



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated March 9, 2022 which reads as follows:

“G.R. No. 193448 (Leonor, Nelia, Rogie, Gina, Elma, Lizette, Jennifer, Ronaldo, all surnamed Baquing, Renato Briones and Evelyn Briones, represented by their attorneys-in-fact (and co-plaintiffs) Gilbert and Amalia Baquing v. Rural Bank of San Juan, Inc., Levi Lusung, The Provincial Sheriff of Benguet, Deputy Sheriff Eduardo Catanes and the Register of Deeds of Benguet). – This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, as amended, assailing the Decision² dated March 4, 2010 and Resolution³ dated August 3, 2010 of the Court of Appeals (CA) in CA-G.R. CV No. 92015. The assailed issuances affirmed the July 31, 2008 Judgment⁴ of Branch 10 of the Regional Trial Court (RTC) of La Trinidad, Benguet in Civil Case No. 96-CV-1101 which, in turn, dismissed the complaint filed by herein petitioners Leonor, Nelia, Rogie, Gina, Elma, Lizette, Jennifer, Ronaldo, all surnamed Baquing (petitioners) for injunction, annulment of mortgage, related documents and titles, and damages.

Antecedents

On April 3, 1995, petitioners executed a Special Power of Attorney (SPA) authorizing the spouses Gilbert and Amalia Baquing (spouses Baquing) to borrow the amount of ₱4,000,000.00 from the

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¹ *Rollo*, pp. 8-31.

² *Id.* at 193-201. Penned by Associate Justice Juan Q. Enriquez, Jr. with Associate Justices Mariflor Punzalan Castillo and Elihu A. Ybañez concurring.

³ *Id.* at 218-219.

⁴ *Id.* at 133-151. Rendered by Presiding Judge Edgardo B. Diaz De Rivera, Jr.

San Fernando, Pampanga branch of respondent Rural Bank of San Juan, Inc. (RBSJI).⁵ In order to obtain the said loan, the spouses Baquing executed two promissory notes for the amount of ₱1,200,000.00 and ₱2,800,000.00.⁶ As security for the loan, the spouses Baquing likewise executed a real estate mortgage over four parcels of real property located in La Trinidad, Benguet. These properties were all previously registered in the names of petitioners under Transfer Certificates of Title (TCT) Nos. T-31386, T-28030, T-28031, and T-28032 (subject properties).⁷

RBSJI automatically deducted an amount equivalent to three months of interest before releasing the proceeds of the loan to the spouses Baquing. Thus, from the loan amount of ₱4,000,000.00, they received the net amount of ₱3,652,361.00.⁸

The spouses Baquing paid their loan obligation only once, *i.e.*, the amount of ₱36,250.00 which was made in July 1995. No other payment was made to RBSJI. By May 31, 1996, petitioners' indebtedness had already reached the amount of ₱7,717,457.80.⁹ RBSJI sent them a demand letter to settle their obligation, to no avail. Thus, RBSJI extrajudicially foreclosed the mortgage on the subject properties.¹⁰

Thereafter, petitioners initiated the instant case before the RTC, docketed as Civil Case No. 96-CV-1101. In their Complaint¹¹ and Re-Amended Complaint,¹² petitioners averred that RBSJI made "baseless, unjustified, and unconscionable deductions"¹³ from the loan amount of ₱4,000,000.00 before the same was released to the spouses Baquing; that they were compelled to accept the exorbitant 3% per month penalty rate and interest of 24% per annum; that the amount of ₱7,717,457.80 was more than double the ₱3,652,361.00 that they actually received from RBSJI; that the spouses Baquing were made to sign the real estate mortgage contract, the SPA, and the promissory notes without the presence of a notary public; and, thus, the real estate mortgage and the promissory notes were null and void.

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⁵ Id. at 33.

⁶ Id. at 35.

⁷ Id. at 33-34.

⁸ Id. at 35.

⁹ Id.

¹⁰ Id. at 16.

¹¹ Id. at 32-39.

¹² Id. at 40-54.

¹³ Id. at 44.

The public auction sale of the subject properties was held in abeyance when the trial court issued a Temporary Restraining Order (TRO), followed by a *status quo* order. Attempts at a settlement were made by the parties. Petitioners informed the trial court that they were willing to pay the amount of ₱5,000,000.00, which offer RBSJI accepted. However, petitioners still failed to pay the same.¹⁴

Upon the expiration of the TRO, as well as the lifting of the *status quo* order, RBSJI filed a Revival Petition¹⁵ dated August 26, 1998 praying for the holding of the public auction sale of the subject properties. The same was granted by the lower court.

