**Title: Spouses Nestor Cabasal and Ma. Belen Cabasal v. BPI Family Savings Bank, Inc. and Alma De Leon**

**Facts:**
1. **Credit Line and Purchase (1997):** Petitioners Nestor and Ma. Belen Cabasal were granted a credit line by BPI Family Savings Bank (BPI) for their build-and-sell business. Using the credit line, they purchased two real properties and executed two Mortgage Loan Agreements for Php5,000,000.00 and Php3,360,000.00.

2. **Sale with Assumption (2000):** After three years, the petitioners found a buyer, Eloisa Guevarra Co, who agreed to purchase the properties via a Deed of Sale with Assumption of Mortgage. Eloisa was to pay a down payment of Php7,850,000.00 and assume the remaining balance of Php4,462,226.00.

3. **Bank Refusal (July 6, 2000):** When Nestor and Eloisa approached respondent Alma De Leon for a statement of account, De Leon stated that BPI would not recognize the assumption of mortgage since Eloisa was not a client of the bank. This caused the deal to fall through, leading to petitioners' claimed financial losses.

4. **Correspondence and Default:** Nestor sent a complaint letter to BPI, followed by another letter through his lawyer stating they would cease payments due to the incident and requested a waiver of interest and charges. BPI did not respond to these letters.

5. **Foreclosure and Lawsuit:** Due to continued default, BPI foreclosed on the mortgage, and the property was sold at a public auction where BPI emerged as the highest bidder. This led to petitioners filing Civil Case No. 01-0014 for Damages with Annulment of Extra-Judicial Foreclosure and Injunction. BPI filed for a writ of possession in Land Registration Case No. 02-0068, which was consolidated with the damages case.

**Issues:**
1. Whether BPI and the respondent Alma de Leon acted in bad faith and are liable for damages under Articles 19 and 20 of the Civil Code.
2. The propriety of the foreclosure and issuance of a writ of possession following petitioners' default on their mortgage obligations.

**Court's Decision:**
1. **Issuance of Writ of Possession:** The Supreme Court upheld that the issuance of a writ of possession was proper as BPI's right to it had matured upon the petitioners' failure to

redeem the property within the statutory redemption period post-foreclosure. The writ is a matter of right for the purchaser and a ministerial act for the court.

2. **Bad Faith and Negligence Claims:** The Court agreed with the Court of Appeals that the respondent, Alma de Leon, and BPI did not act in bad faith nor were they negligent. De Leon's actions and statements were aligned with BPI's policy, which was clear about non-recognition of mortgage assumption from non-clients. The claims for damages were thus dismissed as petitioners failed to prove respondents' bad faith or negligence sufficiently.

**Doctrine:**
1. **Abuse of Rights (Article 19 of the Civil Code):** Acts must be done in bad faith, with a dishonest purpose, or with some moral obliquity for liability under abuse of rights to attach.
2. **Ministerial Issuance of Writ of Possession:** Following the lapse of the redemption period and in the absence of any legal impediment, the issuance of a writ of possession following foreclosure is ministerial and cannot be refused by the court.

**Class Notes:**
– **Article 19, Civil Code:** Requires good faith in the performance of obligations.
– **Article 20, Civil Code:** Allows damages for willful or negligent acts in violation of the law.
– **Foreclosure Proceedings:** Upon successful completion of foreclosure, the purchaser's right to a writ of possession is absolute.
– **Bad Faith:** Must be proven with clear and convincing evidence. Mere assertions or suspicions are insufficient.

**Historical Background:**
The case presents a scenario of foreclosure and contractual obligations amidst economic difficulties. Emphasizing the importance of adherence to contractual terms and the due process in judicial foreclosure proceedings, the case reflects the courts' role in balancing procedural regularity with equitable considerations in mortgage transactions. Additionally, it underscores the principle that in financial institutions, clearly stated policies and advisory roles must be vigilantly followed to avoid liabilities under abuse claims.