

HEIRS OF SIU SIN HUANG, JOSEFINO HUANG, HEIRS OF MIGUEL HUANG AND MILAGROS HUANG, PETITIONERS, VS. PEPITO VELOSO, RESPONDENT.

Ponente: SINGH, J.

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SINGH, J.:

Submitted for the Court's resolution is the Motion for Reconsideration filed by petitioners Josefino Huang, Milagros Huang, Soledad Huang, Susan Grace Huang-Tan, Steve Allan Huang, Maria Luisa Huang-Osayta and Maria Siudel Huang-Clave, of the Court's Decision dated 13 August 2014,[1] dismissing the petitioners' Petition for Review and affirming the Decision dated 30 September 2011 of the Office of the President in O.P. Case No. 07-J-427 (HLURB Case No. REM-A-000920-0186).[2]

The petitioners argue that although the down payment made by the respondent Pepito Veloso is included in the computation of the total amount of the installments paid, it should not be construed as installment payments under R.A. No. 6552 (The Maceda Law). Considering that the down payment made by the respondent is not considered an installment, the petitioners aver that respondent cannot exercise the rights afforded to the buyer under the Maceda Law. The petitioners further contend that from the execution of the Doña Luisa Village Contract ("Contract") on 10 September 1980 up to the time the respondent filed a Complaint with the Housing and Land Use Regulatory Board ("HLURB") – Davao City on 18 October 1994, fourteen (14) years passed and the respondent's cause of action under the contract to sell has prescribed by laches, pursuant to Articles 1144 and 1149 of the Civil Code of the Philippines. With EAP Development Corporation ("EAP") as the seller under the Contract, the petitioners maintain that they are not privy to the said Contract and respondent thus has no cause of action against them.

The Court resolves to deny the motion.

Section 3 of R.A. No. 6552 clearly states that down payments are included in the computation of the total installments paid by the buyer. It would be illogical to interpret the Maceda Law so as not to include the down payment of a buyer in a contract to sell in the computation of installment payments made when the law itself clearly instructs that a down payment must be included in the computation of installments paid. Why would the law provide that if it did not intend for the down payment to be considered an installment?

For the failure of the petitioners to prove that it gave the respondent the required 60-day grace period from the time the first installment became due, in accordance with Section 4 of R.A. No. 6552, the Court reiterates that the Contract is still valid and binding between the petitioners and the respondent. The respondent's right as a buyer under a contract to sell is protected under the Maceda Law.

"In this connection, we deem it necessary to point out that, under the Maceda Law, the actual cancellation of a contract to sell takes place after 30 days from receipt by the buyer of the notarized notice of cancellation, and upon full payment of the cash surrender value to the buyer. In other words, before a contract to sell can be validly and effectively cancelled, the seller has (1) to send a notarized notice of cancellation to the buyer and

(2) to refund the cash surrender value. Until and unless the seller complies with these twin mandatory requirements, the contract to sell between the parties remains valid and subsisting. Thus, the buyer has the right to continue occupying the property subject of the contract to sell, and may 'still reinstate the contract by updating the account during the grace period and before the actual cancellation' of the contract." (Communities Cagayan, Inc. vs. Spouses Arsenio [deceased], et al., G.R. No. 176791, 14 November 2012; underscoring supplied)

The petitioners cannot evade their contractual obligation by alleging that they are not privies of the respondent under the Contract, when they themselves have demanded an increase in the amortizations under the same Contract.

As ruled by this Court in the Decision sought to be reconsidered, the prescription of ten (10) years based on a written contract under Article 1144 of the Civil Code of the Philippines is reckoned from 10 September 1985, the date on which the right of action of respondent accrued when the last installment became due, and not the date of execution of the Contract.

For failure of the petitioners to raise new and meritorious issues to warrant the reversal of the Court's Decision dated 13 August 2014, the assailed Decision shall remain unreconsidered.

WHEREFORE, the petitioners' Motion for Reconsideration is hereby DENIED for lack of merit.

SO ORDERED.

Borja, (Chairperson), and Badelles, JJ., concur.

[1] Rollo, pp. 255-263.

[2] Rollo, pp. 29-34.

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