UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

In re Wells Fargo Mortgage Modification Litigation

No. 24-cv-01358-MMC (N.D. Cal. Nov. 18, 2025) · No. 24-cv-01358-MMC · Decided November 18, 2025

SUMMARY

The United States District Court for the Northern District of California grants Wells Fargo Bank, N.A.'s Rule 12(b)(6) motion to dismiss the Second Amended Consolidated Class Action Complaint in mortgage-modification litigation. The court dismisses claims including breach of contract, intentional infliction of emotional distress, negligent reporting, negligent undertaking, California Homeowner Bill of Rights violations, and unfair competition, while affording plaintiffs leave to amend and maintaining the stay of discovery.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Maxine M. Chesney
JURISDICTION	United States District Court for the Northern District of California
DECIDED	November 18, 2025
DOCKET	24-cv-01358-MMC
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs filed a Second Amended Consolidated Class Action Complaint asserting twelve state-law causes of action arising from Wells Fargo's alleged errors in processing mortgage-loan-modification requests. Wells Fargo moved to dismiss under Federal Rule of Civil Procedure 12(b)(6).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts material allegations as true and construes them in the light most favorable to the nonmoving party, but requires sufficient factual matter to state a plausible claim for relief. Legal conclusions and conclusory allegations are not accepted as true.
PRECEDENTIAL VALUE	unknown
PARTIES	Myron Curry, Darrell Forney, Chester Nelson, Samuel Beloff, John Risconsin, Adrenia Kea, Ruth Vergara, Laurence Peterson, Marcia

Peterson, Bradley Liggett, Kyra Liggett, Deanna Clingerman, Brian Keaveny, Renee Boucher Ferguson v. Wells Fargo Bank, N.A.

TOPICS

motions to dismiss · pleadings · civil procedure · consumer protection · mortgages

PRACTICE AREAS

civil procedure · mortgages · consumer protection · contracts · torts · real estate

QUESTIONS PRESENTED

1. Whether the Second Amended Consolidated Class Action Complaint plausibly alleged breach of express contractual provisions or the implied covenant of good faith and fair dealing.
2. Whether plaintiffs plausibly alleged intentional infliction of emotional distress based on alleged software errors in processing loan-modification requests.
3. Whether the negligent-reporting claim was preempted by the Fair Credit Reporting Act.
4. Whether plaintiffs plausibly alleged a common-law negligence claim based on Wells Fargo's handling of loan-modification requests.
5. Whether the California Homeowner Bill of Rights claim was supported by statutory standing and entitlement to damages or injunctive relief.
6. Whether plaintiffs adequately pleaded California Unfair Competition Law claims under the deceptive, unfair, or unlawful prongs.
7. Whether the Illinois, Pennsylvania, North Carolina, District of Columbia, and New York consumer-protection claims were adequately pleaded.
8. Whether plaintiffs adequately pleaded unjust enrichment or a quasi-contract restitution claim.

HOLDINGS

1. Plaintiffs failed to state a breach-of-contract claim because they did not identify contractual provisions requiring Wells Fargo to provide loan modifications or showing that Wells Fargo imposed charges in violation of the quoted security-instrument provisions.
2. Plaintiffs failed to state a contract claim based on alleged violations of HAMP rules and guidelines because they did not identify the specific contractual terms allegedly breached.
3. Plaintiffs failed to state a claim for breach of the implied covenant because they did not identify an express contractual right to have their loan-modification requests considered in a particular manner.
4. Plaintiffs failed to state an IIED claim because they did not plausibly allege extreme and outrageous conduct, Wells Fargo's knowledge of the particular error when it evaluated their requests, or severe emotional distress supported by specific facts.
5. The negligent-reporting claim was preempted by the Fair Credit Reporting Act and therefore was dismissed.

6. Plaintiffs failed to state a negligence claim based on Wells Fargo's processing of their loan-modification requests because applicable law does not impose a general tort duty to process, review, and respond carefully and completely to a borrower's modification application.
7. The California Homeowner Bill of Rights claim under California Civil Code § 2924.17 was dismissed because plaintiffs did not plead facts establishing entitlement to damages or injunctive relief.
8. Plaintiffs failed to state claims under the deceptive, unfair, or unlawful prongs of California Business and Professions Code § 17200.
9. The Illinois, Pennsylvania, North Carolina, District of Columbia, and New York consumer-protection claims were dismissed because plaintiffs failed to plead facts showing the required deceptive, unfair, misleading, reliance, knowledge, or causation elements.
10. Plaintiffs failed to state an unjust-enrichment or quasi-contract restitution claim because they did not allege that they paid Wells Fargo increased fees or interest that they were not otherwise obligated to pay.

