

****Title:**** Spouses Jaime Sebastian and Evangeline Sebastian vs. BPI Family Bank, Inc., Carmelita Itapo, and Benjamin Hao

****Facts:**** Jaime Sebastian, working as a Branch Manager, and Evangeline Sebastian, a Bank Teller, both employees of BPI Family Bank, availed themselves of a housing loan from their employer on October 30, 1987, amounting to P273,000.00. This loan was payable in 108 equal monthly amortizations, secured by a mortgage over a property in Bulacan. Jaime explicitly authorized the deduction of these amortizations from his salary and acknowledged the loan's dependence on their employment status, allowing immediate demandability of the loan upon termination. Following Jaime's termination in 1989 and Evangeline's in 1990, both due to alleged breaches of employment trust, BPI Family demanded full repayment of their outstanding loan, leading to an eventual petition for foreclosure which the Sebastians sought to prevent through a complaint for injunction and damages in the RTC of Malolos, Bulacan. They contended the prematurity of the foreclosure, arguing their loan was not due as their dismissals' legality was pending in labor court. The RTC dismissed their case, and upon appeal, the CA affirmed the RTC's decision.

****Issues:****

1. Whether the CA erred in declaring the foreclosure of the real estate mortgage orderly.
2. Whether the CA erred in denying the Sebastian's motion for reconsideration, despite their contention that their rights under the Realty Installment Buyer Protection Act were violated.

****Court's Decision:**** The Supreme Court denied the petition, affirming the CA's decision. The Court held that the Sebastians' relationship with BPI Family was that of borrower-lender from a housing loan, not that of a buyer-seller of real estate; thus Republic Act No. 6552 was inapplicable. The foreclosure was justified, given their acknowledgment in various agreements of the loan's immediate demandability upon termination. Additionally, the Sebastians' last-minute invocation of the Realty Installment Buyer Protection Act and the theory of contracts of adhesion was deemed improper, having not been raised in prior proceedings.

****Doctrine:**** The protections under Republic Act No. 6552, or the Realty Installment Buyer Protection Act, apply exclusively to buyers acquiring property through installments directly from the seller, not to borrowers who secure loans to finance such purchases. The law does not cover situations where an employer extends a loan to an employee for the purchase of real estate, with the repayment of the loan tied to the continued employment of the borrower.

****Class Notes:****

- ****Key Elements:**** Borrower-lender vs. buyer-seller relationship, applicability of the Realty Installment Buyer Protection Act, contract of adhesion.
- ****Relevant Legal Statutes:**** Republic Act No. 6552, particularly sections 3, 4, and 5, are central in cases involving real estate bought on installment, but not in loan transactions secured by mortgaged property.
- ****Application:**** The Supreme Court emphasized the distinction between protections granted to installment buyers under specific statutes and the general obligations arising from a loan agreement. It reiterated the principle that statutory protections, like those in RA 6552, must be explicitly applicable to the parties' relationship under dispute.

****Historical Context:**** This case reflects on the judicial stance concerning transactions between employers and employees involving special privileges like housing loans, underlining the principles guiding the labor and property law domains in the Philippines. It underscores the necessity of clearly defining the nature of transactions to ascertain the applicable legal protections or obligations, particularly in cases where those transactions are intricately linked with the employment relationship.