IN THE COURT OF APPEALS OF THE STATE OF NEVADA

WHITE LANTERN, LLC,
Appellant,
vs.
DITECH FINANCIAL LLC, F/K/A GREEN TREE SERVICING, LLC,
Respondent.

No. 77429-COA

ORDER OF AFFIRMANCE

White Lantern, LLC (White Lantern), appeals from a final judgment following a bench trial in a quiet title action. Eighth Judicial District Court, Clark County; Rob Bare, Judge.

The original owners of the subject property failed to make periodic payments to their homeowners' association (HOA). The HOA recorded a notice of delinquent assessment lien and later a notice of default and election to sell to collect on the past due assessments and other fees pursuant to NRS Chapter 116. White Lantern's predecessor purchased the property at the resulting foreclosure sale, and respondent Ditech Financial LLC (Ditech)—the holder of the first deed of trust on the property—and White Lantern each sued to quiet title. The matter proceeded to a bench trial, and the district court ruled in favor of Ditech, finding that the Federal National Mortgage Association (Fannie Mae) owned the underlying loan such that 12 U.S.C. § 4617(j)(3) (the Federal Foreclosure Bar) prevented the foreclosure sale from extinguishing Ditech's deed of trust. This appeal followed.

This court reviews a district court's legal conclusions following a bench trial de novo, but we will not disturb the district court's factual findings "unless they are clearly erroneous or not supported by substantial evidence." *Wells Fargo Bank, N.A. v. Radecki*, 134 Nev. 619, 621, 426 P.3d 593, 596 (2018).

As argued by Ditech in its answering brief, White Lantern has failed to provide this court with an adequate record of the proceedings below, and we must therefore presume that the missing portions of the record support the district court's decision.[1] *See Cuzze v. Univ. & Cmty. Coll. Sys. of Nev.*, 123 Nev. 598, 603, 172 P.3d 131, 135 (2007). Moreover, the district court appears to have relied on evidence virtually identical to that which the supreme court recently held was sufficient to prove that a regulated entity like Fannie Mae owned the underlying loan at the time of the foreclosure sale and that the beneficiary of the deed of trust was an agent of the regulated entity, such that the Federal Foreclosure Bar preserved the deed of trust. *See Daisy Tr. v. Wells Fargo Bank, N.A.*, 135 Nev. 230, 234-36, 445 P.3d 846, 849-51 (2019) (concluding that business records and testimony from employees of the bank and the regulated entity were sufficient to prove that the Federal Foreclosure Bar applied, and that neither the loan servicing agreement nor the original promissory note

[1]We deny Ditech's request for summary disposition or the imposition of sanctions on White Lantern based on counsel's failure to comply with certain provisions of the Nevada Rules of Appellate Procedure (NRAP). Nonetheless, we caution counsel for White Lantern that sanctions may be imposed in future matters should counsel fail to comply with the NRAP.

needed to be produced). Further, we reject White Lantern's arguments that the recorded documents showed that Ditech's predecessor actually owned the note at the time of the sale[2] and that, alternatively, Fannie Mae's interest needed to be recorded. *See id.* at 233-34, 445 P.3d at 849 (holding that a deed of trust need not be assigned to a regulated entity in order for it to own the secured loan—meaning that Nevada's recording statutes are not implicated—where the deed of trust beneficiary is an agent of the note holder).

Accordingly, the district court properly concluded that the Federal Foreclosure Bar prevented extinguishment of Ditech's deed of trust and that White Lantern took the property subject to it. *See Saticoy Bay LLC Series 9641 Christine View v. Fed. Nat'l Mortg. Ass'n*, 134 Nev. 270, 273-74, 417 P.3d 363, 367-68 (2018) (holding that the Federal Foreclosure

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[2]White Lantern contends that Fannie Mae did not own the loan because the deed of trust assignment from one of Ditech's predecessors to its most recent predecessor also purported to transfer the promissory note. However, the supreme court recognized in *Daisy Trust* that Freddie Mac (or in this case Fannie Mae) obtains its interest in a loan by virtue of the promissory note being negotiated to it. 135 Nev. at 234 n.3, 445 P.3d at 849 n.3. Section A2-1-04 of the Fannie Mae Servicing Guide, of which we take judicial notice, NRS 47.130; NRS 47.170, stands for the same proposition. Consequently, because the promissory note had already been negotiated to Fannie Mae at the time of the assignment of the deed of trust to Ditech's most recent predecessor, the assignor lacked authority to transfer the note, and the language in the assignment purporting to do so had no effect. *See* 6A C.J.S. Assignments § 111 (2019) ("An assignee stands in the shoes of the assignor and ordinarily obtains only the rights possessed by the assignor at the time of the assignment, and no more.").

Bar preempts NRS 116.3116 such that it prevents extinguishment of the property interests of regulated entities under FHFA conservatorship without affirmative FHFA consent). Thus, given the foregoing, we

ORDER the judgment of the district court AFFIRMED.[3]

_____, C.J.
Gibbons

_____, J.
Tao

_____, J.
Bulla

cc: Hon. Rob Bare, District Judge
Hong & Hong
Akerman LLP/Las Vegas
Fennemore Craig P.C./Reno
Eighth District Court Clerk

[3]Insofar as the parties raise arguments that are not specifically addressed in this order, we have considered the same and conclude that they either do not present a basis for relief or need not be reached given the disposition of this appeal.