

Title: National Housing Authority v. Ernesto Roxas

Facts:

The National Housing Authority (NHA), a government-owned and -controlled corporation, is tasked with developing housing projects, including the Dagat-dagatan Development Project in Metro Manila. On December 4, 1985, Ernesto Roxas applied to purchase commercial lots in the project. The NHA approved his application and issued the order of payment and notice of award. Roxas made an initial downpayment for the lots, which were subsequently renumbered following a survey, increasing the area from 176 to 320 square meters. The NHA notified Roxas of the increased area and proposed a new price, which Roxas appealed for being too high compared to the initial agreement.

Roxas filed an action for specific performance and damages against the NHA in the RTC, demanding the terms and conditions of the original agreement be honored. After trial, on July 15, 1994, the RTC ruled in favor of Roxas, compelling the NHA to execute a contract to sell on the original terms and awarding Roxas attorney's fees. The NHA's subsequent appeal to the Court of Appeals (CA) was unsuccessful, and its petition for certiorari to the Supreme Court was dismissed on July 5, 2000.

Roxas filed a motion for the issuance of a writ of execution, which the RTC granted. The NHA filed another petition for certiorari with the CA, challenging the RTC's orders, but it was dismissed on February 20, 2006.

Issues:

1. Whether the NHA, as a government-owned and -controlled corporation, is immune from suit and execution against its funds.
2. Whether the RTC's monetary judgment against the NHA should first be submitted to and passed upon by the Commission on Audit (COA).

Court's Decision:

The Court partially granted the petition. It held that the NHA, having the power to sue and be sued, could not claim immunity from Roxas' suit. It distinguished between the main relief ordered (execution of the contract to sell the subject lots at the original price) and the secondary relief ordered (payment of attorney's fees). The Court maintained that the main relief could be directly enforced by the NHA, but the secondary relief of attorney's fees had to be first filed with the COA pursuant to Presidential Decree No. 1445.

Doctrine:

1. Government-owned and -controlled corporations like the NHA can sue and be sued and are not immune from legal suits brought against them.
2. While the specific performance portion of a judgment against a government entity can be directly enforced, monetary claims must first be submitted to the COA for its examination, audit, and settlement as per Presidential Decree No. 1445.

Historical Background:

Historically, entities like the NHA were created to fulfill public functions in a corporate form, often leading to questions about the applicability of sovereign immunity. The jurisdictional challenge in this case serves as an example of the interplay between a government entity's corporate nature, with the corresponding ability to sue and be sued, and the safeguards ensuring the prudent disbursement of public funds, exemplified by the requirement for COA approval before execution against such entities for monetary judgments.