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Patterson v. GMAC Mortgage, LLC, No. 2100490 [*Foreclosure: A mortgage company that initiates foreclosure proceedings before being assigned a mortgage lacks standing to initiate an ejectment action following a foreclosure sale.*] (Per Curiam, 3-1-1; Bryan, J., dissenting).

CASE SUMMARIES

SUPREME COURT OF ALABAMA

600, LLC v. Virani, No. 1100447. AAN, Inc. purchased property in Childersburg. When AAN defaulted on its loan, Aliant Bank foreclosed on the property and purchased it at the foreclosure sale for \$511,000. Aliant then sold the property to 600, LLC for \$275,000. Afterwards, AAN, Inc. quitclaimed its redemption rights in the property to Altav Virani. Virani's attorney sent a letter to 600, LLC requesting an itemized listing of the charges required to redeem the property. 600, LLC responded with a list that included the \$511,000 paid by Aliant at the foreclosure sale, the calculated interest from the date of purchase, and the cost of property insurance. Virani filed suit alleging that 600, LLC's itemized statement was incorrect because it included the \$511,000 amount Aliant paid at foreclosure, rather than the \$275,000 that 600, LLC paid Aliant Bank for the property. The trial court agreed with Virani. It interpreted Alabama Code, § 6-5-253, which governs redemption prices, to require that Virani pay only the cost that 600, LLC paid when it purchased the house from Aliant Bank. The Alabama Supreme Court reversed. The Court relied on precedent and construed the term "sale" in Alabama Code, § 6-5-253 to mean the foreclosure sale. Thus, 600, LLC's original itemized statement to Virani was correct, and he was required to pay the full \$511,000 foreclosure sale price. The Court also found that the statute required interest to be calculated from the date of the foreclosure. The Court reversed and remanded for a proper determination of the full redemption price.

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ALABAMA COURT OF CIVIL APPEALS

Patterson v. GMAC Mortgage, LLC, No. 2100490. Reginald and Diana Patterson executed a mortgage on their house in favor of Option One Mortgage Corporation. Option One assigned the mortgage to GMAC Mortgage, LLC on August 6, 2007. Prior to the assignment, GMAC initiated foreclosure proceedings by giving notice of its foreclosure of the mortgage in a newspaper of general circulation. GMAC conducted a foreclosure sale and purchased the house on August 7, 2007, one day after the assignment by Option One and months after initiating foreclosure proceedings. When the Pattersons failed to vacate the property, GMAC brought an ejectment action. The trial court granted summary judgment in favor of GMAC on the issue of whether the foreclosure was valid and, following a bench trial, found in favor of GMAC on the issue of whether the Pattersons received notice of GMAC's demand for possession of the house. The Alabama Court of Civil Appeals vacated the trial court's judgment. Based on its recent decision in [Sturdivant v. BAC Home Loans, LP](#), the Court held that GMAC lacked authority to foreclose the mortgage because it had not been assigned the mortgage before it initiated the foreclosure proceedings. Accordingly, the foreclosure and the foreclosure deed upon which GMAC based its ejectment claim were invalid, and GMAC lacked standing to bring its ejectment action. The trial court therefore never acquired subject-matter jurisdiction over the ejectment action; as a result, its judgment was void and could not support an appeal. In dissent, Judge Bryan opined that the Pattersons were entitled to prove that GMAC's foreclosure and foreclosure deed were invalid as an affirmative defense, but that the Court should not have reversed the trial court's judgment on this basis because it was not argued to the trial court.

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