

**IN THE COURT OF APPEALS OF IOWA**

No. 7-198 / 06-0890  
Filed May 23, 2007

**ALASKA SEABOARD PARTNERS, A  
Limited Partnership,**  
Plaintiff-Appellee,

**vs.**

**TODD A. HANSON and TRACEY M. HANSON,**  
Defendants-Appellants,

**TRACEY M. HANSON, DAVID D. HOPPER, d/b/a  
NATURAL PLUS NURSERY & LANDSCAPING,  
H & R ACCOUNTS, INC., YOHNCO CO., INC.,  
D.C. ELECTRIC, and STATE OF IOWA,**  
Defendants.

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Appeal from the Iowa District Court for Cerro Gordo County, James M.  
Drew, Judge.

Defendants-appellants appeal a district court order granting plaintiff-  
appellee a judgment on a note and foreclosure of a mortgage. **AFFIRMED.**

Dale L. Putnam, Decorah, for appellants.

J. Mathew Anderson, Mason City, for appellee.

Considered by Vogel, P.J., and Vaitheswaran and Eisenhauer, JJ.

**EISENHAUER, J.**

Defendants-appellants Todd A. Hanson and Tracy M. Hanson appeal from an order entered by the district court granting plaintiff-appellee, Alaska Seaboard Partners, Limited Partnership (Alaska), a judgment on a note and foreclosure of a mortgage. We affirm.

Todd Hanson and his wife, Tracy Hanson, executed a promissory note payable to Hartford-Carlisle Savings Bank (Hartford) on November 24, 1998. The promissory note gave them a revolving line of credit up to \$430,000 with an annual interest rate of nine percent. The maturity date of the note was November 24, 1999. As security for the note, Hansons executed a mortgage encumbering Lot 3 in Block 3 in Fieldstone First Addition to Clear Lake, Iowa.

Between December 1998 and December 1999 Todd Hanson received multiple advances from Hartford to construct two duplexes on the encumbered property. Each duplex had two condominium units. Two units were completed and sold on September 3 and October 1, 1999. The mortgage on these two units was released. The other two units were never completed and remained in the Hansons' possession. On December 17, 1999, Hartford agreed to extend the maturity date of the loan to November 24, 2000.

In June of 2000, before the loan was due, the Federal Deposit Insurance Corporation closed Hartford and transferred the note and mortgage to State Resources Corporation. Alaska later bought the note and mortgage from State Resources Corporation. Alaska also acquired Hartford's bank file, including a loan history recording all the advances and payments made by the Hansons on

the promissory note. The loan history showed the Hansons made their last payment in October 1999, and a principal balance due of \$388,407.77. This loan history was introduced into evidence by Alaska without objection.

The Hansons never made any payment to either State Resources or Alaska. On March 6, 2005, Alaska filed a petition to foreclose the mortgage. Todd Hanson testified at trial and disputed the amount owed. He denied liability on the note. More specifically, he contended he had never received as many advances as the loan history indicated. Furthermore, he claimed he did not receive credit for two payments, \$100,000.00 and \$9,000.00 respectively, made to Hartford.

The district court ruled in favor of Alaska. The Hansons appeal, contending the district court erred in finding Alaska met its burden of proof because its findings and decisions were based on inadmissible hearsay evidence.

Our review in an equity proceeding is de novo. Iowa R. App. P. 6.4. We are not bound by the district court's factual findings but give weight to them. *Hanson v. Minette*, 461 N.W.2d 592, 593 (Iowa 1990). Alaska has the burden to prove there is an amount owing on the note and that it is entitled to the payment. See *Petty v. Faith Bible Christian Outreach Center, Inc.*, 584 N.W.2d 303, 306 (Iowa 1998). We determine whether Alaska has met its burden by considering all the evidence, both in support of and contrary to its position and then weighing each to determine which is more convincing. *Id.*

In the present case, the Hansons failed to object to the loan history report as inadmissible hearsay at trial; they therefore waived their right to challenge the report on this ground on appeal. In addition, we agree with the district court's reasoning that Alaska established its claim on a prima facie basis, and the Hansons did not offer any credible evidence to rebut the evidence presented by Alaska. We adopt the district court's analysis as our own and affirm the district court's findings and conclusion.

**AFFIRMED.**