

### Title:

**\*\*Olizon vs. Court of Appeals and Prudential Bank\*\***

### Facts:

In 1967, spouses Armando and Iluminada Olizon acquired a loan of P25,000 from Prudential Bank, securing the amount with a real estate mortgage over their property in Barangay Calaanan, Caloocan City. Upon maturity, they failed to fulfill their obligation, prompting the bank to extrajudicially foreclose the mortgage. The property was auctioned, and the bank emerged as the highest bidder on March 11, 1975, with the certificate of sale registered the following day.

The Olizons did not redeem the property within the redemption period, leading to the consolidation of the property title in favor of the bank by June 5, 1978. Prudential Bank sought and was granted a petition to reconstitute the lost Transfer Certificate of Title No. 24604 on June 11, 1986, and a new title was issued under the bank's name.

In 1989, Prudential Bank filed for a writ of possession, which the trial court granted in 1990. The Olizons contested, alleging non-compliance with foreclosure procedures, specifically the lack of personal notice and failure to post sale notices as mandated. The trial court ruled in the Olizons' favor, declaring the foreclosure, certificate of sale, and writ of possession null and void, ordering the reinstatement of the Olizons' title. Prudential Bank appealed to the Court of Appeals, which reversed the trial court's decision, validating the foreclosure sale and the issuance of the writ of possession.

### Issues:

1. Whether the Court of Appeals erred in finding compliance with the notice requirements under Section 3 of Act No. 3135, as amended.
2. Whether the lack of personal notice to the Olizons invalidated the foreclosure sale.
3. Whether the alleged failure to post notice of the foreclosure sale as required constituted a ground to nullify the foreclosure proceedings.

### Court's Decision:

The Supreme Court denied the petition, affirming the Court of Appeals' decision. It ruled that:

- Personal notice to the mortgagors in extrajudicial foreclosure proceedings is not necessary as long as the notice of sale is posted in three public places and published in a newspaper of general circulation.

- The publication in the newspaper fulfilled the legal requirement effectively, rendering any alleged failure to post notices immaterial.
- The Olizons were considered estopped by laches from contesting the foreclosure sale and the bank's ownership of the property due to their inaction and failure to assert rights for an unreasonable length of time.

### ### Doctrine:

The Supreme Court reiterated the doctrine that in extrajudicial foreclosure of real estate mortgages, personal notice to the mortgagors is not required by law. The legal requirements are satisfied by posting the notice of sale in three public places and the publication thereof in a newspaper of general circulation. Furthermore, the Court applied the principle of estoppel by laches, stating that failure to timely assert a right or claim can bar the party from later contesting what they could have contested earlier.

### ### Class Notes:

- **\*\*Extrajudicial Foreclosure:\*\*** Requires posting of notice in three public places and publication in a newspaper of general circulation; personal notice to mortgagors is not mandated.
- **\*\*Doctrine of Estoppel by Laches:\*\*** Highlights the importance of timely asserting one's rights to prevent being barred from contesting later due to unreasonable delay.
- **\*\*Publication vs. Posting:\*\*** Emphasizes the adequacy of newspaper publication over posting in informing the public and preventing property undervaluation.
- **\*\*Presumption of Regularity:\*\*** Officials performing foreclosure proceedings are presumed to have complied with legal requirements unless proven otherwise.

### ### Historical Background:

This case delves into the procedural requirements for lawful extrajudicial foreclosure in the Philippines, reflecting the balance between creditor protection and debtor rights. The decision underscores the judiciary's reliance on established legal procedures and doctrines like estoppel by laches to resolve disputes stemming from financial transactions and real property laws.