

Title: The Commoner Lending Corporation vs. Rafael Balandra

Facts:

The case involves a dispute over the nullity of documents and damages concerning a parcel of land in Iloilo, mortgaged by Rafael Balandra's wife, Alita, to the Commoner Lending Corporation to secure a loan. Rafael claimed the mortgage was unauthorized as it was predicated on a General Power of Attorney (GPA) with his forged signature, asserting he was abroad at the time of its execution.

Upon discovering the forgery, Rafael filed a complaint in the RTC, seeking to nullify the mortgage. The RTC found the GPA to be a forgery but upheld the mortgage on Alita's half of the conjugal property, leading to appeals from both parties. The CA reversed the RTC's decision, nullifying the mortgage in entirety due to lack of Rafael's consent, prompting the Commoner Lending Corporation to elevate the matter to the Supreme Court.

Issues:

1. Whether Rafael Balandra's signature on the GPA was forged, rendering the subsequent Real Estate Mortgage (REM) unauthorized.
2. If the unauthorized REM could be ratified by Rafael's subsequent actions.
3. Whether the REM benefited the family, potentially justifying its execution without Rafael's consent.

Court's Decision:

The Supreme Court granted the petition, reversing the CA's ruling. It held that:

- The issue of forgery was a factual matter conclusively determined by the lower courts, affirming the forgery of Rafael's signature on the GPA.
- Despite this, the court found the unauthorized REM was ratified by Rafael's actions. By making payments towards the outstanding loan, Rafael had effectively accepted the mortgage as a binding obligation on the conjugal property.
- The court did not delve into whether the loan benefited the family, focusing instead on the ratification of the REM by conduct.

Doctrine:

The Supreme Court reiterated the doctrine under the Family Code that an encumbrance of conjugal property without the written consent of the other spouse is void, but outlined that such transactions are considered a "continuing offer" which may be perfected into a binding contract upon the acceptance by the non-consenting spouse or authorization by the court.

Class Notes:

- Forgery claims entail factual investigation, often binding on appellate review unless falling under exceptional circumstances.
- Unauthorized conveyances or encumbrances of conjugal property, void at the outset, can be ratified through the subsequent actions of the non-consenting spouse, transforming into binding commitments.
- The ratification principle underlines the potential for unauthorized actions to gain legitimacy, emphasizing the importance of the non-consenting spouse's response to the unauthorized act.

Historical Background:

This case underscores the complexities surrounding marital consent in property transactions within the Philippines' legal framework. The evolving interpretations of the Family Code manifest in jurisprudence, particularly regarding the administration and disposition of conjugal property, reflecting a balance between protecting marital interests and acknowledging the realities of subsequent ratification by conduct.