Ronald Owens and Elizabeth Naylor
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Scottsdale, Arizona 85254
[redacted] · [redacted]
Plaintiffs Pro Se

SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

RONALD OWENS and ELIZABETH NAYLOR, husband and wife, Plaintiffs, v. SELECT PORTFOLIO SERVICING, INC., a Utah corporation; U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as trustee for COLT 2024-3 MORTGAGE LOAN TRUST; LEONARD J. McDONALD, as Successor Trustee; and DOES I through X, inclusive, Defendants.	Case No. CV2026-039863 **VERIFIED COMPLAINT FOR:** (1) Declaratory Judgment as to the Right (2) Declaratory Judgment, A.R.S. § 12-1831 A.R.S. § 12-1831 et seq. (3) Violation of the Real Estate Settlement Procedures Act, 12 U.S.C. § 2605 and 12 C.F.R. Part 1024 (4) Breach of Contract (5) Sale Without Statutory Authority (6) Breach of the Implied Covenant of Good Faith and Fair Dealing (7) Breach of Trustee's Duties (8) Arizona Consumer Fraud Act, A.R.S. § 44-1521 et seq. (9) Fair Housing Act, 42 U.S.C. § 3604(f)(3)(B) and A.R.S. § 41-1491.19 **(Expedited Consideration Requested)** **(Trustee's Sale Set for September 29, 2026)** (Assigned to the Hon. ________________________)

Plaintiffs Ronald Owens and Elizabeth Naylor, for their Verified Complaint against Defendants, allege as follows:

INTRODUCTION

1. A trustee's sale of Plaintiffs' home is set for September 29, 2026. Plaintiffs are 80 and 70 years old. Mr. Owens has lived with Parkinson's disease for twenty-five years, has

survived four cancers, carries a current Stage IV diagnosis, and requires assistance twenty-four hours a day. He has been hospitalized since September 8, 2026, is being treated for pneumonia, and has no discharge date. He cannot attend at the sale, and cannot act outside the hospital to protect the Property. The residence has been adapted for his care and is where he is to be discharged.

2. SPS has serviced this loan since June 3, 2024. Plaintiffs first sought a modification of the Loan in April 2025, through a HUD-approved counseling agency, when the account was less than two months in arrears, when $24,522.30 would have cured the default, and when no trustee’s sale had been noticed. They have applied four times since. Upon each occasion SPS has refused, attributing the refusal to a requirement of the Noteholder which it has never identified. Plaintiffs have asked SPS eight times in writing to name the document, the section and the date of the provision said to prevent a modification. It has never done so. What SPS has produced, three times over, is the Note and the Deed of Trust, neither of which contains any such restriction and the latter of which provides for modification in several places. In the same period Plaintiffs have been directed from SPS to the Successor Trustee, from his firm back to SPS, from the auctioneer back to the firm, and from SPS to a department which declines to take the call.

3. On August 21, 2026, thirty-nine days before that sale, Plaintiffs submitted a complete loss mitigation application to Defendant Select Portfolio Servicing, Inc. ("SPS"). They submitted it twice on the same day: through SPS’s own customer portal, under SPS’s own document category "Mortgage Assistance Required Documentation," and by

United States Postal Service Priority Mail Express to the overnight address SPS publishes for borrowers facing a scheduled sale.

4. SPS closed the application on August 24, 2026 on the ground that it "did not raise an issue with the servicing of your account." SPS denied it on August 25, 2026, four days after receipt and one day before the mailed copy was delivered, without requesting a single document, asking a single question, or identifying a single option it had evaluated.

5. 12 C.F.R. § 1024.41(g) prohibits a servicer from conducting a foreclosure sale where a complete loss mitigation application is received more than thirty-seven days before the sale, unless the servicer has issued a notice under § 1024.41(c)(1)(ii) that the borrower is not eligible for any loss mitigation option, the borrower has rejected all options offered, or the borrower has failed to perform under an agreed option. None of those conditions is satisfied here.

6. On September 1, 2026, a specialist in SPS's Consumer Ombudsman Department, examining the servicing record on a recorded line, said she was not sure the account had ever been reviewed for any assistance options, and that the pending application would not be reviewed because the sale date was too close. Those statements are set out in full at paragraph 72 below.

7. Plaintiffs do not seek forgiveness of any part of this debt. What they seek is a modification of the terms of the Loan: a reduction of the interest rate, an extension of the maturity date, and deferral of the arrears to the end of the term, each of which SPS itself described under the heading "Modification" in its letter of May 28, 2026. The arrears

would remain owing in full and would be paid at maturity. Their documented household income is $21,214.70 each month in pension and Social Security benefits, fixed for life, not subject to reduction or garnishment, and continuing in full to the survivor. The contractual monthly payment is $12,392.05. Plaintiffs are able to perform. Deferral of the arrears alone would restore the Loan to performing status upon the fixed income described, without regard to the business income Plaintiffs anticipate resuming. What Plaintiffs seek is a modification of the terms of the Loan, for which they have applied four times since April 2025, and for which SPS has never identified any impediment. Plaintiffs seek an order restraining the sale until SPS performs the evaluation required of it and until the questions raised by this Complaint have been determined.

PARTIES

8. Plaintiffs Ronald Owens and Elizabeth Naylor are husband and wife and at all relevant times have resided at and occupied the real property located at [redacted], Scottsdale, Arizona 85254. The Deed of Trust identifies the Borrower as "Ronald Owens and Elizabeth Naylor, husband and wife and Christian George Alfonso Navarro and Sara Owens, husband and wife, as joint tenants with right of survivorship." Plaintiffs are two of the four trustors.

9. Defendant Select Portfolio Servicing, Inc. ("SPS") is a Utah corporation with its principal place of business at 3217 South Decker Lake Drive, Salt Lake City, Utah 84119. SPS is the servicer of the Loan secured by the Property and has been since June

3, 2024. SPS transacts business in Arizona, services loans secured by Arizona real property, and has invoked Arizona’s trustee sale statutes with respect to the Property.