Per Sheriff's Certificate of Sale¹⁶ dated September 30, 1998, the subject properties were publicly sold, with RBSJI as sole buyer, for the total amount of ₱6,200,000.00.

On November 23, 1999, petitioners filed a Notice of Intent to Redeem Mortgage,¹⁷ seeking to redeem the subject properties for the amount of ₱7,615,737.92. On the same day, petitioners deposited Far East Bank and Trust Company Cashier's Check No. FE 001731 containing the said amount with the Office of the Provincial Sheriff of La Trinidad, Benguet.¹⁸ Petitioners computed the redemption price as follows:

Purchase Price	-	₱ 6,200,000.00
Assessments, taxes and fees	-	599,766.00
1% interest per month from November 23, 1998 to November 23, 1999	-	815,971.92
TOTAL	-	₱ 7,615,737.92 ¹⁹

RBSJI, however, rejected petitioners' redemption offer. It insisted that per Statement of Account²⁰ dated August 25, 1998, the redemption price should be ₱16,106,708.63, broken down as follows:

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¹⁴ Id. at 88.

¹⁵ Id. at 66-68.

¹⁶ Id. at 72-75.

¹⁷ Id. at 81-82.

¹⁸ Id. at 83.

¹⁹ Id. at 82.

²⁰ Id. at 79.

Principal Loan	-	₱ 4,000,000.00
Past Interest Due	-	4,145,777.78
Penalty	-	4,664,000.00
<u>SUB-TOTAL</u>	-	<u>12,809,777.78</u>
Litigation Expenses	-	94,486.40
Attorney's Fees (25%)	-	3,202,444.45
TOTAL	-	₱16,106,708.63²¹

Petitioners failed to pay RBSJI's desired redemption price. RBSJI was thus able to consolidate its ownership over the subject properties. Accordingly, TCT Nos. T-31386, T-28030, T-28031, and T-28032 were cancelled. In lieu thereof, TCT Nos. T-43928,²² T-43929,²³ T-43930,²⁴ and T-43931²⁵ were issued in RBSJI's name.

Meanwhile, petitioners filed a Supplemental Complaint²⁶ and Amended Supplemental Complaint²⁷ before the RTC in Civil Case No. 96-CV-1101 to denounce both the foreclosure sale of the subject properties and the consolidation of ownership thereof in favor of RBSJI, emphasizing that RBSJI's redemption price was unconscionable.

The RTC Ruling

On July 31, 2008, the trial court rendered a Judgment²⁸ dismissing petitioners' complaint. It reasoned that the annual interest of 24% and the penalties imposed by RBSJI were not usurious; that the redemption offer made by petitioners was indeed inadequate; that the fact that the loan documents are contracts of adhesion did not invalidate the same; and that before the RTC could act on petitioners' prayer for the reduction of the redemption price, petitioners withdrew the redemption money – thereby forfeiting their prayer for said relief.

Thus, the trial court disposed:

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²¹ Id. at 60.
²² Id. at 120.
²³ Id. at 121.
²⁴ Id. at 122.
²⁵ Id. at 124.
²⁶ Id. at 55-65.
²⁷ Id. at 86-97.
²⁸ Id. at 133-151.

WHEREFORE, the Complaint and its amendments and counterclaims are DISMISSED. No costs.

SO ORDERED.²⁹

Aggrieved, petitioners interposed an appeal with the CA.³⁰ They contended, *inter alia*, that the bank manager of RBSJI San Fernando, Pampanga branch tricked them into signing the loan documents on the promise that the same would be restructured to a longer term; that the penalties, attorney's fees, and litigation expenses imposed by RBSJI were not made known to them at the time that they contracted the loan, thereby violating the Truth in Lending Act; that, as a result, RBSJI's computed redemption price of ₱16,106,708.63 was invalid; and, resultantly, the consolidation of RBSJI's ownership over the subject properties was void.

The CA Ruling

On March 4, 2010, the CA issued the herein assailed Decision³¹ denying petitioners' appeal.

The appellate court ruled that, indeed, the loan documents signed by petitioners explicitly stated the amount of interest and penalty charges in case of default; that, accordingly, there was no violation of the Truth in Lending Act; and that petitioners have failed to prove that they signed the loan documents through mistake, violence, intimidation, undue influence, or fraud.

