Title: SPOUSES AGNER VS. BPI FAMILY SAVINGS BANK, INC.

Facts:
The case originated when spouses Deo Agner and Maricon Agner (petitioners) executed a Promissory Note with Chattel Mortgage in favor of Citimotors, Inc. on February 15, 2001, for a loan of Php834,768.00 to purchase a 2001 Mitsubishi Adventure Super Sport. The contract stipulated monthly payments of Php17,391.00, with a 6% per month interest for late payments. Citimotors, Inc. subsequently assigned this contract to ABN AMRO Savings Bank, Inc., which then assigned it to BPI Family Savings Bank, Inc. (respondent).

Due to the petitioners' failure to make four successive payments from May to August 2002, the respondent sent a demand letter on August 29, 2002, and eventually filed an action for Replevin and Damages on October 4, 2002, after the demand was unheeded. Despite the issuance of a writ of replevin, the vehicle was not seized, leading to trial. The Manila RTC ruled in favor of the respondent, a decision affirmed by the Court of Appeals, leading to the present petition for review under Rule 45.

Issues:
1. Whether the respondent had cause of action given the Deed of Assignment did not specifically mention ABN AMRO's account receivable from petitioners.
2. Whether the petitioners can be considered in default without competent proof of the demand letter's receipt.
3. Whether the respondent's simultaneous actions for replevin and collection of sum of money contravene Article 1484 of the Civil Code and the jurisprudence set by Elisco Tool Manufacturing Corporation v. Court of Appeals.

Court's Decision:
The court decided against the petitioners on all counts:
1. The assignments of the promissory note and chattel mortgage to the respondent were deemed sufficient for cause of action.
2. Prior demands (verbal and written) by the respondent were recognized, and the petitioners had waived the necessity of notice in their contract.
3. The court found no violation of Article 1484 or jurisprudence, as the remedies pursued were alternative, not cumulative. The interest rate was also reduced from 6% per month to a more equitable 1% per month or 12% per annum.

Doctrine:

The Supreme Court reaffirmed the doctrine that stipulated interest rates deemed excessive, iniquitous, unconscionable, and exorbitant can be judicially moderated. It also elucidated on the application of Article 1484 of the Civil Code and its interpretations, emphasizing that the remedies it provides are alternative and not cumulative.

Class Notes:
– **Deed of Assignment:** Transfer of rights, titles, and interest by the assignor to the assignee is valid for creating a cause of action.
– **Demand and Default:** A waiver in the contract regarding the necessity of notice or demand for payments can validate claims of default, even in the absence of proof of notice receipt.
– **Article 1484 Remedies**: In sales of personal property payable in installments, the remedies (fulfillment, cancellation, foreclosure) are alternative, not cumulative. Initiating one bars the others.
– **Interest Rates**: Stipulated interest rates can be reduced by the court if deemed excessive, unconscionable, or iniquitous.
– **Factual Issues**: The Supreme Court is not a trier of facts and does not re-evaluate evidence presented in lower courts.

Historical Background:
This case underscores the Supreme Court's role in interpreting contractual obligations and remedies under the Civil Code, particularly in financial transactions involving sales of personal property on installment. It illustrates the evolving jurisprudence on consumer protection, the ethical limits of financial institutions in imposing interest rates, and the enforcement of contracts.