10. Defendant U.S. Bank Trust Company, National Association, not in its individual capacity but solely as trustee for COLT 2024-3 Mortgage Loan Trust ("U.S. Bank"), is the owner and holder of the Note secured by the Property, as SPS confirmed in writing on February 27, 2026 and July 17, 2026.

11. Defendant Leonard J. McDonald is an attorney at Tiffany & Bosco, P.A., 7720 North 16th Street, Suite 300, Phoenix, Arizona 85020, and is the Successor Trustee under the Deed of Trust encumbering the Property, appointed by SPS as attorney-in-fact for U.S. Bank by Substitution of Trustee recorded in Maricopa County on February 13, 2026 as instrument 20260099841.

12. Defendants Does I through X are persons or entities whose identities are presently unknown to Plaintiffs and who may claim an interest in the Property or bear responsibility for the conduct alleged. Plaintiffs will amend this Complaint to state their true names when ascertained.

JURISDICTION AND VENUE

13. This Court has jurisdiction under Article VI, Section 14 of the Arizona Constitution and A.R.S. § 12-123. The amount in controversy exceeds the jurisdictional minimum of this Court.

14. This Court has jurisdiction over Plaintiffs’ federal claims concurrently with the district courts of the United States. 12 U.S.C. § 2614; 42 U.S.C. § 3613(a)(1)(A).

15. Venue is proper in Maricopa County under A.R.S. § 12-401(12) and (15). The Property is located in Maricopa County, the Deed of Trust and Notice of Trustee's Sale are recorded in Maricopa County, and the trustee's sale is noticed to occur in Maricopa County.

GENERAL ALLEGATIONS

A. The Loan and the Instruments

16. On April 19, 2024, Plaintiffs executed a promissory note in the original principal amount of $1,600,000.00 at a fixed interest rate of 8.000 percent, with a monthly principal and interest payment of $11,740.23 and a maturity date of May 1, 2054 (the "Note"). The Note is a MULTISTATE FIXED RATE NOTE on Fannie Mae/Freddie Mac Uniform Instrument Form 3200 (07/2021).

17. The Note is secured by a Deed of Trust of the same date, recorded in Maricopa County on April 26, 2024 as instrument 20240218545 (the "Deed of Trust"), on Arizona Uniform Instrument Form 3003 (07/2021).

18. The Note contains no provision restricting modification, deferral, forbearance or extension of the maturity date. Section 4 permits prepayment "without paying a Prepayment charge." Section 10 identifies the sole condition on which accelerated payment may be required, namely a sale or transfer of the Property without the lender's prior written consent.

19. The Deed of Trust likewise contains no provision restricting modification. To the contrary, its provisions expressly contemplate the relief Plaintiffs have sought:

(a) the granting clause, under TRANSFER OF RIGHTS IN THE PROPERTY, secures "the repayment of the Loan, and all renewals, extensions, and modifications of the Note";

(b) Section 2(a) provides that partial payments held in suspense "will be credited against the total amount due under the Loan in calculating the amount due in connection with any foreclosure proceeding, payoff request, loan modification, or reinstatement";

(c) Section 9(b), captioned "Avoiding Foreclosure; Mitigating Losses," provides that "Lender may work with Borrower to avoid foreclosure and/or mitigate Lender's potential losses, but is not obligated to do so unless required by Applicable Law," and that "Lender may take reasonable actions to evaluate Borrower for available alternatives to foreclosure";

(d) Section 13 provides that Borrower is not released from liability "if Lender extends the time for payment or modifies the amortization of the sums secured by this Security Instrument";

(e) Section 14(e) provides that "Lender and any other Borrower can agree to extend, modify, forbear, or make any accommodations with regard to the terms of the Note or this Security Instrument";

(f) Section 15(b) authorizes the lender to charge "property inspection, valuation, mediation, and loss mitigation fees"; and

(g) Section 22 provides that the Loan Servicer "has the right and authority to... perform any other mortgage loan servicing obligations" and to "exercise any rights under the Note, this Security Instrument, and Applicable Law on behalf of Lender."

20. Section 17 of the Deed of Trust provides that the instrument "is governed by federal law and the law of the State of Arizona." Section (W) defines RESPA to include Regulation X, 12 C.F.R. Part 1024, and provides that as used in the instrument RESPA "refers to all requirements and restrictions that would apply to a ‘federally related mortgage loan’ even if the Loan does not qualify as a ‘federally related mortgage loan’ under RESPA."

21. By reason of Sections 9(b), 17, 22 and (W), Regulation X constitutes Applicable Law under the Deed of Trust by the parties’ express agreement, and the qualification in Section 9(b) is satisfied.

B. The Hardship

22. Mr. Owens has lived with Parkinson’s disease for approximately twenty-five years. Beginning in 2022 his condition deteriorated severely. Over approximately six months he was hospitalized repeatedly with sepsis, serious cardiac disease, colon cancer, and pneumonia on two occasions, much of it in intensive and transitional care. He has survived four separate cancers. He carries a current Stage IV diagnosis. He was discharged from hospital unable to walk and transportable only by gurney, and he requires assistance twenty-four hours a day.

23. In the same period the limited liability companies through which Plaintiffs derived business income sustained a substantial loss of revenue. Those businesses are being restored to operation and Plaintiffs anticipate business income resuming in the near term. Plaintiffs do not rely upon that income for present purposes, and the relief they seek does not depend upon it.

C. The First Request for Assistance and SPS's Refusal to Review

24. Mr. Owens was discharged from that period of hospitalization unable to walk. Ms. Naylor became his full-time caregiver.

25. Plaintiffs paid the Loan from the first installment through February 2025, latterly out of savings.

26. On April 21, 2025, SPS issued a Notice of Default stating that the amount required to cure was $24,522.30, with late charges, advances and escrow deficit each $0.00. That notice stated that SPS "is committed to home retention" and offers "structured repayment plans, special payment arrangements, modifications, short settlements, and deed-in-lieu options," and that "[i]f we can reach an agreement to resolve your default, we will not proceed with and/or commence foreclosure."

27. On April 28, 2025, the Neighborhood Assistance Corporation of America, a HUD-approved housing counseling agency, submitted a documented hardship request to SPS on Plaintiffs' behalf. On May 6, 2025, SPS acknowledged receipt of additional documents which its own record characterizes as "a request for loss mitigation assistance."