Ultimately, the CA disposed:

WHEREFORE, premises considered the appeal is hereby **DENIED**. The assailed Decision dated July 31, 2008 of the RTC of La Trinidad, Benguet, Branch 10, in Civil Case No. 96-CV-1101 is hereby **AFFIRMED**.

SO ORDERED.³²

Petitioners' Motion for Reconsideration³³ was denied by the CA in the herein assailed Resolution³⁴ dated August 3, 2010.

Hence, the present recourse.

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²⁹ Id. at 151.

³⁰ Id. at 152-171.

³¹ Id. at 193-201.

³² Id. at 201.

³³ Id. at 203-211.

³⁴ Id. at 218-219.

Issues

Succinctly, the issues raised for the Court's consideration are:

1. Whether the loan documents entered into by petitioners, through the spouses Baquing, are valid;
2. Whether the interest rate of 24% per annum and the penalty charge of 3% per month are binding upon petitioners; and
3. Whether the foreclosure of the subject properties and the consolidation of the ownership thereof in favor of RBSJI are valid.

Ruling of the Court

The jurisdiction of the Court under Rule 45 is limited only to errors of law as the Court is not a trier of facts.³⁵ The Court is not obliged to review all over again the evidence which the parties adduced in the court *a quo*.³⁶ Nevertheless, where there is a grave abuse of discretion,³⁷ the Court may make an exception. Such applies in the instant case.

The petition is partly meritorious.

The loan documents entered into by petitioners and RBSJI are valid

A contract is a meeting of minds between two persons whereby one binds himself/herself, with respect to the other, to give something or to render some service.³⁸ Every contract has the following essential elements: (i) consent, (ii) object certain, and (iii) cause.³⁹ Of these elements, the most discussed in our jurisprudence is the element of consent.

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³⁵ *Gatan v. Vinarao*, 820 Phil. 257, 265 (2017).

³⁶ *Recio v. Heirs of Spouses Altamirano*, 715 Phil. 126, 137 (2013).

³⁷ *Medina v. Asistio, Jr.*, 269 Phil. 225, 232 (1990).

³⁸ CIVIL CODE, Article 1305.

³⁹ *Sargasso Construction & Development Corp. v. Philippine Ports Authority*, 637 Phil. 259, 274 (2010).

Consent is the concurrence of the minds of the parties on the object and the cause which constitutes the contract.⁴⁰ Where consent is wanting, the contract is non-existent.⁴¹ Moreover, contracts are voidable where consent thereto is given through mistake, violence, intimidation, undue influence, or fraud.⁴²

In the instant case, petitioners contend that they merely signed the loan documents in question because the branch manager of RBSJI San Fernando, Pampanga gave them assurances that the same would be restructured and would be given a longer term of payment. This being the case, petitioners argue that the said loan documents are invalid.

We cannot sustain petitioners' position.

In determining whether consent is vitiated by the circumstances provided for in Article 1330 of the Civil Code, courts are given a wide latitude in weighing the facts or circumstances in a given case and in deciding in favor of what they believe to have actually occurred, considering the age, physical infirmity, intelligence, relationship, and the conduct of the parties at the time of making the contract and subsequent thereto, irrespective of whether the contract is in a public or private writing.⁴³

We have considered the above guidepost, as well as the records available at Our disposal, and find that petitioners have indeed failed to prove that their consent was vitiated. As correctly observed by the CA:

In the instant case, it has not been shown that spouses appellants signed the contracts through mistake, violence, intimidation, undue influence, or fraud. They failed to show that they were under duress or coerced to sign the loan documents. They do not appear to be weak to be placed at a distinct disadvantage or be cheated or misled into signing the promissory notes. They are astute businesspersons, knowledgeable on loan transactions and bank practices. As such, they were presumed to have read, understood and signed the assailed documents with full knowledge of their contents, import and consequences. It must be

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⁴⁰ *Leonardo v. Court of Appeals*, 481 Phil. 520, 530 (2004).

⁴¹ *First Philippine Holdings Corp. v. Trans Middle East (Phils.) Equities, Inc.*, 622 Phil. 623, 629 (2009).

⁴² *Mangahas v. Brobio*, 648 Phil. 560, 567 (2010).

