

SUMMARY STATEMENT

Bennett v. Bank of Eastern Oregon

Docket No. 47346

This appeal addresses whether a debtor can use Idaho's single-action rule as a sanction to quiet title against a deed of trust when the secured creditor has violated the rule by filing an action against the debtor to recover on the debt before seeking satisfaction of the debt by foreclosing on the property serving as security. Bret and Mary Bennett filed an action to quiet title to their residence in Payette, Idaho, against the Bank of Eastern Oregon ("BEO"), seeking to remove a judgment lien and a deed of trust. BEO filed a Rule 12(b)(6) motion to dismiss for failure to state a claim upon which relief could be granted. The district court granted the motion, reasoning that Idaho law did not provide for the Bennetts' sought-after relief.

The Idaho Supreme Court held that violation of Idaho's single-action rule for deeds of trust, codified at Idaho Code section 45-1503(1), could form the basis of a quiet-title action. In addition, the Idaho Supreme Court held that an expired judgment lien constitutes a cloud on title redressible by a quiet-title action. Accordingly, the Idaho Supreme Court reversed the district court's order granting BEO's Rule 12(b)(6) motion, vacated the judgment, and remanded for further proceedings.