28. On May 12, 2025, SPS responded, in a letter copied to the Consumer Financial Protection Bureau, that the account "is currently ineligible for a loss mitigation resolution review," and that "SPS is required to service its accounts according to the requirements of the Noteholder and while SPS is committed to assisting customers, not all circumstances will allow for an available home retention option." SPS identified no

requirement. No evaluation was conducted and no notice under 12 C.F.R. § 1024.41(c)(1)(ii) was issued.

29. At that time no Notice of Trustee’s Sale had been recorded and no sale had ever been scheduled on the Loan.

30. At the time of that refusal the amount required to cure the default was $24,522.30. Plaintiffs were less than two months in arrears, remained in the Property, and had the income described below. Had SPS conducted the evaluation 12 C.F.R. § 1024.41(c)(1) required, any option for which Plaintiffs qualified would have been applied to a default of that size.

31. SPS did not conduct that evaluation, and has not conducted one since. Over the seventeen months of its refusal the sum required to reinstate grew from $24,522.30 to $240,605.29. The whole of that increase accrued while Plaintiffs were asking to be evaluated and SPS was declining to evaluate them.

32. The dispute did not lapse between May 2025 and August 2026. On May 21, 2025, Plaintiffs wrote to SPS’s Office of the President renewing the request and asking SPS to identify the requirement upon which it relied. SPS did not identify one. Plaintiffs pursued the matter before the Consumer Financial Protection Bureau under file No. 250429-20442264, to which SPS’s letter of May 12, 2025 was its response.

33. Throughout the same period SPS continued to write to Plaintiffs offering the assistance it declined to consider. Its letters state that SPS "is committed to home retention" and that available assistance "may include special payment arrangements, structured repayment plans, or loan modifications." Its letter of May 28, 2026 lists

"Modification" and describes it as "a reduction of your interest rate, a partial payment deferral or an extension to the maturity date of your mortgage loan," and instructs that a complete application be submitted "at least thirty-seven (37) days prior to a scheduled foreclosure sale date." Plaintiffs have received at least fifteen such letters since April 2025.

34. Plaintiffs applied again when the loan became the subject of a noticed sale. They submitted a Request for Mortgage Assistance through SPS's portal on May 29, 2026, which SPS denied on June 2, 2026, four days later, without requesting any document. They wrote to the Noteholder on June 3, 2026, to SPS on June 30, 2026, and again in July 2026. SPS's answers of July 9 and August 5, 2026 repeated that the account is ineligible "per investor guidelines" and declined to identify the guideline, stating that information "either proprietary or confidential" would not be provided.

35. Throughout that period SPS attributed its refusal to the requirements of the Noteholder and declined to identify them. Asked in writing to name the document, the section and the date of the provision said to prevent a modification, it produced the Note and the Deed of Trust, and did so three times, most recently on September 18, 2026. Neither instrument contains any such provision, and SPS has never identified one.

D. Plaintiffs' Bankruptcy Cases

36. On August 14, 2025, Plaintiffs filed a petition under Chapter 13, Case No. 2:25-bk-07596-PS. That case was dismissed on January 26, 2026 without a discharge. A substantial part of the present arrearage accrued while that case was pending and while Plaintiffs continued to seek loss mitigation from SPS.

37. On May 22, 2026, four days before the sale then noticed for May 26, 2026, Plaintiffs filed a petition under Chapter 11, Case No. 2:26-bk-05144-MCW. Because the earlier case had been dismissed within the preceding year, the automatic stay terminated on June 21, 2026 under 11 U.S.C. § 362(c)(3)(A). Plaintiffs moved to dismiss and the case was dismissed on August 6, 2026 without a discharge.

38. No discharge was entered in either case. Plaintiffs remain personally liable on the Note. Under 11 U.S.C. § 362(c)(4) no automatic stay would arise on a further filing, and Plaintiffs do not seek one.

E. The Foreclosure Proceedings

39. On February 13, 2026, SPS, by its own officer as attorney-in-fact for U.S. Bank, executed a Substitution of Trustee appointing Defendant McDonald as Successor Trustee, recorded as instrument 20260099841.

40. On February 19, 2026, a Notice of Trustee’s Sale was executed, and it was recorded on February 20, 2026 as instrument 20260099842, setting the sale for May 26, 2026 at 10:00 a.m. in the courtyard by the main entrance of the Superior Court Building, 201 West Jefferson, Phoenix.

41. By letter dated July 8, 2026, SPS wrote to Plaintiffs: "SPS is notifying you that the previously scheduled foreclosure sale of the above noted property has been postponed and re-scheduled to occur on 09/29/2026." SPS thereby fixed the September 29, 2026 sale date and communicated it to Plaintiffs forty-four days before their complete application was received.

42. The sale noticed under instrument 20260099842 for May 26, 2026 now stands for September 29, 2026. Plaintiffs have no information that any public declaration under A.R.S. § 33-810(B) was made upon any occasion, and no record of any such declaration has been furnished to them by any party. By letter dated September 9, 2026, Plaintiffs requested from the Successor Trustee, in writing, the date, place, and person making each declaration, and specifically as to May 26, 2026 and July 28, 2026. No response has been received.

43. A.R.S. § 33-810(B) permits a noticed sale to be continued only by public declaration made at the time and place last appointed for the sale, to a date not later than ninety calendar days from the declaration. September 29, 2026 falls one hundred and twenty-six days after May 26, 2026. If any required declaration was not made, the sale noticed under instrument 20260099842 was not continued, the Successor Trustee is without authority under A.R.S. § 33-807 to conduct a sale on September 29, 2026, and a new Notice of Trustee’s Sale complying with A.R.S. § 33-808 would be required.

F. The Successor Trustee’s Appearance Against Plaintiffs for a Competing Creditor

44. The Property is also encumbered by a junior lien held by Alliant Credit Union in the approximate amount of $221,108, serviced by Cenlar FSB.

