

**THERE IS NO TIME LIMIT TO RAISE RECOUPMENT AS A DEFENSE. (“[T]HE RIGHT TO RECOUPMENT CONTAINS NO TIME LIMITATIONS ON ASSERTION OF THE RIGHT.** This accords with the **common-law understanding of recoupment** as a defensive mechanism whereby a defendant may, **AT ANY TIME**, assert claims against the plaintiff in reduction of the plaintiff's claims when those claims arise out of the same transaction; it is an offsetting of liabilities within a transaction.” **BOSE CORP. V. CONSUMERS UNION OF U.S., INC.**, 367 Mass. 424, 326 N.E.2d 8 (1975) )); see also **BULL V. UNITED STATES**, 295 U.S. 247, 262, 55 S.Ct. 695, 79 L.Ed. 1421 (1935) (explaining that recoupment is allowed “in the nature of a defense arising out of some feature of the transaction upon which the plaintiff's action is grounded [and that it] **IS NEVER BARRED BY THE STATUTE OF LIMITATIONS** so long as the main action itself is timely”).

**Through common-law recoupment, a DEFENDANT MAY BE ABLE TO "REDUCE OR AVOID THE PLAINTIFF'S RECOVERY"** based on a claim "aris[ing] out of the same transaction that is the subject matter of the plaintiff's action." **HOUSEHOLD FIN. CORP. V. PUGH**, 288 N.W.2d 701, 704 (Minn. 1980); see Black's Law Dictionary 1466 (10th ed. 2014). **FRANZ V. BAC HOME LOANS SERVICING, LP** (D. Minn., 2011) "[t]o qualify as recoupment a cause of action must be asserted defensively." **DEVARY V. COUNTRYWIDE HOME LOANS, INC.**, 701 F. Supp. 2d 1096, 1106 (D. Minn. 2010).

Recoupment “allows a defendant to ‘defend’ against a claim by asserting—up to the amount of the claim—the defendant's own claim against the plaintiff growing out of the same transaction.” **BOLDUC V. BEAL BANK, SSB**, 167 F.3d 667, 672 (1st Cir.1999)