⁴³ *Lim, Jr. v. San*, 481 Phil. 421, 428 (2004).

stressed that spouses appellants executed two promissory notes of different dates and amounts with similar terms and conditions. Such facts show that spouses appellants were not in any way compelled to accept the terms and conditions in the loan documents.⁴⁴

Defect or lack of valid consent, in order to make the contract voidable, must be established by full, clear, and convincing evidence, and not merely by a preponderance thereof.⁴⁵ Petitioners have fallen short in meeting this quantum of proof.

On the interest, penalties, and other charges imposed by RBSJI against petitioners

Interest is the compensation allowed by law, or fixed by the parties, for the use or forbearance of money, or as damages for its detention.⁴⁶ Our jurisprudence classifies interest as either monetary interest or compensatory interest, *viz.*:

Monetary interest is the compensation fixed by the parties for the use or forbearance of money. On the other hand, compensatory interest is that imposed by law or by the courts as penalty or indemnity for damages. Accordingly, the right to recover interest arises only either by virtue of a contract (monetary interest) or as damages for delay or failure to pay the principal loan on which the interest is demanded (compensatory interest).⁴⁷

The principle of autonomy of contracts allows parties to establish such stipulations, clauses, terms and conditions as they may deem appropriate provided only that they are not contrary to law, morals, good customs, public order, or public policy.⁴⁸ Courts are allowed to equitably temper interest rates that are found to be excessive, iniquitous, unconscionable, and/or exorbitant.⁴⁹ Indeed, the imposition of an unconscionable rate of interest on a money debt, even if knowingly and voluntarily assumed, is immoral and unjust.⁵⁰

1. The interest rate of 24% per annum is valid

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⁴⁴ *Rollo*, p. 198.

⁴⁵ *Lim, Jr. v. San*, supra note 44 at 428.

⁴⁶ *Brown v. Hiatts*, 82 U.S. 177 (1872).

⁴⁷ *Isla v. Estorga*, 834 Phil. 884, 891 (2018).

⁴⁸ *Bricktown Development Corp. v. Amor Tierra Development Corp.*, 309 Phil. 119, 120 (1994).

⁴⁹ *Uysipuo v. RCBC Bankard Services Corp.*, G.R. No. 248898, September 7, 2020.

⁵⁰ *Spouses Albos v. Spouses Embisan*, 748 Phil. 907, 918 (2014).



In *Spouses Bacolor v. Banco Filipino Savings and Mortgage Bank*,⁵¹ the Court held that a loan interest of 24% per annum cannot be considered unconscionable or excessive.

In *Spouses Villanueva v. Court of Appeals*,⁵² the Court also ruled as valid the interest rate of 24% per annum on a mortgage loan because “the mortgage agreement was freely entered into by both parties, the same is the law between them and they are bound to comply with the provisions contained therein.”⁵³

More recently, in *Lara’s Gifts & Decors, Inc. v. Midtown Industrial Sales, Inc.*,⁵⁴ the Court echoed its previous declarations on the validity of the interest rate of 24% per annum, declaring anew that it is neither excessive nor unconscionable.

We find no compelling reason to stray from these rulings. Records show that petitioners, through the spouses Baquing, voluntarily entered into the loan documents in question, agreeing to the interest rate of 24% per annum. It bears stressing that contracts have the force of law between the parties, and unless the stipulations are contrary to laws, morals, good customs, public order, or public policy, the same are binding as between the parties.⁵⁵ Thus, petitioners cannot evade payment of the interest rate that they agreed to, the same being reasonable under the circumstances.

2. The penalty charge of 3% per month is excessive and unconscionable

With respect to the penalty charge, this Court has held that the surcharge or penalty stipulated in a loan agreement in case of default partakes of the nature of liquidated damages under Article 2226 of the Civil Code, and is separate and distinct from interest payment.⁵⁶

In *Ruiz v. Court of Appeals*,⁵⁷ We reduced a penalty charge of 3% per month or 36% per annum on outstanding loan obligations to 1% per month or 12% per annum. Similarly, in *Macalinao v. Bank of the Philippine Islands*,⁵⁸ the Court declared as iniquitous a penalty charge of 1.5% per month on outstanding credit card debts, equitably reducing the same to 1% per month.

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⁵¹ 544 Phil. 18, 27 (2007).

⁵² 671 Phil. 467 (2011).

⁵³ Id. at 479.

⁵⁴ G.R. No. 225433, August 28, 2019.

⁵⁵ *Pasda, Inc. v. Dimayacyac, Sr.*, 793 Phil. 583, 593 (2016).

