina Bellamy v. 1 Public Homes, LLC, Michael Moody

TOPICS

subject matter jurisdiction · civil procedure · wrongful foreclosure · eviction · rescission

PRACTICE AREAS

civil procedure · real estate · consumer protection · remedies

QUESTIONS PRESENTED

1. Whether the complaint established federal-question jurisdiction by citing 12 C.F.R. § 1026.23's right of rescission.
2. Whether diversity jurisdiction existed where the plaintiffs and defendants were Tennessee residents.
3. Whether the complaint stated a viable claim for rescission or other relief under the Truth in Lending Act and its implementing regulation.
4. Whether the plaintiffs were entitled to proceed in forma pauperis.

HOLDINGS

1. The plaintiffs' joint IFP application was granted because their financial disclosures showed that they could not pay the $405 filing fee without undue hardship.
2. The complaint did not establish federal-question jurisdiction merely by citing 12 C.F.R. § 1026.23 because it alleged no facts supporting a federal rescission claim.
3. Diversity jurisdiction was unavailable because the complaint involved Tennessee plaintiffs and Tennessee-resident defendants, and the complaint did not establish complete diversity.
4. Even if the court had jurisdiction and the complaint had expressly sought rescission, the claim would be subject to dismissal because the regulatory right of rescission did not apply to the alleged residential mortgage transaction and the complaint did not allege facts supporting rescission.

KEY QUOTATIONS

> *"Under the pauper statute, 28 U.S.C. § 1915(e)(2)(B), the Court must conduct an initial review and dismiss the Complaint if it is frivolous, malicious, fails to state a claim upon which relief may be granted, or seeks monetary relief against a defendant who is immune from such relief."* (§ II)

> *"For the above reasons, this case is DISMISSED WITHOUT PREJUDICE for lack of subject-matter jurisdiction."* (§ III)

FACTUAL BACKGROUND

Ronald and Regina Bellamy alleged that they purchased a Tennessee home in 2019 and later lost it through what they characterized as a fraudulent foreclosure and wrongful eviction. After the foreclosure and eviction in January 2025, their furniture and other personal belongings were placed on the home's front lawn and allegedly destroyed, and they were given 24 hours to clean up the property. The foreclosure property was ultimately sold to 1 Public Homes, LLC, and the plaintiffs sought replacement furnishings, damages for pain and suffering, costs, attorney fees, and to be left alone.

PROCEDURAL HISTORY

Plaintiffs filed the federal complaint on January 30, 2025, invoking federal-question jurisdiction based primarily on the alleged right to rescind under 12 C.F.R. § 1026.23. The court granted the joint IFP application, reviewed the complaint, concluded that the parties were nondiverse and that the complaint did not adequately assert a federal claim, and dismissed the case without prejudice. The court also certified that any appeal would not be taken in good faith and directed the Clerk to enter judgment.

DISPOSITION

dismissed

CASES CITED

- Foster v. Cuyahoga Department of Health and Human Services, 21 F. App'x 239, 240 (6th Cir. 2001)
- Ongori v. Hawkins, No. 16-2781, 2017 WL 6759020, at *1 (6th Cir. Nov. 15, 2017)
- Lee v. Money Gram Corporate Office, No. 15-CV-13474, 2016 WL 3524332, at *1 (E.D. Mich. May 23, 2016)
- Akno 1010 Market Street St. Louis Missouri LLC v. Pourtaghi, 43 F.4th 624, 627 (6th Cir. 2022)
- Miller v. Bruenger, 949 F.3d 986, 990 (6th Cir. 2020)
- Henderson ex rel. Henderson v. Shinseki, 562 U.S. 428, 434 (2011)
- Revere v. Wilmington Finance, 406 F. App'x 936, 937 (6th Cir. 2011)
- American Federation of Television and Radio Artists, AFL-CIO v. WJBK-TV, 164 F.3d 1004, 1007 (6th Cir. 1999)
- Hopkins v. Mercy Health Springfield Regional Medical Center, No. 3:24-CV-00155, 2025 WL 446134, at *5 (S.D. Ohio Feb. 10, 2025)
- Jamison v. Hart Realty, No. 01-03143, 2001 U.S. App. LEXIS 18054, at *5 (6th Cir. Aug. 6, 2001)
- Mastin v. Ditech Financial, LLC, No. 3:17CV368, 2018 WL 524871, at *11 (E.D. Va. Jan. 23, 2018)
- ARJN #3 v. Cooper, 517 F. Supp. 3d 732, 747 (M.D. Tenn. 2021)
- Lynch v. Leis, 382 F.3d 642, 647 n.5 (6th Cir. 2004)

