

**\*\*Title: Spouses Rodolfo and Lilia Berot vs. Felipe C. Siapno\*\***

**\*\*Facts:\*\***

On May 23, 2002, Macaria Berot, along with her son Rodolfo A. Berot and his wife Lilia P. Berot, borrowed PHP 250,000 from Felipe C. Siapno, agreeing to pay it back within a year at an annual interest rate of 2%. They secured the loan with a mortgage on a portion of land in Pangasinan. Macaria Berot, who co-owned the mortgaged property, died on June 23, 2003.

After the borrowers defaulted, Siapno filed a foreclosure suit on July 15, 2004, in the RTC of Dagupan City (Branch 42). The Berots countered that the mortgaged property was a family home and the mortgage was void, as it was constituted without the consent of their children, who were beneficiaries. They also challenged the court's jurisdiction over Macaria since she was deceased.

The court allowed the amendment of the complaint to substitute Macaria with her estate. Despite Rodolfo being appointed to represent Macaria's estate without objection, the Berots disputed the estate's legal capacity in subsequent appeals.

**\*\*Issues:\*\***

1. Whether the intestate estate of Macaria Berot could be a proper party to the suit by implied waiver.
2. Whether the loan obligation was joint or solidary.
3. The validity of substituting a deceased party with her estate and appointing a representative without other heirs' consent.
4. Whether the mortgage over the family home without beneficiaries' consent was valid.
5. The basis for awarding attorney's fees, exemplary damages, and litigation expenses.

**\*\*Court's Decision:\*\***

The Supreme Court denied the petition, finding no merit in the Berots' arguments. It ruled that the objections to the representation of Macaria's estate and the appellate court's jurisdiction had been waived due to the Berots' participation in the proceedings without raising these issues.

Regarding the obligation's nature, the Supreme Court found it was joint, not solidary, due to no express indication or evidence of a solidary intent. It emphasized that obligations are

presumed to be joint unless expressly stated or required by law or the obligation's nature to be solidary.

The foreclosure could proceed, but only to the extent of Macaria's debt share.

**\*\*Doctrine:\*\***

1. Substitution of a deceased party with their estate is proper if the heirs voluntarily appear, participate, and evidence no objection, essentially waiving any jurisdictional challenges.
2. Obligations are presumed to be joint unless explicitly stated or required by law to be solidary.

**\*\*Class Notes:\*\***

1. **\*\*Jurisdiction and Participation:\*\*** A party's voluntary appearance and participation in court proceedings can amount to an implied waiver of jurisdictional objections (*Gonzales v. Balikatan Kilusang Bayan sa Panlalapi, Inc.*).
2. **\*\*Substitution of Deceased Parties:\*\*** Under Rule 3, Section 16 of the Revised Rules of Court, heirs can be substituted for deceased parties without a formal substitution if they voluntarily appear and participate in the proceedings (*Regional Agrarian Reform Adjudication Board v. Court of Appeals*).
3. **\*\*Nature of Obligations:\*\*** Obligations are presumed joint unless specifically stated or required by law or the obligation's nature to be solidary (Article 1207, Civil Code of the Philippines).
4. **\*\*Mortgage of Family Homes:\*\*** The case reiterates the requirements and legality surrounding the mortgage of properties deemed family homes, particularly the need for family beneficiaries' consent.

**\*\*Historical Background:\*\***

The case illustrates the complexities surrounding the foreclosure of mortgaged properties, representation of deceased parties' estates, and the determination of the nature of parties' obligations under Philippine law. It provided clarity on procedural and substantive issues, particularly the effects of participation in proceedings on jurisdictional objections and the principles guiding the characterization of financial obligations.