

SUPREME COURT OF THE STATE OF ALASKA

Alaska USA Federal Credit Union v. The Sayer Law Group, P.C.;
State of Alaska, Department of Revenue, Child Support Services
Division; Janelle Earls, in her official capacity as Acting
Commissioner of the Department of Revenue; Troy R. Lewis; and
Shanda M. Lewis

Supreme Court No. S-18515; No. 7796 · No. S-18515; Superior Court No. 3AN-21-05226 CI; Opinion No. 7796
· Decided November 28, 2025

SUMMARY

The Alaska Supreme Court held that a child-support withholding order was ineffective because the foreclosure surplus was not property "due, owing, or belonging" to the child-support obligor. The court further held that Alaska Statute 25.27.230(d) prohibited the trustee from transferring surplus foreclosure proceeds to a judgment lienholder after receiving actual notice of a CSSD lien, effectively giving the CSSD lien priority over competing judgment liens. The court affirmed the superior court's decision affirming the district court's judgment.

CASE DETAILS

COURT	Supreme Court of the State of Alaska
WRITING FOR THE COURT	Pate, Justice; Maassen, Chief Justice; Carney, Justice; Borghesan, Justice; Henderson, Justice
JURISDICTION	Alaska
DECIDED	November 28, 2025
DOCKET	S-18515; Superior Court No. 3AN-21-05226 CI; Opinion No. 7796
DISPOSITION	affirmed
PROCEDURAL POSTURE	Alaska USA petitioned for hearing after the superior court, acting as an intermediate appellate court, affirmed the district court's summary judgment in favor of CSSD. The Alaska Supreme Court granted the petition for hearing and independently reviewed the district court's judgment.
STANDARD OF REVIEW	The Supreme Court independently reviews a superior court judgment entered while acting as an intermediate appellate court and reviews

	questions of statutory interpretation de novo, adopting the rule of law most persuasive in light of precedent, reason, and policy.
PRECEDENTIAL VALUE	published
PARTIES	Alaska USA Federal Credit Union v. The Sayer Law Group, P.C., State of Alaska, Department of Revenue, Child Support Services Division, Janelle Earls, in her official capacity as Acting Commissioner of the Department of Revenue, Troy R. Lewis, Shanda M. Lewis

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether a CSSD withholding order issued under AS 25.27.250 is effective when the property held by the third party is not due, owing, or belonging to the child-support obligor because competing liens exhaust the surplus.
2. Whether the prohibitions in AS 25.27.230(d) apply to judgment lienholders in nonjudicial foreclosure proceedings, including judgment liens recorded before the CSSD lien.
3. Whether CSSD's lien therefore had effective priority over Alaska USA's earlier-recorded judgment lien in the distribution of foreclosure surplus proceeds.

HOLDINGS

1. A CSSD withholding order issued under AS 25.27.250 is ineffective when the third party possesses no property that is due, owing, or belonging to the child-support obligor at the time the order is issued. Because the surplus was insufficient to satisfy the competing liens, none of it was due, owing, or belonging to Lewis.
2. AS 25.27.230(d) applies to judgment lienholders in nonjudicial foreclosure proceedings, including judgment lienholders whose liens were recorded before the CSSD lien.
3. Sayer Law complied with the governing statutes by satisfying CSSD's lien before transferring the remaining surplus to Alaska USA, even though Alaska USA's judgment lien was recorded earlier.