45. On June 16, 2026, while holding the office of Successor Trustee under the Deed of Trust securing the first lien, Defendant McDonald appeared in Plaintiffs’ Chapter 11 case on behalf of Alliant Credit Union and filed an objection at Docket 46 asking the bankruptcy court to deny an extension of the automatic stay so as "to allow Secured

Creditor to foreclose the lien of its Deed of Trust or Mortgage; to evict debtors...; and to obtain ownership, possession and control of the Property."

46. That objection was withdrawn without prejudice the following day at Docket 52. The certificate of service records that a copy was served on Select Portfolio Servicing, Inc.

47. A trustee under an Arizona deed of trust owes duties to the trustor as well as to the beneficiary. Plaintiffs have requested in writing that SPS exercise its authority under Section 28 of the Deed of Trust and A.R.S. § 33-804 to substitute a trustee having no engagement adverse to Plaintiffs in respect of the Property. SPS has not responded.

G. The Earlier Applications and Denials

48. On a date in February 2026 Plaintiffs' servicing record reflects a request for assistance. Plaintiffs were never notified of any determination upon it. On September 1, 2026, an SPS Ombudsman specialist located that entry and stated: "I just located in February. We showed there was a request. It looks like that was denied because there was a foreclosure sale date at that time."

49. On February 27, 2026, eight days after the Notice of Trustee's Sale was recorded, SPS wrote to Plaintiffs identifying U.S. Bank as the owner of the Loan and stating that SPS "is committed to home retention" and offers "structured repayment plans, modifications, or account settlement alternatives."

50. On May 27 and May 28, 2026 SPS wrote again in similar terms. The letter of May 28, 2026 stated that available assistance may include "a reduction of your interest rate, a partial payment deferral or an extension to the maturity date."

51. On May 29, 2026, at 3:23 p.m., Plaintiffs submitted a Request for Mortgage Assistance through SPS's customer portal. SPS had requested no documentation and had never told Plaintiffs what documentation was required.

52. On June 2, 2026, four calendar days later, two of which were a weekend, SPS denied that submission. The denial stated: "the account is ineligible for one or more resolution options or it is ineligible for the option you selected on the RMA. SPS may be able to help you with an alternate resolution option." It identified no option evaluated and stated no reason. SPS never issued the notice of complete application required by 12 C.F.R. § 1024.41(c)(3), never identified any borrower-controlled document or information as missing, and never afforded Plaintiffs an opportunity to supply any such item.

53. On June 3, 2026, Plaintiffs sent correspondence by certified mail to the Noteholder at the address SPS had supplied. The article was never delivered. The Postal Service recorded a forwarding on June 9, 2026 and no delivery scan.

54. By letter dated June 22, 2026, U.S. Bank wrote to Plaintiffs that it has no role in reviewing, approving or disapproving SPS's loss mitigation decisions, and directed Plaintiffs to SPS.

55. On July 8, 2026, SPS wrote to Plaintiffs: "Our records indicate that your obligation has been discharged under the United States Bankruptcy Code." No discharge had been entered. Plaintiffs' Chapter 11 case was then pending and would not be dismissed for another twenty-nine days.

56. On July 9, 2026, SPS denied assistance again, stating that "[p]er investor guidelines, the account is not eligible for any loss mitigation reviews," and expressly refusing to

identify those guidelines: "where the inquiry requests information that is either proprietary or confidential, we will not be providing such information." On the same date SPS’s customer portal displayed "Your account is not eligible for this functionality" on the Request for Mortgage Assistance page and "No Application" on the Assistance Program Status page.

57. On July 10 and July 17, 2026 SPS sent four further letters repeating that it "is committed to home retention" and offers "structured repayment plans, modifications, or account settlement alternatives." The letter of July 17, 2026, addressed to U.S. Bank, further stated: "As the servicer, SPS is authorized to collect all payments and administer the terms of the Note and security instrument. Questions or disputes regarding the account and any requests for assistance should be directed to SPS in order to ensure a timely response and resolution."

58. On August 5, 2026, SPS denied assistance again. That letter enclosed the Note and the Deed of Trust and stated: "We have provided all the documentation we relied upon to reach our determination. If a document was not provided, it is because it is privileged or proprietary." It stated that SPS "is required to service its accounts according to the requirements of the Noteholder, which may include limitations on modification characteristics." It further stated: "Our review has confirmed that no errors have occurred regarding the concerns raised in the inquiries." It was signed by a Customer Advocate and copied to U.S. Bank.

H. The Complete Application of August 21, 2026

59. On August 21, 2026, at 11:47 a.m., Plaintiffs uploaded a complete loss mitigation application to SPS's customer portal at www.spservicing.com under SPS's own document category "Mortgage Assistance Required Documentation." The portal displayed completion indicators for the uploaded files.

60. The same day, Plaintiffs dispatched an identical package by United States Postal Service Priority Mail Express to SPS at 3217 South Decker Lake Drive, Salt Lake City, Utah 84119, the address SPS publishes for overnight delivery and directs borrowers to use where a foreclosure sale is scheduled.

61. The application comprised a transmittal letter; a Declaration of Hardship executed under penalty of perjury; SPS's own Request for Mortgage Assistance executed at Sections 1 through 9 with no field left blank; a Schedule of Enclosures itemized against SPS's published documentation list; IRS Form 4506-C executed by each Plaintiff; Plaintiffs' federal income tax return with all schedules; a signed year-to-date profit and loss statement; AFTRA Retirement Fund benefit letters; 2026 Social Security Administration award letters; and sixty days of statements for every active account, complete and unredacted.

62. September 29, 2026 falls thirty-nine days after August 21, 2026. The application was therefore received more than thirty-seven days before the scheduled foreclosure sale within the meaning of 12 C.F.R. § 1024.41(g).

63. The application was complete when submitted. In the alternative, it became facially complete within the meaning of 12 C.F.R. § 1024.41(c)(2)(iv), SPS never having

identified or requested any further borrower-controlled information, and SPS was required to treat it as complete for the purposes of 12 C.F.R. § 1024.41(g).

64. On August 24, 2026, SPS issued two letters. The first acknowledged receipt of "correspondence." The second stated: "This correspondence was sent to our dedicated Dispute/Inquiry mailbox. Because your letter did not raise an issue with the servicing of your account, we have directed your correspondence to the appropriate department for handling, and we consider this matter closed."

