

**TULUNGAN MAGKAKAPIT-BAHAY (TMB), INC.,
PLAINTIFF-APPELLEE, VS. BEATRIZ N. AGUIRRE,
DEFENDANT-APPELLANT.**

Ponente: BUESER, J.

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BUESER, J.:

This is an appeal by Beatriz N. Aguirre (“appellant”) from the Decision dated September 9, 2013, of the Regional Trial Court, Branch 192, Marikina City in Civil Case No. 2006-1137-MK, the dispositive portion of which reads -

“WHEREFORE, judgment is hereby rendered against the defendant as follows:

1. ORDERING the defendant and all persons claiming rights and interests under her to vacate Lot 10, Block 12, Purok 6, Malanday, Marikina City and surrender possession thereof to the plaintiff;
2. ORDERING the defendant to pay plaintiff the amount of Two Thousand Pesos (Php2,000.00) per month as reasonable compensation for the use of the subject lot computed from June 2004 until such time that possession thereof is surrendered to the plaintiff; and,
3. ORDERING the defendant to pay plaintiff the amount of Thirty Thousand Pesos (Php30,000.00) as and by way of attorney's fees plus cost of the suit.

SO ORDERED.”

The Antecedents

Tulungan Magkakapit-Bahay (TMB), Inc. (“appellee association”) alleged that it is a homeowners association, registered as non-stock and non-profit. It is composed of informal settlers occupying a parcel of land located in Purok 6, Malanday, Marikina City. The land was then owned by the Dela Vega family. On May 26, 2004, appellee took out a loan, payable in 25 years, from the National Home Mortgage Finance Corporation (“NHMFC”) under the Community Mortgage Program and bought the said parcel of land. Transfer Certificate of Title No. 442442 was issued under the name of appellee association by the Registry of Deeds of Marikina City.

Appellant was one of the informal settlers occupying a portion of the parcel of land (“subject property”). However, she refused to be a member of appellee association and thus cannot be a beneficiary of the loan taken out by the former. Appellee association, to remedy the matter, sent out demand letters[1] to the appellant demanding that she pay rental dues on the lot she is occupying and vacate the same. The demands were left unheeded, prompting appellee association to file the instant complaint for recovery of possession and for payment of accrued rentals, to protect its interest.

Appellant, on the other hand, admitted that appellee association is the registered owner of the subject property. She is a member of appellee association but she admitted not paying the monthly amortization because she knows the loans were anomalously contracted by the appellee association.

Subsequently, a pre-trial conference was held.

Thereafter, trial on the merits ensued.

The Trial Court's Ruling

After due proceedings, the trial court rendered the assailed Decision dated September 9, 2013 ruling that -

“After a careful examination of the evidence respectively presented by the parties, the court is convinced that the Complaint has merit. Plaintiff was able to show by preponderance of evidence that it is entitled to recover possession of the parcel of land identified as Lot 10, Block 12, Purok 6, Malanday, Marikina City, which the defendant occupies. Further, plaintiff was also able to show that it is entitled to collect rental payment from the defendant.

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Having been excluded from the Masterlist of Beneficiaries and Loan Apportionment (Exhibit “I”) and refusing to pay any amortization towards the purchase of the subject lot, defendant does not have a valid claim to continue possession thereof as against plaintiff, the registered owner.”

Hence, this appeal.

Assignment of Errors

I

THE TRIAL COURT ERRED IN HOLDING THAT APPELLANT IS NOT A MEMBER OF THE APPELLEE ASSOCIATION AND SHE HAS NO RIGHT TO THE LOT SHE IS OCCUPYING.

II

THE TRIAL COURT ERRED IN ORDERING APPELLANT TO VACATE THE LOT SHE IS OCCUPYING AND TO PAY APPELLEE ASSOCIATION REASONABLE COMPENSATION AND ATTORNEY'S FEES.

