

NOTICE

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2026 IL App (5th) 250418-U

NO. 5-25-0418

IN THE

APPELLATE COURT OF ILLINOIS

FIFTH DISTRICT

NOTICE

This order was filed under Supreme Court Rule 23 and is not precedent except in the limited circumstances allowed under Rule 23(e)(1).

FEDERAL NATIONAL MORTGAGE ASSOCIATION,	)	Appeal from the
	)	Circuit Court of
Plaintiff-Appellee,	)	Champaign County.
	)	
v.	)	No. 24-CH-21
	)	
DANIEL WALKER,	)	Honorable
	)	Jason M. Bohm,
Defendant-Appellant.	)	Judge, presiding.

JUSTICE BARBERIS delivered the judgment of the court.
Justices Boie and Vaughan concurred in the judgment.

ORDER

¶ 1 *Held:* The circuit court did not err in granting plaintiff's motion for judgment on the pleadings.

¶ 2 Plaintiff, Federal National Mortgage Association, a/k/a Fannie Mae, claimed ownership of the property located at 1101 Waters Edge Road, Champaign, Illinois (property). Defendant, Daniel Walker, disputed plaintiff's ownership and claimed an interest in the property arising from an installment sales contract with the property's former owner, Paula H. Jackson. The Champaign County circuit court granted plaintiff's motion for judgment on the pleadings. Defendant appeals, arguing the circuit court erred in finding that the pleadings established no genuine issue of material fact and that plaintiff was entitled to judgment as a matter of law. For the reasons explained below, we affirm.

¶ 3

I. BACKGROUND

¶ 4 On October 7, 2013, Paula H. Jackson executed a mortgage on the property, which was subsequently recorded in Champaign County on October 15, 2013, making the property subject to the mortgage.

¶ 5 On January 17, 2018, Jackson and defendant entered into an installment residential sales contract for the property. The contract identified a purchase price of \$180,280. The record indicates defendant paid Jackson \$32,800 upon execution of the contract and agreed to satisfy the remaining balance by making the mortgage payments until the mortgage could be assumed or paid off. The contract provided that defendant would be added as an authorized user on Jackson's existing mortgage account and that the parties would pursue an assumption of the mortgage. Defendant was added as an authorized user on the mortgage account with Nationstar Mortgage LLC d/b/a Mr. Cooper and was able to make monthly mortgage payments electronically from his bank account. The record indicates that defendant immediately, after entering into the contract, informed Nationstar by telephone that he had purchased the property. The contract provided that possession would be delivered before closing, and defendant took possession of the property before the foreclosure proceedings began. The contract further provided that Jackson would execute a recordable warranty deed, which would be held in escrow and delivered to defendant at closing upon his compliance with the terms of the contract. The contract contemplated that the existing mortgage would either be assumed by defendant or paid off at closing. No closing occurred, and defendant never received or recorded a deed conveying the property to him.

¶ 6 On June 11, 2019, Nationstar Mortgage LLC d/b/a Mr. Cooper filed a foreclosure complaint against Jackson. A *lis pendens* was recorded shortly thereafter. During the foreclosure proceedings, Nationstar filed an affidavit as to nonrecord claimants and unknown owners, averring

that the names of other interested persons were unknown and could not be ascertained upon diligent inquiry. Defendant was not named as a defendant in the foreclosure action.

¶ 7 On November 12, 2019, the circuit court entered a judgment of foreclosure and order of sale. The judgment recited that unknown owners had been properly made parties and that the defendants had been duly brought before the court. Notice of the sheriff's sale was published on January 15, 22, and 29, 2020. The sheriff's sale occurred on February 14, 2020, and the circuit court entered an order confirming the sale on April 2, 2020. A sheriff's deed was issued to plaintiff on or about May 4, 2020, and recorded on June 5, 2020.

