

Title: ****Roldan v. Spouses Barrios and Matorres****

Facts:

Alona G. Roldan initiated a foreclosure action in the Regional Trial Court (RTC) against Spouses Clarence I. Barrios and Anna Lee T. Barrios, along with Rommel D. Matorres, under Civil Case No. 9811. The case stemmed from a loan of P250,000.00 the Barrios couple borrowed on October 13, 2008, secured by a real estate mortgage. When the debt remained unpaid beyond its February 2011 due date, Roldan sought to enforce the mortgage against the property, also revealing that it was further mortgaged to Matorres in 2012. Despite demands, payments were not made, prompting the foreclosure action.

The Barrios couples argued inaccuracies in the loan computation and sought to suspend proceedings due to a rehabilitation petition they filed under Special Proceeding No. 9845 for financially distressed individuals. Matorres, in his defense, acknowledged the second mortgage to him but asserted no direct transaction with Roldan, seeking damages and a cross-claim for moral damages against the Barrios couple.

The RTC, upon assessing the property at P13,380.00, declared jurisdiction was with the first level court, dismissing the cases for lack of jurisdiction. Roldan's motion for reconsideration was denied, maintaining that foreclosure of a real estate mortgage was a real action, jurisdictionally dependent on the property's assessed value.

Issues:

1. Whether a petition for foreclosure of a real estate mortgage is an action incapable of pecuniary estimation and falls under the jurisdiction of the Regional Trial Court (RTC).
2. Whether the RTC of Kalibo, Aklan, committed grave abuse of discretion in dismissing the foreclosure cases for lack of jurisdiction based on the assessed value of the mortgaged property.

Court's Decision:

The Supreme Court dismissed the petition for certiorari, finding no grave abuse of discretion by the RTC. It upheld that foreclosure of a real estate mortgage is a real action, and jurisdiction depends on the property's assessed value. As the involved property was assessed below P20,000.00, jurisdiction rightfully belonged to the first level courts, not the RTC. The Court also refuted Roldan's reliance on the *Russell v. Vestil* case, explaining that while some actions involving real property might be incapable of pecuniary estimation, jurisdiction is still determined by the property's assessed value.

Doctrine:

The Court reiterated that the nature of the action (real action vs. personal action) and the assessed value of the property in question are critical in determining jurisdiction between Regional Trial Courts and first level courts. In real actions where the property's assessed value does not exceed P20,000.00 (outside Metro Manila), jurisdiction lies with the first level courts.

Class Notes:

- Actions for foreclosure of a real estate mortgage are classified as real actions; jurisdiction is determined by the assessed value of the concerned property.
- If the assessed value is below P20,000.00, jurisdiction lies with the first level courts (Metropolitan Trial Courts, Municipal Trial Courts, Municipal Circuit Trial Courts); if above, jurisdiction is with the Regional Trial Courts, per Section 33(3) of BP 129 as amended.
- Grave Abuse of Discretion: A petition for certiorari is appropriate when there's an alleged grave abuse of discretion, meaning the lower court acted capriciously, whimsically, or arbitrarily out of whim, malice, or personal bias.

Historical Background:

This case highlights the procedural intricacies and jurisdictional hierarchies within the Philippine legal system, demonstrating the courts' adherence to specific valuation thresholds in determining the appropriate forum for different types of actions, including those related to real property mortgages. It underscores the importance of understanding legal principles concerning jurisdiction and the procedural pathways for foreclosure actions in the Philippines.