65. On August 25, 2026, SPS issued a denial in language identical to a denial it had issued on June 2, 2026: "the account is ineligible for one or more resolution options or it is ineligible for the option you selected on the RMA. SPS may be able to help you with an alternate resolution option." The denial identifies no option evaluated and states no reason. It further states that Plaintiffs' obligation "has either been discharged or is subject to an automatic stay," and that Plaintiffs "may need Bankruptcy Court approval of any permanent modification of the account."

66. Those statements are false. Plaintiffs' Chapter 11 case, No. 2:26-bk-05144-MCW, was dismissed on August 6, 2026. No discharge was entered in that case or in any other. The automatic stay had terminated on June 21, 2026 under 11 U.S.C. § 362(c)(3)(A). Plaintiffs reported the dismissal to SPS by telephone on August 17, August 20, August 31 and September 4, 2026.

67. SPS never issued the notice of complete application required by 12 C.F.R. § 1024.41(c)(3), never requested any document, and never identified any item as missing, on this or any prior submission.

68. SPS is separately required to answer the Notice of Error served on September 15, 2026 before the date of the sale. Errors 1, 2 and 7 are asserted under 12 C.F.R. § 1024.35(b)(9) and (b)(10). For errors so asserted, § 1024.35(e)(3)(i)(B) requires a response before the date of a foreclosure sale, and § 1024.35(e)(3)(ii) provides that the period may not be extended. The exclusion at § 1024.35(f)(2) applies only to a notice received seven or fewer days before a sale; this notice was received fourteen days before. SPS acknowledged it on September 18, 2026, stated that it would respond within thirty days, and has not responded. Thirty days falls after the sale.

I. SPS's Correspondence Practice

69. Between August 24 and September 8, 2026 SPS sent Plaintiffs five separate letters, each stating that SPS "has received correspondence from you or your authorized agent regarding this account" and had "forwarded this correspondence to the appropriate department for handling." Each then set out where to remit payment and how to pay by Western Union Quick Collect. On no occasion has SPS identified the department to which the correspondence was routed, named any individual responsible, or furnished a substantive response from any department.

70. Four of those letters were sent after SPS denied the application on August 25, 2026. Each stated that SPS "is committed to home retention and offers many assistance options designed for customers who are experiencing temporary or permanent hardship," and invited Plaintiffs to "call us as soon as possible to discuss your situation and the options that may be available to you." The most recent is dated September 8, 2026.

71. On August 31, 2026, SPS wrote that it had received an inquiry on August 26, 2026, that it would "route to the appropriate department for handling," and that "[i]f a response is required, one will be provided to you within 30 days." Thirty days from August 26, 2026 is September 25, 2026, four days before the scheduled sale.

72. Since April 2025 SPS has written to Plaintiffs on at least fifteen occasions stating that loan modifications, payment deferrals, repayment plans, interest rate reductions and maturity extensions are available on the account. Over the same period SPS has refused Plaintiffs relief on at least ten occasions.

73. Plaintiffs have written to SPS on at least eight occasions, addressing each department SPS designates for the purpose, including its Office of the President, its Loss Mitigation Department, its Notice of Error and Information Request Department at the exclusive address SPS designates under 12 C.F.R. §§ 1024.35(c) and 1024.36(b), and its Consumer Ombudsman Department. Each asked SPS to identify the provision on which it relies. None has been answered.

74. Complaints remain pending before the Consumer Financial Protection Bureau under file Nos. 260910-38192406 and 260920-38682241, and before the Arizona Attorney General’s Office, Consumer Information and Complaints Unit, confirmation No. LVR86-QZVE8. SPS acknowledged the most recent complaint on September 22, 2026 and stated that it would respond "promptly," giving no date. Its answer of September 18, 2026 to file No. 260910-38192406 is the letter stating that it holds no record of any prior loss mitigation assistance review.

J. SPS’s Statements on Recorded Calls

75. Plaintiffs spoke with SPS on August 17, August 20, August 31, September 1 and September 4, 2026. SPS announced at the outset of each call that the call would be recorded. Ms. Naylor also recorded each call. Arizona is a one-party consent jurisdiction. Plaintiffs hold the audio recordings and written transcripts.

76. On August 17, 2026, Ms. Naylor reported the dismissal of the Chapter 11 case to SPS. The representative stated: "I’m not showing any foreclosure. It shows foreclosure action is currently on hold due to active bankruptcy plan." Asked whether any retention option was available, he put a single question, namely whether anyone in the household receives unemployment benefits, and on being told the household receives Social Security and pension income concluded: "Unfortunately, yes, ma’am. Like you said, no retention options available."

77. On August 20, 2026, Ms. Naylor reported the dismissal again. A representative of SPS’s bankruptcy department stated: "we don’t have on our end yet that it is dismissed." Asked why no modification appeared available, she examined the file and stated: "typically when it’s in the bankruptcy status, that’s not something that would be offered. It just has null. It just says loan has no available options. But I’m not entirely sure if that’s based on the Note. It just for me, it just shows it’s due to the bankruptcy status." She further stated she was 99.9 percent certain the sale would not proceed on September 29, 2026, confirmed that when it was repeated back to her, described the sale date as "null," and stated she did not believe it was valid.

78. On August 31, 2026, an Ombudsman specialist took Plaintiffs’ hardship details and stated that she would submit a request for a deferral of the arrearage, describing it as

follows: "what I'm gonna do is we can see if we can put it in for a deferral... to the back end of the balance... when these kinds of scenarios happen and it's a deferral, you don't pay interest on that. It's just kind of put to the back... it ends up come and due all at once at maturity, like pay off of the account maturity time, or, you know, if you decided to refi or sell it before that date." Asked whether a relationship manager had been assigned to the account, and told none ever had, she stated: "Sometimes accounts won't for a while, but eventually each account gets someone just so that the customer has that one person." No personnel have been assigned in the twenty-seven months SPS has serviced the Loan.