¶ 8 On March 11, 2022, plaintiff filed an eviction action against several defendants, including defendant, concerning the property. Defendant's answer to the eviction complaint asserted that he had an ownership interest in the property under an installment contract that had not been terminated by the prior foreclosure judgment. Plaintiff moved for summary judgment, arguing that defendant had no ownership or possessory interest, but after briefing and a hearing, the court denied the motion. Shortly thereafter, plaintiff voluntarily dismissed the eviction case on April 5, 2024.

¶ 9 On June 11, 2024, plaintiff filed a single-count complaint for declaratory judgment against defendant. Plaintiff sought a declaration that it was the true and absolute owner of the property and that defendant held no ownership interest.

¶ 10 Defendant filed an answer denying plaintiff's ownership of the property and asserting an affirmative defense based on the January 17, 2018, installment residential sales contract with Jackson. Defendant alleged that, under the contract, he agreed to purchase the property for \$180,280 and paid \$32,800 toward the purchase price. The contract provided that defendant would be added as an authorized user on the existing mortgage and would make the mortgage payments until the mortgage was paid or assumed. Defendant alleged that, immediately after entering into

the contract, he contacted Nationstar Mortgage LLC d/b/a Mr. Cooper, informed it that he had purchased the property, and was added to Jackson's mortgage account as an authorized user. He subsequently began making monthly mortgage payments required under the contract.

¶ 11 Defendant further alleged in this answer that the installment contract vested him with equitable title to the property under the doctrine of equitable conversion. He asserted that, when Nationstar filed the foreclosure action in 2019, it knew that he was a contract purchaser with an ownership and possessory interest in the property but failed to name him as a party. Defendant relied on an affidavit filed by Nationstar stating that other persons with an interest in the property were unknown and could not be ascertained through diligent inquiry. He alleged that this statement was false because Nationstar knew of his interest and had been informed of the purchase and his involvement with the mortgage. Defendant therefore maintained that, because he was not joined in the foreclosure action despite Nationstar's alleged knowledge of his interest, his equitable ownership and right to possession were not extinguished by the foreclosure judgment.

¶ 12 Plaintiff moved for judgment on the pleadings under section 2-615(e) of the Code of Civil Procedure (735 ILCS 5/2-615(e) (West 2022)). Plaintiff argued that defendant's unrecorded and unconsummated installment contract did not transfer legal title or create an interest superior to plaintiff's interest. Plaintiff further argued that any interest defendant acquired under the contract was subject to the mortgage recorded in 2013, which predated defendant's contract with Jackson. Plaintiff also maintained that defendant, at most, was a nonrecord claimant and could not collaterally attack the foreclosure proceedings or the resulting sheriff's deed in the present declaratory action. Plaintiff noted that defendant admitted the sheriff's deed was issued to plaintiff and recorded on June 5, 2020, but nevertheless denied that plaintiff owned the property.

¶ 13 In his response to the motion for judgment on the pleadings, defendant argued that the 2018 real estate installment contract between defendant and Jackson gave defendant an equitable ownership and possessory interest in the property before Nationstar filed its foreclosure action. Because Nationstar allegedly knew of defendant's interest but chose not to name him as a party to the foreclosure, defendant contended that his interest was not terminated by the foreclosure judgment or sheriff's sale under section 15-1501. See 735 ILCS 5/15-1501 (West 2022). Relying primarily on *Applegate Apartments Ltd. Partnership v. Commercial Coin Laundry Systems*, 276 Ill. App. 3d 433 (1995), defendant argued that Nationstar's failure to join him—coupled with its alleged filing of an affidavit falsely stating that the identities of persons with interests in the property were unknown—meant the foreclosure court did not adjudicate or terminate defendant's interest. Thus, defendant maintained that the plaintiff acquired the property subject to his ownership and possessory interests.