OPINION

IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE NASHVILLE DIVISION RONALD G. BELLAMY and REGINA) BELLAMY,)) Plaintiffs,)) v.) Case No. 3:25-cv-00110) Judge Trauger 1 PUBLIC HOMES, LLC and)

MICHAEL MOODY,)) Defendants.) MEMORANDUM AND ORDER On January 30, 2025, Smyrna, Tennessee residents Ronald and Regina Bellamy filed a pro se complaint (Doc.

No. 1) against two Tennessee-resident defendants, 1 Public Homes, LLC and Eviction Warrants Division employee Michael Moody, seeking to be “made whole” after a wrongful foreclosure and eviction from a home purchased by the plaintiffs in 2019. (Id. at 4.)

The plaintiffs also filed an application for leave to proceed in forma pauperis (IFP). (Doc. No. 2.) I. PAUPER STATUS Plaintiffs’ joint IFP application declares that Ronald Bellamy earns $3,000 in monthly income from employment, while Regina Bellamy receives $1,646 in monthly disability payments. (Doc. No. 2 at 1–2.)

The couple has other significant but non-liquid assets (id. at 3) and $5,112 in combined monthly expenses. (Id. at 4.) They report that they are “now in a hotel which is taking a toll on [them].” (Id. at 5.) Based on these disclosures, the court finds that the plaintiffs cannot pay the $405 civil filing fee “without undue hardship.” Foster v. Cuyahoga Dep’t of Health and Human Servs., 21 F. App’x 239, 240 (6th Cir.

2001). Accordingly, the IFP application (Doc. No. 2) is GRANTED. 28 U.S.C. § 1915(a). II. INITIAL REVIEW Under the pauper statute, 28 U.S.C. § 1915(e)(2)(B), the Court must conduct an initial review and dismiss the Complaint if it is frivolous, malicious, fails to state a claim upon which relief may be granted, or seeks monetary relief against a defendant who is immune from such relief.

See also Ongori v. Hawkins, No. 16-2781, 2017 WL 6759020, at *1 (6th Cir. Nov. 15, 2017) (“[N]on-prisoners proceeding in forma pauperis are still subject to the screening requirements of § 1915(e).”). This initial screening includes a review for subject-matter jurisdiction, see Lee v. Money Gram Corp. Off., No. 15-CV-13474, 2016 WL 3524332, at *1 (E.D. Mich. May 23, 2016), report and recommendation adopted, 2016 WL 3476704 (E.D.

Mich. June 27, 2016), of which the court must be assured “at the earliest possible moment to avoid wasting judicial and party resources.” Akno 1010 Mkt. St. St. Louis Missouri LLC v. Pourtaghi, 43 F.4th 624, 627 (6th Cir. 2022).

Under 28 U.S.C. §§ 1331 and 1332, federal subject-matter jurisdiction is restricted to (1) cases that present a question of federal law, and (2) cases between parties of diverse citizenship in which more than $75,000 is at stake. Miller v. Bruenger, 949 F.3d 986, 990 (6th Cir. 2020). Whether at initial screening or thereafter, if it appears that the exercise of jurisdiction might not be proper, federal courts are obliged to “raise and decide” the issue, lest they exceed the scope of the limited jurisdiction granted them under the law.

Henderson ex rel. Henderson v. Shinseki, 562 U.S. 428, 434 (2011). The Complaint invokes the court's federal-question jurisdiction, asserting as its jurisdictional basis the "Right to Rescind" conferred by 12 C.F.R. § 1026.23. (Doc. No. 1 at 3.) It does not otherwise cite any federal law in support of its lone claim that "fraudulent paperwork [was used] to do a fraudulent foreclosure and a wrongful eviction" in January 2025.

(Id. at 4–5.) Nor does it assert any factual allegations to support the invocation of a right to rescission. The facts the Complaint does allege are limited to statements that the plaintiffs "purchased the home in 2019 new," and that, in the wake of the foreclosure and eviction, their furniture and other personal belongings were put on the house's front lawn (where the furniture, dishes, beds, and televisions were "destroyed") and they were given 24 hours to "clean [] up" the lawn.