79. On September 1, 2026, a specialist in SPS's Consumer Ombudsman Department stated that the account would not be reviewed: "because the foreclosure sale date of September 29th is too close, so we're not able to review it for any options." Examining the servicing record on the same call, she stated: "this account was acquired in June of 2024. I'm not sure that we've ever reviewed it for any assistance options previously." Asked what response the pending application would receive, she stated, before any review had occurred: "you will receive an ineligibility letter back again."

80. On September 4, 2026, a second Ombudsman specialist stated: "I just don't see where anybody has opened up that request," and described SPS's practice as follows: "We don't just get documents and start a review. We don't, we've never done that like that. It's about talking with our office and staying in touch."

81. On the same call the specialist stated that the application could not be reviewed because "We don’t have 37 or more days," computing the interval from the date of the telephone call rather than from the date of receipt of the application.

82. On September 4, 2026, the same specialist refused the deferral she had proposed four days earlier. Asked what response Plaintiffs’ application would receive, an Ombudsman specialist had stated on September 1, 2026, before any review had occurred: "you will receive an ineligibility letter back again."

83. On September 4, 2026, a further SPS representative stated: "Foreclosure action is currently on hold due to the act of bankruptcy plan," and "The foreclosure is not going to proceed on the 29th." Asked whether a new sale date would be noticed, he stated "They should," and "I don’t have that at the point in time." Within hours a different representative stated that the "foreclosure sale date is scheduled for 929."

84. On four separate occasions between August 17 and September 4, 2026, four different SPS representatives told Ms. Naylor that the September 29, 2026 sale would not proceed.

K. The Basis Asserted for Refusal, and Its Circularity

85. SPS has refused Plaintiffs’ requests for loss mitigation on at least ten occasions. On each occasion it attributed the refusal to the Note, the Deed of Trust, or unidentified requirements of the Noteholder. It has never identified any provision of any document.

86. On July 9, 2026, SPS refused to identify the "investor guidelines" on which it relied, stating that "where the inquiry requests information that is either proprietary or confidential, we will not be providing such information."

87. The letter of August 5, 2026 described above enclosed the Note and the Deed of Trust as the whole of the documentation relied upon, and stated that the Noteholder’s requirements "may include limitations on modification characteristics." It identified no such limitation and no provision of either instrument.

88. By letters dated July 17 and August 5, 2026 SPS stated that "any request for mortgage assistance should be directed to SPS in order to ensure a timely response and resolution." On September 4, 2026, SPS’s Ombudsman Department directed Plaintiffs to the foreclosure attorney, being the Successor Trustee retained to sell the Property.

89. SPS has given the same federal regulator two irreconcilable accounts of this account. Answering file No. 250429-20442264 on May 12, 2025, it wrote that it had "completed a full review of the inquiry and the account," on an inquiry SPS itself captioned "Loss Mitigation." Answering file No. 260910-38192406 on September 18, 2026, it wrote that it has "no record of any prior loss mitigation assistance reviews for the account." SPS has serviced the Loan since June 3, 2024, and both statements concern the same period.

90. Both statements cannot be accurate. If a review was conducted in 2025, SPS owed Plaintiffs the written notice required by 12 C.F.R. § 1024.41(c)(1)(ii), the specific reason required by § 1024.41(d), and the appeal rights required by § 1024.41(h), none of which issued. If no review was conducted, SPS cannot rely upon § 1024.41(i), which is available only to a servicer that has previously complied with § 1024.41 as to a complete application.

91. SPS has produced the Note and the Deed of Trust on three occasions as the entirety of the documentation relied upon in refusing a modification, most recently on September

18, 2026. Plaintiffs have asked SPS in writing, on eight occasions, to identify the document, the section and the date of the provision said to prevent a modification. SPS has never identified one.

92. Neither instrument contains such a provision. The Note contains no restriction upon modification. The Deed of Trust provides for modification in seven places: the granting clause, which secures "the repayment of the Loan, and all renewals, extensions, and modifications of the Note"; Section 2(a), which applies funds "in connection with any foreclosure proceeding, payoff request, loan modification, or reinstatement"; Section 9(b), captioned "Avoiding Foreclosure; Mitigating Losses"; Section 13, concerning loan charges; Section 14(e), by which the Lender "can agree to extend, modify, forbear, or make any accommodations with regard to the terms of the Note"; Section 15(b), which authorizes the charging of "loss mitigation fees"; and Section 22, which confers upon the Loan Servicer authority to exercise rights under Applicable Law on the Lender’s behalf.

93. The instrument SPS produces as the reason it cannot act is the instrument that requires it to act. Section 9(b) provides that the Lender "may work with Borrower to avoid foreclosure and/or mitigate Lender’s potential losses, but is not obligated to do so unless required by Applicable Law." Section (H) defines Applicable Law to include controlling federal regulations, and Section (W) defines RESPA to include Regulation X.

L. Plaintiffs’ Capacity to Perform, and the Economics of a Sale

94. Plaintiffs' documented household income is $21,214.70 per month, comprising AFTRA Retirement Fund pensions of $12,686.00 and $2,730.00 and Social Security benefits of $3,664.00 and $2,134.70. The pensions are defined-benefit annuities in payout status, fixed for life, and were elected under the 100 percent Joint and Survivor Annuity form of payment, so that the income continues in full to the survivor.

95. The contractual monthly payment is $12,392.05, comprising principal and interest of $11,740.23 and escrow of $651.82, being 58.4 percent of Plaintiffs' documented income.

96. Per SPS's statement of August 14, 2026, the outstanding principal balance is $1,588,936.51, the total owed on the first lien is $1,779,865.69, and the amount required to reinstate is $228,213.24. Per SPS's statement of September 14, 2026, the total owed is $1,795,124.15 and the amount required to reinstate is $240,605.29. The fair market value of the Property is approximately $1,576,900. The first lien exceeds the value of the Property by approximately $202,965.69.

97. At the valuation stated above, a sale at or near fair market value would not produce proceeds sufficient to satisfy the stated first-lien indebtedness before the costs of sale and disposition, and would extinguish a junior lien of approximately $221,108. A deferral of the arrearage to maturity would realize no loss and would restore monthly remittances of $12,392.05 from income fixed for life.