¶ 14 Following a hearing on February 12, 2025, the circuit court granted plaintiff's motion for judgment on the pleadings. The court determined that the factual disputes identified by defendant were not material and characterized defendant's position as an improper collateral attack on the prior foreclosure proceedings. On February 19, 2025, the court entered a written judgment declaring plaintiff the true and absolute owner of the property and defendant without any ownership interest in the property. The court denied defendant's motion to reconsider on April 17, 2025. Defendant timely appealed.

¶ 15 II. ANALYSIS

¶ 16 This appeal challenges the circuit court's entry of judgment on the pleadings in favor of plaintiff. The issue presented is whether the court erred in granting plaintiff's motion for judgment on the pleadings pursuant to section 2-615(e) of the Code of Civil Procedure, where defendant's

pleadings alleged that he acquired an equitable ownership interest in the property, that the mortgagee had knowledge of that interest and his possession of the property, and that the foreclosure proceedings failed to extinguish his interest. See 735 ILCS 5/2-615(e) (West 2022). Defendant contends that the pleadings disclosed issues concerning whether his claimed ownership interest was terminated by the prior foreclosure and that judgment on the pleadings was therefore improper.

¶ 17 A motion for judgment on the pleadings under section 2-615(e) is properly granted when “the pleadings disclose no genuine issue of material fact and that the movant is entitled to judgment as a matter of law.” *Pekin Insurance Co. v. Wilson*, 237 Ill. 2d 446, 455 (2010). In determining whether judgment on the pleadings is appropriate, the court considers only facts apparent from the face of the pleadings, matters subject to judicial notice, and judicial admissions in the record. *Illinois Tool Works, Inc. v. Commerce & Industry Insurance Co.*, 2011 IL App (1st) 093084, ¶ 16. The court must “consider as admitted all well-pleaded facts set forth in the pleadings of the nonmoving party, and the fair inferences drawn therefrom,” while disregarding conclusory allegations and surplusage. *Employers Insurance of Wausau v. Ehlco Liquidating Trust*, 186 Ill. 2d 127, 138 (1999); *Illinois Tool Works*, 2011 IL App (1st) 093084, ¶ 16. We review the grant of a motion for judgment on the pleadings *de novo*. *Pekin Insurance*, 237 Ill. 2d at 455.

¶ 18 Defendant argues that judgment on the pleadings was improper because his answer and affirmative defense alleged facts establishing that he acquired an equitable ownership interest in the property before the foreclosure and that Nationstar knew of that interest but failed to name him as a party to the foreclosure. Specifically, defendant asserts that he entered into an installment residential sales contract with Jackson on January 17, 2018, paid \$32,800 toward the purchase price, was added as an authorized user to Jackson’s mortgage account, made mortgage payments,

and took possession of the property.¹ He further alleges that Nationstar knew of his interest and that its affidavit as to nonrecord claimants and unknown owners was therefore false. According to defendant, these allegations create a material factual dispute as to whether his interest was extinguished by the foreclosure. We disagree.

¶ 19 Applying section 2-615(e), we accept as true defendant's well-pleaded allegations regarding the installment contract, his possession of the property, and his mortgage payments, and we draw reasonable inferences in his favor. Those allegations, however, do not alter the priority of the 2013 recorded mortgage or establish a basis under the Illinois Mortgage Foreclosure Law (Foreclosure Law) (735 ILCS 5/15-1101 *et seq.* (West 2022)) for avoiding the final foreclosure judgment, confirmed sale, and recorded sheriff's deed that followed. The mortgage was recorded on October 15, 2013. Defendant did not enter into the residential sales contract with Jackson until January 17, 2018. Nationstar subsequently filed the foreclosure action on June 11, 2019, and a *lis pendens* was recorded shortly thereafter.² The circuit court entered a judgment of foreclosure and order of sale on November 12, 2019, and the property was sold at a sheriff's sale on February 14, 2020. The sale was confirmed on April 2, 2020, and a sheriff's deed was issued to plaintiff on or about May 4, 2020, and recorded on June 5, 2020.