KEY QUOTATIONS

> *“"To survive a motion to dismiss," however, "a complaint must contain sufficient factual material, accepted as true, to 'state a claim to relief that is plausible on its face.'"”*

> *“Accordingly, to the extent Count One is based on alleged breaches of the above-quoted provisions, Count One is subject to dismissal.”*

> *“The Court thus understands the parties to agree, at least for purposes of the instant motion, that there are no material differences among the laws of the relevant jurisdictions.”*

> *“For the reasons stated above, Wells Fargo's motion to dismiss is hereby GRANTED.”*

FACTUAL BACKGROUND

The fourteen plaintiffs had or had previously had mortgages held or serviced by Wells Fargo and sought loan modifications between 2009 and 2018. Six plaintiffs were denied modifications and later lost, transferred, or sold their properties; eight obtained modifications. In late 2023 or 2024, Wells Fargo sent each plaintiff an apology letter stating that an error may have occurred during review of the account and enclosing a payment. Plaintiffs alleged that calculation errors involving escrow, attorneys' fees, default-servicing fees, or accrued interest caused Wells Fargo to deny or inaccurately approve their modification requests.

PROCEDURAL HISTORY

The court considered Wells Fargo's motion to dismiss, plaintiffs' opposition, and Wells Fargo's reply. The court granted the motion as to all twelve counts, afforded plaintiffs leave to file a Third Amended Consolidated Class Action Complaint by December 19, 2025, and maintained the existing stay of discovery.

DISPOSITION

other

CASES CITED

- Balistreri v. Pacifica Police Department, 901 F.2d 696, 699 (9th Cir. 1990)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- NL Industries, Inc. v. Kaplan, 792 F.2d 896, 898 (9th Cir. 1986)
- Twaite v. Allstate Insurance Co., 216 Cal. App. 3d 239, 252-53 (1989)
- Wigod v. Wells Fargo Bank, N.A., 673 F.3d 547, 560-66, 574 (7th Cir. 2012)
- Young v. Wells Fargo Bank, N.A., 717 F.3d 224, 234-36 (1st Cir. 2013)
- Racine & Laramie, Ltd. v. Department of Parks & Recreation, 11 Cal. App. 4th 1026, 1031-32 (1992)
- Guz v. Bechtel National Inc., 24 Cal. 4th 317, 349-50 (2000)
- Plastino v. Wells Fargo Bank, 873 F. Supp. 2d 1179, 1191-92 (N.D. Cal. 2012)
- Hughes v. Pair, 46 Cal. 4th 1035, 1050-51 (2009)
- Pitman v. City of Oakland, 197 Cal. App. 3d 1037, 1047-48 (1988)
- Sheen v. Wells Fargo Bank, N.A., 12 Cal. 5th 905, 948 (2022)
- Norwest Mortgage, Inc. v. Superior Court, 72 Cal. App. 4th 214, 224-25 (1999)
- Kearns v. Ford Motor Co., 567 F.3d 1120, 1125-27 (9th Cir. 2009)
- Fecht v. Price Co., 70 F.3d 1078, 1082 (9th Cir. 1995)
- Kwikset v. Superior Court, 51 Cal. 4th 310, 326-27 (2011)
- Patera v. Citibank, N.A., 79 F. Supp. 3d 1074, 1085 (N.D. Cal. 2015)
- Gregory v. Albertson's, Inc., 104 Cal. App. 4th 845, 854 (2002)
- California v. IntelliGender, LLC, 771 F.3d 1169, 1174 (9th Cir. 2014)
- Berryman v. Merit Property Management, Inc., 152 Cal. App. 4th 1544, 1554 (2007)
- Shroyer v. New Cingular Wireless Services, Inc., 622 F.3d 1035, 1041, 1043-44 (9th Cir. 2010)
- De Bouse v. Bayer AG, 235 Ill. 2d 544, 550, 554 (2009)
- Dalton v. Camp, 353 N.C. 647, 656 (2001)
- Christopher v. First Mutual Corp., 2006 WL 166566, at *3 (E.D. Pa. Jan. 20, 2006)
- Snowder v. District of Columbia, 949 A.2d 590, 599 (D.C. 2008)
- Astiana v. Hain Celestial Group, Inc., 783 F.3d 753, 762 (9th Cir. 2015)
- Rutherford Holdings, LLC v. Plaza Del Rey, 223 Cal. App. 4th 221, 231 (2014)
- Conder v. Home Savings, 680 F. Supp. 2d 1168, 1174 (C.D. Cal. 2010)
- County of Santa Clara v. Astra USA, Inc., 588 F.3d 1237, 1244 (9th Cir. 2009), rev'd on other grounds, 563 U.S. 110 (2011)
- Reynolds v. McLaren Automotive, Inc., 2024 WL 2000644, at *10 (S.D. Cal. May 6, 2024)

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