COUNT ONE

Declaratory Judgment as to the Right to Conduct the Scheduled Sale

(Against All Defendants)

98. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

99. An actual controversy exists as to whether Defendants may conduct the sale set for September 29, 2026. Unless and until one of the conditions stated in 12 C.F.R. § 1024.41(g)(1) through (3) is satisfied, that provision prohibits the conduct of the sale, and Plaintiffs allege that no such condition has been satisfied.

100. Plaintiffs have no adequate remedy at law. The Property is unique. It is Plaintiffs' residence and has been physically adapted for Mr. Owens's condition, including single-story construction, doorways sized for a wheelchair, a ground-floor bedroom, and installed grab bars. A sale would cause irreparable injury that damages cannot repair.

101. Under A.R.S. § 33-811(B), the recitals in a trustee's deed are prima facie evidence of compliance and conclusive in favor of a purchaser for value without notice. A sale would create third-party rights not readily undone.

102. The balance of hardships favors Plaintiffs. A postponement imposes no loss on Defendants. SPS has twice postponed this sale on its own initiative.

103. Plaintiffs are entitled to a declaration of the parties' rights under A.R.S. § 12-1831 et seq., and to injunctive relief in aid of that determination as prayed. Injunctive relief is sought as a remedy and not as an independent cause of action.

COUNT TWO

Declaratory Judgment, A.R.S. § 12-1831 et seq.

(Against All Defendants)

104. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

105. An actual and justiciable controversy exists between Plaintiffs and Defendants concerning (a) whether the sale noticed under instrument 20260099842 was validly continued to September 29, 2026 in accordance with A.R.S. § 33-810(B); (b) whether 12 C.F.R. § 1024.41(g) prohibits the conduct of that sale; and (c) whether any provision of the Note, the Deed of Trust, or any instrument governing the trust for which U.S. Bank acts restricts modification of the Loan.

106. Plaintiffs seek a declaration of the rights and obligations of the parties as to each.

COUNT THREE

Violation of the Real Estate Settlement Procedures Act

12 U.S.C. § 2605 and 12 C.F.R. Part 1024

(Against SPS)

107. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

108. SPS is a servicer within the meaning of 12 U.S.C. § 2605(i)(2) and is not a small servicer exempt under 12 C.F.R. § 1024.30(b)(1).

109. SPS violated 12 C.F.R. § 1024.41(b)(1) by failing to exercise reasonable diligence in obtaining documents and information to complete Plaintiffs' loss mitigation applications, never having identified a single missing item on any submission.

110. SPS violated 12 C.F.R. § 1024.41(c)(1)(i) by failing to evaluate Plaintiffs for all loss mitigation options available.

111. SPS violated 12 C.F.R. § 1024.41(c)(1)(ii) by failing to provide a written notice stating the determination as to each option.

112. SPS violated 12 C.F.R. § 1024.41(d) by failing to state the specific reason for the denial of any trial or permanent loan modification option and, where the denial was said to rest on a requirement of the owner or assignee, by failing to identify the owner or assignee and the requirement relied upon.

113. Unless and until one of the conditions stated in 12 C.F.R. § 1024.41(g)(1) through (3) is satisfied, § 1024.41(g) prohibits the conduct of the scheduled foreclosure sale, and SPS is required to take the steps necessary to prevent that sale from being conducted. No such condition has been satisfied.

101A. 12 C.F.R. § 1024.41(i) does not relieve SPS of those obligations, because SPS has not previously complied with § 1024.41 with respect to any complete loss mitigation application submitted by Plaintiffs during the continuing delinquency, as SPS itself stated in writing to the Consumer Financial Protection Bureau on September 18, 2026.

114. SPS violated 12 C.F.R. § 1024.35 by closing Plaintiffs' notices of error without conducting a reasonable investigation and without providing the notification that provision requires.

115. SPS violated 12 C.F.R. § 1024.36 and 12 U.S.C. § 2605(k)(1)(D) by failing to respond to Plaintiffs' requests for information, including the identity of the owner requirement relied upon.

116. The foregoing constitute a pattern or practice of noncompliance within the meaning of 12 U.S.C. § 2605(f)(1)(B).

117. As a direct and proximate result, Plaintiffs have suffered actual damages to be proven at trial, including amounts charged to the account during the period of noncompliance, together with foreclosure-related fees and costs, and the expenses of pursuing compliance. Plaintiffs further seek the additional damages permitted by 12 U.S.C. § 2605(f)(1)(B) upon a pattern or practice of noncompliance, together with costs and reasonable attorney's fees under 12 U.S.C. § 2605(f)(3).

COUNT FOUR

Breach of Contract

(Against SPS and U.S. Bank)

118. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

119. The Deed of Trust is a valid and enforceable contract. Section (W) adopts RESPA and Regulation X as terms of the instrument. Section 17 provides that the instrument is governed by federal law and the law of Arizona. Section 9(b) obliges the lender to work with a borrower in default where required by Applicable Law.

120. Defendants breached the Deed of Trust by failing to perform the evaluation Regulation X requires and by proceeding toward a sale prohibited by 12 C.F.R. § 1024.41(g).

121. Plaintiffs have performed or been excused from performance of all conditions precedent.

122. Plaintiffs have been damaged thereby and are entitled to their reasonable attorney's fees under A.R.S. § 12-341.01.

COUNT FIVE

Sale Without Statutory Authority; A.R.S. §§ 33-807 and 33-810(B)

(Against All Defendants)

123. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

124. A.R.S. § 33-807 confers a power of sale exercisable only pursuant to a Notice of Trustee's Sale given in accordance with the statute, and A.R.S. § 33-810(B) permits a noticed sale to be continued only by public declaration made at the time and place last appointed for the sale.

125. Plaintiffs have requested the postponement history of the sale in writing and it has not been furnished. If any required declaration was not made, Defendants are without authority to conduct a sale on September 29, 2026, and any sale so conducted, and any trustee's deed recorded in connection with it, would be void or voidable.

126. Plaintiffs reserve all claims arising under A.R.S. § 33-420 in respect of any instrument recorded in connection with such a sale containing a material misstatement, including any recital of compliance with A.R.S. §§ 33-807 through 33-811.