¶ 20 Defendant does not dispute this chronology. He acknowledges that he never received a deed from Jackson and that no deed conveying the property to him was recorded before the foreclosure action commenced. His claimed interest therefore rests entirely on the January 17, 2018, unrecorded residential sales contract. Defendant also acknowledges that no closing occurred.

¹We reference these allegations only to assess the legal priority and foreclosure effects; we do not adjudicate any contract rights between defendant and Jackson.

²Recording of the *lis pendens* provided notice that the foreclosure could affect interests in the property; it did not, however, eliminate Nationstar's obligation to exercise appropriate diligence concerning persons already claiming or possessing an interest in the property.

Although he disputes plaintiff's characterization that he failed to perform under the contract, his own allegations establish that the agreement contemplated that he would satisfy the remaining purchase price by obtaining an assumption or payoff of the existing mortgage and that a deed would be delivered at closing.

¶ 21 Defendant relies on *Shay v. Penrose*, 25 Ill. 2d 447 (1962), for the proposition that equitable conversion occurred when he entered into the residential sales contract and therefore made him the equitable owner of the property. Under the doctrine of equitable conversion, when an owner enters into a valid and enforceable contract for the sale of real estate, the seller retains legal title in trust for the buyer, while the buyer becomes the equitable owner; the conversion occurs when the contract is entered into. *Id.* at 449. However, *Shay* does not address the priority of a contract purchaser's equitable interest against a mortgage that was already recorded before the contract was executed. *Shay* establishes when equitable conversion occurs; it does not establish that an equitable interest arising under a subsequent sales contract takes priority over a preexisting recorded mortgage.

¶ 22 The recording statutes and Illinois authority addressing the relationship between equitable conversion and competing interests control that priority question. Section 30 of the Conveyances Act provides that recorded instruments take effect as to subsequent purchasers and creditors without notice from the time they are filed for record. 765 ILCS 5/30 (West 2022). A recorded mortgage provides constructive notice of the mortgage and the lien it creates to subsequent purchasers. *Hachem v. Chicago Title Insurance Co.*, 2015 IL App (1st) 143188, ¶ 27. And, from the time a mortgage is recorded, it constitutes a lien upon the mortgaged real estate for the obligations secured by the mortgage. 735 ILCS 5/15-1301 (West 2022). Thus, a subsequently acquired equitable interest in real property is taken subject to a lien that was recorded before the

equitable interest arose. As the Fourth District explained in *United Community Bank v. Prairie State Bank & Trust*, 2012 IL App (4th) 110973, equitable conversion does not operate independently of the recording act; the effectiveness of an executory purchase contract against creditors and subsequent purchasers depends upon notice. See *id.* ¶ 39.

¶ 23 Here, the mortgage was recorded in 2013, more than four years before defendant entered into the residential sales contract in 2018. Defendant therefore acquired his claimed equitable interest with constructive notice of the mortgage and its lien. Even assuming, as defendant contends, that he acquired equitable ownership when he executed the residential sales contract and made the \$32,800 payment, his equitable ownership arose subject to the preexisting mortgage. Equitable conversion did not permit defendant to acquire an interest superior to an existing recorded lien. Jackson could not convey to defendant, through a subsequent sales contract, an interest superior to the mortgage. The mortgage became a lien on the property when it was recorded in 2013. See 735 ILCS 5/15-1301 (West 2022). Therefore, even assuming Jackson conveyed an equitable interest to defendant through the subsequent residential sales contract, she could not convey an interest greater than the interest she then possessed, which was subject to the recorded mortgage. See *Cadle Co. II, Inc. v. Stauffenberg*, 221 Ill. App. 3d 267, 271 (1991). Accordingly, defendant's claimed equitable or contractual interest remained subordinate to the 2013 mortgage.