⁵⁶ *Metropolitan Bank & Trust Co. v. Chuy Lu Tan*, 792 Phil. 70, 83 (2016).

⁵⁷ 449 Phil. 419, 434 (2003).

⁵⁸ 616 Phil. 60, 69 (2009).

In view of prevailing jurisprudence, the Court reduces the penalty charge of 3% per month or 36% per annum to a straight 12% per annum on the total amount due RBSJI.

3. The amount of attorney's fees is grossly exorbitant, while the litigation expenses were imposed unilaterally by RBSJI

Although Article 2208 of the Civil Code provides that an award of attorney's fees is proper if the parties stipulate it,⁵⁹ courts are empowered to reduce the same if they are iniquitous or unconscionable.⁶⁰

Here, the attorney's fees stipulated by the parties, amounting to 25% of petitioners' outstanding obligation, is manifestly excessive. Applying Article 2227⁶¹ of the Civil Code, the Court hereby reduces the amount of attorney's fees to 5% of the total amount due RBSJI.

The Court likewise finds RBSJI's claim for litigation expenses amounting to ₱94,486.40 unsubstantiated and bereft of any factual basis. It must therefore be declared void and, consequently, deleted in the computation of petitioners' total outstanding obligation.

The foreclosure sale of the subject properties and RBSJI's consolidation of ownership over the subject properties must, perforce, be struck down as null and void

A foreclosure sale arising from a usurious mortgage cannot be given legal effect.⁶² This was exhaustively discussed by the Court in *Vasquez v. Philippine National Bank*,⁶³ to wit:

Jurisprudence has held that in a situation wherein a debtor was not given an opportunity to settle his/her debt at the correct amount due to the imposition of a null and void interest rate scheme, no foreclosure proceedings may be instituted. The registration of such foreclosure sale has been held to be invalid and cannot vest title over the mortgaged property.

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⁵⁹ *Spouses Consing v. Court of Appeals*, 469 Phil. 148, 160 (2004).

⁶⁰ *Barons Marketing Corp. v. Court of Appeals*, 349 Phil. 769, 780 (1998).

⁶¹ Article 2227. Liquidated damages, whether intended as an indemnity or a penalty, shall be equitably reduced if they are iniquitous or unconscionable.

⁶² *Anchor Savings Bank v. Pinzman Realty and Development Corp.*, 741 Phil. 190, 196 (2014).

⁶³ G.R. No. 228355, August 28, 2019.

In a situation wherein null and void interest rates are imposed under a contract of loan, the non-payment of the principal loan obligation does not place the debtor in a state of default, considering that under Article 1252 of the Civil Code, if a debt produces interest, payment of the principal shall not be deemed to have been made until the interests have been covered. Necessarily, since the obligation of making interest payments in the instant case is illegal and thus non-demandable, the payment of the principal loan obligation was likewise not yet demandable on the part of PNB. With Vasquez not being in a state of default, the foreclosure of the subject properties should not have proceeded.

In *Heirs of Zoilo Espiritu v. Sps. Landrito*, the loan obligation involved, which was secured by a mortgage, was marred by an iniquitous imposition of monetary interest because the creditors omitted to specifically identify the imposable interest rate, just as in the instant case. Because of the failure of the debtors to pay back the loan, the mortgaged property was foreclosed. The debtors failed to redeem the foreclosed property. The Court in that case held that the foreclosure proceedings should not be given effect, viz.:

x x x If the foreclosure proceedings were considered valid, this would result in an inequitable situation wherein the Spouses Landrito will have their land foreclosed for failure to pay an over-inflated loan only a small part of which they were obligated to pay.

x x x x

Since the Spouses Landrito, the debtors in this case, were not given an opportunity to settle their debt, at the correct amount and without the iniquitous interest imposed, no foreclosure proceedings may be instituted. A judgment ordering a foreclosure sale is conditioned upon a finding on the correct amount of the unpaid obligation and the failure of the debtor to pay the said amount. In this case, it has not yet been shown that the Spouses Landrito had already failed to pay the correct amount of the debt and, therefore, a foreclosure sale cannot be conducted in order to answer for the unpaid debt. The foreclosure sale conducted upon their failure to pay P874,125 in 1990 should be nullified since the amount demanded as the outstanding loan was overstated; consequently it has not been shown that the mortgagors — the Spouses Landrito, have failed to pay their outstanding obligation. Moreover, if the proceeds of the sale together with its reasonable rates of interest were

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applied to the obligation, only a small part of its original loans would actually remain outstanding, but because of the unconscionable interest rates, the larger part corresponded to said excessive and iniquitous interest.