COUNT SIX

Breach of the Implied Covenant of Good Faith and Fair Dealing

(Against SPS and U.S. Bank)

127. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

128. Every contract in Arizona carries an implied covenant of good faith and fair dealing, which prohibits a party from acting to impair the right of the other to receive the benefits that flow from the agreement.

129. Sections 2(a), 9(b), 13, 14(e), 15(b) and 22 of the Deed of Trust, read with Sections 17 and (W), confer on Plaintiffs the benefit of an evaluation for alternatives to foreclosure conducted in accordance with Applicable Law.

130. Defendants impaired that benefit by advertising loss mitigation options to Plaintiffs on at least fifteen occasions while refusing on at least ten occasions to conduct any evaluation; by attributing the refusals to requirements they declined to identify; by proposing a deferral of arrears on August 31, 2026 and refusing it on September 4, 2026; and by fixing the sale date of September 29, 2026 and then invoking the proximity of that date as the reason no evaluation could occur.

131. Plaintiffs have been damaged thereby.

COUNT SEVEN

Breach of Trustee’s Duties

(Against Defendant McDonald)

132. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

133. A trustee under an Arizona deed of trust holds the power of sale in trust and owes duties to the trustor as well as to the beneficiary. The office is not that of an advocate for either.

134. Defendant McDonald accepted appointment as Successor Trustee on February 13, 2026 and executed the Notice of Trustee's Sale on February 19, 2026. On June 16, 2026, while holding that office, he appeared in Plaintiffs' bankruptcy on behalf of a competing lienholder and asked the court to permit that creditor to foreclose upon and take possession of the same Property.

135. Plaintiffs requested in writing on September 9, 2026 that Defendant McDonald state the dates, places and persons by whom each public declaration continuing the noticed sale was made. No response has been received.

136. Plaintiffs seek relief against Defendant McDonald only in respect of obligations arising under A.R.S. §§ 33-807 through 33-811 and under the Deed of Trust, being the duty to exercise the power of sale only upon compliance with the conditions those provisions prescribe, including the requirement of A.R.S. § 33-810(B) that a noticed sale be continued only by public declaration, and the requirement of Section 26(c) of the Deed of Trust that any postponement be made by public announcement. A.R.S. § 33-807(E) provides that the trustee is a proper party to an action concerning a breach of such an obligation.

COUNT EIGHT

Violation of the Arizona Consumer Fraud Act, A.R.S. § 44-1521 et seq.

(Against SPS)

137. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

138. SPS made material misrepresentations to Plaintiffs in connection with the sale of merchandise within the meaning of A.R.S. § 44-1521, including: (a) representing on at least fifteen occasions in writing that loan modifications, deferrals, repayment plans, interest rate reductions and maturity extensions were available on the account, while refusing to conduct any evaluation; (b) representing on four separate occasions that the September 29, 2026 sale would not proceed; and (c) representing on July 8, 2026 that Plaintiffs' obligation "has been discharged under the United States Bankruptcy Code" when no discharge had been entered and the bankruptcy case was then pending.

139. SPS made those representations with intent that Plaintiffs rely upon them. Plaintiffs did rely, to their detriment, by continuing to pursue loss mitigation with SPS rather than pursuing alternatives available to them at that time.

140. Plaintiffs have been damaged thereby.

COUNT NINE

Refusal of Reasonable Accommodation

42 U.S.C. § 3604(f)(3)(B); A.R.S. § 41-1491.19

(Against SPS)

141. Plaintiffs reallege and incorporate by reference each of the foregoing paragraphs as though fully set forth herein.

142. Mr. Owens is handicapped within the meaning of 42 U.S.C. § 3602(h). The Property has been adapted for his condition.

143. Plaintiffs requested a reasonable accommodation, namely that SPS suspend the categorical ineligibility coding applied to the account and evaluate the application individually. SPS refused.

144. The accommodation requested is reasonable, necessary to afford Mr. Owens equal opportunity to use and enjoy the dwelling, and would impose no undue burden on SPS.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that this Court:

A. Issue a temporary restraining order and, after hearing, a preliminary and permanent injunction restraining Defendants and all persons acting on their behalf from conducting the trustee's sale of the Property noticed under Maricopa County instrument 20260099842, and from conducting any sale of the Property, until Defendants have complied with 12 C.F.R. § 1024.41 with respect to Plaintiffs' loss mitigation application received August 21, 2026;

B. Declare the rights and obligations of the parties as set out in Count Two;

C. Order SPS to evaluate Plaintiffs for all loss mitigation options available and to issue the written determination required by 12 C.F.R. § 1024.41(c)(1)(ii), stating the specific reason for the denial of each option and identifying any owner or assignee requirement relied upon;

D. Award actual damages, additional damages, costs and reasonable attorney's fees under 12 U.S.C. § 2605(f);

E. Award damages and reasonable attorney's fees under A.R.S. § 12-341.01;

F. Award such relief as is appropriate under A.R.S. § 44-1521 et seq., 42 U.S.C. § 3613 and A.R.S. § 41-1491.19;

G. Award costs of suit; and

H. Grant such other and further relief as the Court deems just.

DATED this 24th day of September, 2026.

/s/ Elizabeth Naylor
Elizabeth Naylor, Plaintiff Pro Se

/s/ Ronald Owens
Ronald Owens, Plaintiff Pro Se

DEMAND FOR JURY TRIAL

Plaintiffs demand trial by jury on all issues so triable.

DATED this 24th day of September, 2026.

/s/ Elizabeth Naylor
Elizabeth Naylor, Plaintiff Pro Se

/s/ Ronald Owens
Ronald Owens, Plaintiff Pro Se

VERIFICATION

Ronald Owens and Elizabeth Naylor each declare under penalty of perjury under the laws of the State of Arizona that we are the Plaintiffs in the above-entitled action; that we have read the foregoing Verified Complaint and know its contents; and that the same is true of our own knowledge, except as to those matters stated upon information and belief, and as to those we believe them to be true.

Executed this 24th day of September, 2026, at Scottsdale, Arizona.

/s/ Ronald Owens
Ronald Owens, Plaintiff Pro Se

/s/ Elizabeth Naylor
Elizabeth Naylor, Plaintiff Pro Se