¶ 24 Defendant never received a deed to the property, and no deed conveying the property to defendant appears in the public land records. Defendant nevertheless alleges that the residential sales contract contained a term providing for a deed to be held in escrow. Even crediting that allegation, an escrowed deed does not alter the priority analysis. Defendant's claimed interest arose after the mortgage was recorded, and he does not allege that the mortgagee agreed to subordinate or release its lien. Thus, whether characterized as an equitable ownership interest arising under

Shay, a contractual interest, or an interest associated with an escrowed deed, defendant's claimed interest remained subject to the prior recorded mortgage.

¶ 25 The fact that defendant's claimed interest was subordinate to the mortgage, however, does not by itself resolve whether that interest survived the foreclosure. The mortgage was subsequently foreclosed through a judicial proceeding, the circuit court entered a judgment of foreclosure and order of sale, the property was sold and the sale confirmed, and a sheriff's deed conveying the property to plaintiff was subsequently issued and recorded. The remaining question is therefore whether defendant's subordinate interest was affected by that completed foreclosure and, specifically, whether defendant may now challenge the foreclosure based on Nationstar's alleged failure to identify or join him.

¶ 26 A similar issue was addressed in *Uptown Federal Savings & Loan Ass'n of Chicago v. Vasavid*, 94 Ill. App. 3d 531 (1981). There, the purchasers entered into an installment sales contract after a mortgage had already been recorded against the property. *Id.* at 533. The purchasers' interest was not recorded. *Id.* After the mortgagee commenced foreclosure proceedings and a judgment of foreclosure and judicial sale followed, the purchasers sought to disturb the completed foreclosure based, in part, on their claimed interest in the property and their treatment in the foreclosure proceeding. *Id.* at 534. The court rejected the attempt to vacate the completed foreclosure and judicial sale, emphasizing the stability of judicial sales and concluding that the purchaser could not use an alleged defect that was not apparent on the face of the foreclosure record to disturb the completed sale. *Id.* at 534-36.

¶ 27 *Vasavid* is instructive here. Like the purchasers in *Vasavid*, defendant claims an interest arising from an installment sales contract executed after the mortgage was recorded, did not record his claimed interest, and now seeks to undermine a completed foreclosure based upon an alleged

defect in the identification or treatment of persons with interests in the property. Defendant's argument requires an examination of whether Nationstar actually knew of defendant's identity and interest and whether Nationstar's inquiry was sufficiently diligent. Those matters are not apparent from the face of the foreclosure judgment. Instead, defendant asks this court to resolve the truth of the allegations underlying Nationstar's affidavit and, in doing so, to determine whether the foreclosure court should have proceeded differently.

¶ 28 The same conclusion follows from the *lis pendens* provisions governing the foreclosure. Once the foreclosure action was filed and notice of *lis pendens* was given, persons acquiring interests in the property thereafter were subject to the foreclosure proceeding. But *lis pendens* does not, by itself, eliminate the mortgagee's obligation to exercise appropriate diligence concerning persons already possessing interests in or possession of the property. See *Applegate Apartments Ltd. Partnership*, 276 Ill. App. 3d at 440-42. In *Applegate*, the court recognized that an occupant's possession could be relevant to the mortgagee's obligation to make an honest effort to identify interested persons and that *lis pendens* did not, by itself, bind an occupant who was already in possession so as to relieve the mortgagee of that obligation. *Id.* Thus, defendant is not incorrect that his alleged possession and communications with the mortgage servicer could bear upon whether Nationstar should have made further inquiry concerning his claimed interest. That principle, however, concerns the adequacy of Nationstar's diligence during the foreclosure proceeding; it does not alter the priority of the previously recorded mortgage or, standing alone, provide a basis to disturb a completed foreclosure after confirmation of the sale. Any challenge based on an *Applegate*-type failure of diligence or notice must be addressed within the foreclosure proceeding and its statutory procedures, whether before confirmation or, where available, through

a timely direct or other authorized postjudgment proceeding; *Applegate* does not provide a basis for raising such a challenge for the first time in a later declaratory action.