KEY QUOTATIONS

“First, we hold that CSSD’s withholding order issued under AS 25.27.250 was ineffective in this case because it was not issued against property “due, owing, or belonging” to Lewis.” (-7)

“Second, we hold that the requirements of AS 25.27.230(d) apply to judgment liens in nonjudicial foreclosures, including those that are senior to a CSSD lien.” (-7)

“None of the surplus funds in this case were due, owing, or belonging to Lewis at the time the withholding order was issued, and thus, the withholding order was ineffective.” (-13)

“Consistent with the plain text of the statute and the express purpose of the legislature, we hold that the requirements of AS 25.27.230(d) apply to judgment lienholders in nonjudicial foreclosures, including judgment liens that were recorded prior to a CSSD lien.” (-19)

FACTUAL BACKGROUND

Alaska USA recorded a judgment lien against Troy Lewis in January 2017, and CSSD later recorded a child-support lien against Lewis's real and personal property in September 2017. Sayer Law conducted a nonjudicial foreclosure of property encumbered by a deed of trust held by Wells Fargo and, after paying Wells Fargo, held a surplus of \$34,590.31. Because the surplus was insufficient to satisfy both judgment liens, CSSD issued a withholding order directing Sayer Law to deliver \$25,428.20 to CSSD, and Sayer Law paid CSSD first and sent the remaining funds to Alaska USA. Alaska USA returned the check and challenged the distribution, asserting that its earlier-recorded lien had priority.

PROCEDURAL HISTORY

Alaska USA sued Sayer Law in the district court for allegedly mishandling surplus proceeds from a nonjudicial foreclosure sale. Sayer Law filed an interpleader counterclaim and a third-party complaint against CSSD. The district court granted CSSD's summary-judgment motion and denied Alaska USA's motion, concluding that CSSD's withholding order and lien had priority. The superior court affirmed, relying primarily on AS 25.27.250(i). The Alaska Supreme Court affirmed the superior court's decision, but held that the withholding order was ineffective and that CSSD's lien had priority under AS 25.27.230(d).

DISPOSITION

affirmed

CASES CITED

- Nat'l Bank of Alaska v. State, Dep't of Revenue, 642 P.2d 811, 817 (Alaska 1982)
- Ray v. Draeger, 353 P.3d 806, 810 (Alaska 2015)
- Pouzanova v. Morton, 327 P.3d 865, 867 (Alaska 2014)
- Angelica C. v. Jonathan C., 459 P.3d 1148, 1155 (Alaska 2020)
- Schacht v. Kunimune, 440 P.3d 149, 153 (Alaska 2019)
- State, Dep't of Revenue, Child Support Enf't Div. v. Deleon, 103 P.3d 897, 900 (Alaska 2004)
- Koss v. Koss, 981 P.2d 106, 107-08 (Alaska 1999)
- Adams v. FedAlaska Fed. Credit Union, 757 P.2d 1040, 1042 (Alaska 1988)
- Burnett, Waldock & Padgett Invs. v. C.B.S. Realty, 668 P.2d 819, 822-23 (Alaska 1983)
- Gutchen v. Gabriel, 49 P.3d 223, 225-26 (Alaska 2002)
- Brooks v. R&M Consultants, Inc., 613 P.2d 268, 269 (Alaska 1980)

- First Fed. Sav. & Loan Ass'n of Rochester v. Brown, 434 N.Y.S.2d 306, 310 (N.Y. App. Div. 1980)
- Grand Teton Mountain Invs., LLC v. Beach Props., LLC, 385 S.W.3d 499, 502 (Mo. App. 2012)
- Reynolds v. Sisco Grp., Inc., 70 P.3d 388, 391-92 (Alaska 2003)
- Johnson v. State, Dep't of Corr., 380 P.3d 653, 656 (Alaska 2016)
- Nelson v. Mun. of Anchorage, 267 P.3d 636, 642 (Alaska 2011)
- Thomas v. Joseph P. Casteel Tr., 496 P.3d 403 (Alaska 2021)
- Ralston v. State, Child Support Enf't Div. ex rel. Wall, 728 P.2d 635, 637 (Alaska 1986)
- State, Dep't of Revenue, Child Support Enf't Div. v. Leitch, 999 P.2d 782, 784 (Alaska 2000)
- State, Dep't of Revenue, Child Support Enf't Div. v. Allsop, 902 P.2d 790, 794 (Alaska 1995)

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