As a result, the subsequent registration of the foreclosure sale cannot transfer any rights over the mortgaged property to the Spouses Espiritu. The registration of the foreclosure sale, herein declared invalid, cannot vest title over the mortgaged property. The Torrens system does not create or vest title where one does not have a rightful claim over a real property. It only confirms and records title already existing and vested. It does not permit one to enrich oneself at the expense of another. Thus, the decree of registration, even after the lapse of one (1) year, cannot attain the status of indefeasibility.

Similarly, in *Sps. Albos v. Sps. Embisan*, the extra-judicial foreclosure sale of a mortgaged property, which was foreclosed due to the non-payment of a loan, was invalidated because the interest rates imposed on the loan were found to be null and void due to their unconscionability.

In *Sps. Castro v. Tan*, on the basis of the nullity of the imposed interest rates due to their iniquity, the Court nullified the foreclosure proceedings “since the amount demanded as the outstanding loan was overstated. Consequently, it has not been shown that the respondents have failed to pay the correct amount of their outstanding obligation. Accordingly, we declare the registration of the foreclosure sale invalid and cannot vest title over the mortgaged property.”

Also, in *Sps. Andal v. PNB*, the Court upheld the nullification of the foreclosure sale, affirming the appellate court’s holding that “since the interest rates are null and void, [respondent] bank has no right to foreclose [petitioners-spouses’] properties and any foreclosure thereof is illegal. x x x. Since there was no default yet, it is premature for [respondent] bank to foreclose the properties subject of the real estate mortgage contract.”

Hence, based on established jurisprudence, the fact that the interest rate scheme imposed upon Vasquez was null and void inevitably leads to the invalidity of the foreclosure sale. It would be unjust if the foreclosure sale of the subject properties was considered valid, as this would result in an inequitable situation wherein Vasquez would have his properties foreclosed for failure to pay a loan that was unduly inflated due to the unilateral and one-sided imposition of monetary interest.⁶⁴ (Citations omitted)

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⁶⁴ Id.

Prescinding from the foregoing, the September 30, 1998 foreclosure sale of the subject properties is declared null and void. Consequently, the consolidation of ownership over the same in favor of RBSJI is also declared null and void.

It must be stressed that this ruling is without prejudice to the right of RBSJI to institute anew foreclosure proceedings based on the recomputed amount of petitioners' outstanding loan obligation.

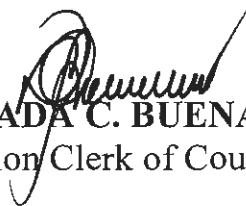
WHEREFORE, premises considered, the petition is **PARTLY GRANTED**. The Decision dated March 4, 2010 and Resolution dated August 3, 2010 of the Court of Appeals in CA-G.R. CV No. 92015 are hereby **MODIFIED** as follows:

1. The penalty charge stipulated in the loan documents between petitioners Leonor, Nelia, Rogie, Gina, Elma, Lizette, Jennifer, and Ronaldo, all surnamed Baquing on one hand, and respondent Rural Bank of San Juan, Inc., on the other hand, is **ORDERED REDUCED** to a straight twelve percent (12%) *per annum* on the total amount due the respondent Rural Bank of San Juan, Inc.;
2. The attorney's fees stipulated in the subject loan documents is **ORDERED REDUCED** to a five percent (5%) of the total amount due the respondent Rural Bank of San Juan, Inc.;
3. The computation of litigation expenses made by respondent Rural Bank of San Juan, Inc., amounting to ₱94,486.40, is **DECLARED NULL AND VOID**;
4. The Foreclosure Sale, Certificate of Sale, and Transfer Certificates of Title Nos. T-43928, T-43929, T-43930 and T-43931, all issued in favor of respondent Rural Bank of San Juan, Inc., are hereby **ANNULLED**, but without prejudice to the right of the latter to reinstitute foreclosure proceedings based on the recomputed amount of the unpaid loan; and
5. The case is **REMANDED** to the court of origin, the Regional Trial Court of La Trinidad, Benguet, Branch 10, for the purpose of determining the amount due the respondent Rural Bank of San Juan, Inc.

In all other respects, the assailed issuances of the Court of Appeals are **AFFIRMED**.

SO ORDERED.”

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court ²⁰¹⁴

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court

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JUL 19 2022

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The Hon. Presiding Judge
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