¶ 29 The publication and foreclosure proceedings nevertheless must be considered together with the Foreclosure Law’s finality provisions. Defendant’s claimed interest was subordinate to the previously recorded mortgage. The foreclosure action was then filed, *lis pendens* was recorded, and notice was provided by publication pursuant to section 15-1502(c)(2). 735 ILCS 5/15-1502(c)(2) (West 2022). The circuit court thereafter entered the judgment of foreclosure and order of sale, the judicial sale was conducted, and the sale was confirmed. Section 15-1404 provides that, upon confirmation of a judicial sale, the interests of persons made parties to the foreclosure and nonrecord claimants given the required notice are terminated. *Id.* § 15-1404. Section 15-1509 governs the vesting of title following the sale and the claims barred by the vesting of title, which includes nonrecord claimants. *Id.* § 15-1509. The sheriff’s deed was then issued and recorded. Thus, the foreclosure did not merely result in a judgment against the mortgagor; it proceeded through the statutory notice and sale-confirmation process and culminated in the vesting of title under the sheriff’s deed. Defendant’s subsequent declaratory action cannot be used to disregard that completed process and obtain a new determination of whether his interest should have been addressed differently in the foreclosure.

¶ 30 Defendant contends that he was an “unknown owner,” rather than a “nonrecord claimant,” and therefore that section 15-1509(c) does not bar his claim. Section 15-1501(a), however, provides that a foreclosure disposition remains subject to “the interests of all other persons not made a party” or interests “not otherwise barred or terminated in the foreclosure.” *Id.* § 15-1501(a). Accordingly, the fact that defendant characterizes himself as an unknown owner does not, by itself, establish that his interest survived the foreclosure. Rather, the issue is whether defendant may now

challenge the foreclosure court's treatment of unknown owners and its determination that they had been properly made parties. Section 15-1501(a) does not provide a vehicle for relitigating a completed foreclosure in a separate action, nor does it elevate a subsequent, unrecorded contractual interest above a prior recorded mortgage. The publication of notice, followed by entry of the foreclosure judgment, confirmation of the sale, and issuance and recording of the sheriff's deed, therefore cannot be disregarded merely because defendant now alleges that he should have been identified and named individually in the foreclosure action.

¶ 31 That conclusion is consistent with the principles governing collateral attacks on final judgments. Here, the foreclosure judgment expressly found that unknown owners had been properly made parties and that the defendants had been duly brought before the court. Defendant cannot use this separate action to challenge those findings or relitigate the validity of the foreclosure judgment. See *Malone v. Cosentino*, 99 Ill. 2d 29, 32-33 (1983) ("Once a court with proper jurisdiction has entered a final judgment, that judgment can only be attacked on direct appeal, or in one of the traditional collateral proceedings now defined by statute."); see also *State Bank of Lake Zurich v. Thill*, 113 Ill. 2d 294, 312-14 (1986) (discussing collateral attacks on foreclosure judgments after the rights of an innocent third-party purchaser have attached). The judicial sale was conducted and confirmed, and a sheriff's deed was issued and recorded. Defendant therefore cannot obtain relief from the foreclosure judgment through this separate declaratory action. Instead, he alleges that Nationstar's affidavit was factually inaccurate because Nationstar allegedly knew of his identity and interest and failed to conduct a sufficient inquiry. Resolving that contention would require this court to consider evidence concerning Nationstar's communications with defendant or the mortgage servicer, defendant's possession of the property, his payments, and the circumstances surrounding the foreclosure. Those are not matters apparent

from the face of the foreclosure judgment. They are fact-dependent allegations that, even if true, would establish at most an alleged error in the foreclosure proceeding.