(Id.) The relief they request is "the home refurnished[,] pain and suffering[,]" court costs and any attorney's fees, "[a]nd to be left alone." (Id. at 4, 6.) Documents attached to the Complaint include the real estate conveyance, tax, and loan documents related to the property at issue (Doc. No. 1-1), as well as documents indicating that the property was ultimately sold at foreclosure to 1 Public Homes, LLC. (Id. at 48.)

The attached documents also include an appeal bond for Ronald Bellamy's September 2024 appeal to the Rutherford County Circuit Court of a General Sessions Court judgment against him. (Id. at 52.)1 Section 1026.23 of Title 12 of the Code of Federal Regulations (promulgated pursuant to the federal Truth in Lending Act, 15 U.S.C. § 1601 et seq.) establishes a consumer's right to rescind "a credit transaction in which a security interest is or will be retained or acquired in a consumer's principal dwelling." 12 C.F.R. § 1026.23(a)(1).

The mere citation of this regulation, however, is not sufficient to establish federal-question jurisdiction. See Revere v. Wilmington Fin., 406 F. App'x 936, 937 (6th Cir. 2011) (finding that the district court lacked federal-question jurisdiction 1 Rutherford County's online court records appear to confirm that the Circuit Court ruled against Mr. Bellamy and in favor of 1 Public Homes, LLC, and that the case was closed on December 3, 2024.

See https://rutherford.tncrtinfo.com/cvCaseForm.aspx?id=57C0A208-DF71-42AC-BC06-8F470F9B6B0C&dsid=23e44664 (last visited Jan. 5, 2026). The court may take judicial notice of such online records. See ARJN #3 v. Cooper, 517 F. Supp. 3d 732, 747 (M.D. Tenn. 2021); see also Lynch v. Leis, 382 F.3d 642, 647 n.5 (6th Cir. 2004) (noting that judicial notice is properly taken of "court records [that] are available online to members of the public") (citation omitted). in a case involving foreclosure and subsequent eviction proceedings, because the complaint did not assert a federal claim by "[m]erely referring to a federal statute") (quoting Am.

Fed’n of Television and Radio Artists, AFL–CIO v. WJBK–TV, 164 F.3d 1004, 1007 (6th Cir. 1999)); see also Hopkins v. Mercy Health Springfield Reg’l Med. Ctr., No. 3:24-CV-00155, 2025 WL 446134, at *5 (S.D. Ohio Feb. 10, 2025), report and recommendation adopted, 2025 WL 689811 (S.D. Ohio Mar. 3, 2025) (“Merely citing to [a] statute without making any allegations that would support a claim... d[oes] not suffice to vest the [C]ourt with jurisdiction.”) (quoting Jamison v. Hart Realty, No. 01-03143, 2001 U.S. App.

LEXIS 18054, at *5 (6th Cir. Aug. 6, 2001)). Even if the citation of this federal regulation could support the exercise of jurisdiction in this case between non-diverse parties, the regulatory right of rescission only applies to transactions that add a security interest atop “an existing obligation.” 12 C.F.R. § 1026.23(a)(1).

Moreover, the regulation contains an exemption provision stating that the “right to rescind does not apply to... [a] residential mortgage transaction.” Id. § 1026.23(f)(1). Accordingly, “a request for [rescission of the foreclosure sale] as it relates to this regulation could not be granted,” Mastin v. Ditech Fin., LLC, No. 3:17CV368, 2018 WL 524871, at *11 (E.D.

Va. Jan. 23, 2018), and the Complaint— even if it were properly within the court’s jurisdiction and explicitly requested rescission as a remedy—would therefore be subject to dismissal at the screening stage for failure to state a viable claim. III. CONCLUSION For the above reasons, this case is DISMISSED WITHOUT PREJUDICE for lack of subject-matter jurisdiction.

Alternatively, the case is subject to dismissal pursuant to 28 U.S.C. § 1915(e)(2)(B)(ii), for failure to state a claim upon which relief may be granted. The Court CERTIFIES that any appeal from this dismissal would not be taken in good faith. 28 U.S.C. § 1915(a)(3). This is the final order in this action.

The Clerk SHALL enter judgment. Fed. R. Civ. P. 58(b)(1). It is so ORDERED. Aleta A. Trauger United States District Judge