¶ 32 The Foreclosure Law also provides the statutory framework for raising objections to the judicial sale and seeking relief in the foreclosure proceeding. Section 15-1508 provides for a hearing to confirm the sale and identifies circumstances in which the court may refuse to confirm it, including where required notice was not given, the sale was conducted fraudulently, or justice was otherwise not done. 735 ILCS 5/15-1508(b) (West 2022). Following confirmation, section 15-1509 provides for the issuance and delivery of the deed and addresses the claims barred by the vesting of title. *Id.* § 15-1509(a)-(c). Thus, the statutory scheme contemplates that objections concerning the foreclosure and sale are addressed in the foreclosure proceeding, including at or before confirmation, rather than through a subsequent action seeking to undermine the completed foreclosure. *Malone* and *Thill* are consistent with that statutory structure: once a foreclosure judgment has become final and the sale has been confirmed, a party may not use a separate collateral proceeding to obtain a second determination of issues concerning the prior judgment and foreclosure proceeding. See *Malone*, 99 Ill. 2d at 32-33; *Thill*, 113 Ill. 2d at 312-14.

¶ 33 Defendant's reliance on *Applegate* does not compel a different result. *Applegate* recognizes that a mortgagee seeking to proceed against unknown owners must make an honest attempt to ascertain the identity of persons having interests in the property and that an occupant's possession may be relevant to that inquiry. *Applegate*, 276 Ill. App. 3d at 440-42. But *Applegate* does not establish that those factual questions may be resolved in this subsequent declaratory action. Nor does it establish that an alleged failure of diligence permits a party to collaterally attack a completed foreclosure after confirmation of the sale. To the extent defendant relies on *Applegate* for the proposition that his possession and Nationstar's alleged knowledge required Nationstar to

identify him as a known owner rather than proceed against unknown owners, that contention concerns the manner in which Nationstar conducted the foreclosure. Defendant therefore cannot use this subsequent declaratory action to obtain a second determination of whether Nationstar properly identified and joined him.

¶ 34 Moreover, even accepting defendant's allegations concerning Nationstar's knowledge and diligence, those allegations do not alter the priority of defendant's underlying interest. As discussed *supra*, defendant's claimed equitable interest arose after the 2013 mortgage was recorded and remained subordinate to that mortgage. Thus, defendant must establish not merely that he possessed a subordinate equitable interest, but that the completed foreclosure was ineffective against that interest. His reliance on *Applegate* addresses only the latter question.

¶ 35 Ultimately, defendant's argument rests on two propositions that must be kept separate. First, even assuming equitable conversion occurred when defendant executed the residential sales contract, that equitable ownership arose after the 2013 mortgage was recorded and therefore remained subordinate to the mortgage. *Shay* does not alter that priority. Second, defendant contends that his subordinate interest nevertheless survived the foreclosure because Nationstar knew of his interest and failed to identify and join him. That contention challenges the effectiveness of the completed foreclosure based on alleged deficiencies in notice, inquiry, and joinder. Defendant cannot use a subsequent declaratory action to relitigate those issues after the sale was confirmed and the sheriff's deed was issued and recorded.

¶ 36 Accordingly, the pleadings disclose no genuine issue of material fact that precludes judgment in plaintiff's favor. Even accepting as true defendant's allegations concerning his possession of the property, his payments, the escrowed-deed provision, and Nationstar's alleged knowledge of his claimed interest, those facts do not defeat the priority of the 2013 mortgage or

overcome the effect of the completed foreclosure and *lis pendens*. Defendant's equitable-conversion theory likewise does not give him an interest superior to the prior recorded mortgage. His remaining challenge—that Nationstar should have identified and joined him—concerns alleged deficiencies in the completed foreclosure proceeding and constitutes an impermissible collateral attack in this subsequent action. Because defendant's claimed interest was subordinate to the 2013 mortgage, and because defendant cannot use this separate action to relitigate the manner in which the foreclosure was conducted after the sale was confirmed and the sheriff's deed was issued and recorded, judgment on the pleadings was proper.

¶ 37

III. CONCLUSION

¶ 38 For the foregoing reasons, we affirm the Champaign County circuit court's order granting the plaintiff's motion for judgment on the pleadings.

¶ 39 Affirmed.