III

THE TRIAL COURT ERRED IN NOT HOLDING THAT APPELLANT IS ENTITLED TO HER COUNTERCLAIMS.

This Court's Ruling

Appellant argues that her removal from appellee association was improper and illegal. She was declared a recalcitrant member because she questioned the loan and the accounting of the funds. She has reasonable grounds to believe that the real estate mortgage, loan agreement and promissory note executed by appellee association in favor of the the City of Marikina are null and void. Besides, she offered to pay her unpaid accounts, for as long as receipts would be issued, but appellee association's President refused her request.

We decide.

It is not disputed that appellee association is the registered owner of the parcel of lot covered by TCT No. 442422 of the Registry of Deeds of Marikina City[2].

It is an age-old rule that the person who has a Torrens Title over a land is entitled to its possession. It has repeatedly been emphasized that when the property is registered under the Torrens system, the registered owner's title to the property is presumed legal and cannot be collaterally attacked. It has even been held that it does not even matter if the party's title to the property is questionable.[3]

The TCT of appellee association is, therefore, evidence of indefeasible title over the property and, as its holder, it is entitled to its possession as a matter of right.

Records are clear that appellee association was principally organized in order to purchase the parcel of lot occupied by its members, the informal settlers, since National Home Mortgage Finance Corporation (“NHMFC”) did not want to deal with the informal settlers individually. Through appellee association, the informal settlers, were able to obtain a loan from NHMFC with a repayment term of 25 years. Subsequently, the parcel of lot, which has 1,500 square meters, was subdivided into 252 lots and the lots were awarded to the members. In turn, the members paid monthly amortization, to appellee association, which was used to pay off the loan.

This Court finds appellant's adamant refusal to pay, because she believes there are serious doubts as to how the loan was acquired, unjustified. As a member, her occupation of the subject property carried with it the obligation to comply with the rules and regulations laid down by appellee association. The By-Laws of appellee association provides -

Article V
Members

Section 3. Duties and Responsibilities of the Members – A member shall have the following duties and responsibilities:

- a. To obey and comply with the by-laws, rules and regulations that may be promulgated by the association from time to time.
- b. To attend all meetings that may be called by the Board of Trustees;
- c. To pay membership dues and other assessments of the association.

As a matter of fact, the administrative and criminal cases she filed against appellee association's President, the officials of NHMFC and the City Government of Marikina, questioning the regularity of the loans awarded to appellee association by NHMFC and the City Government had already been dismissed by the Ombudsman in its resolution dated April 19, 2007, on the ground of lack of probable cause citing that -

“With the foregoing backdrop, we do not find anything anomalous in the transactions entered into by the city government of Marikina. The declaration of a resettlement is a prerogative of the local government unit as supported by a legitimate housing project of the government which is the Community Mortgage Program (CMP). This housing program was an innovative scheme in mortgage financing whereby several beneficiaries could acquire undivided tract of land through the concept of community ownership. The program was intended to primarily assist residents of blighted areas to own lots they occupy or the lots to where they shall be relocated through low income financing to be coursed through duly accredited originators such as the National Housing Authority (NHA), HIGC, local government units (LGUs) and non -government organizations (NGOs).

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Considering the regularity of the transactions, there is no basis for imputing criminal and administrative liability to all the public and private respondents.”[4]

Despite the aforementioned pronouncement, appellant had not paid the monthly amortization but has continued to question the legality of the loan acquired by appellee association.

For appellant's adamant refusal to pay her dues she had been declared as a recalcitrant and her name excluded from appellee association's masterlist of beneficiaries of loan apportionment[5] submitted to the NHMFC. “We agree with the trial court that by “having been excluded from the masterlist of beneficiaries and loan apportionment and refusing to pay any amortization towards the purchase of the subject lot, defendant does not have a valid claim to continue possession thereof as against the plaintiff, the registered owner.”[6]

It is well to note that members of appellee association have been paying their monthly contributions since June

2004, for the respective lots they are occupying. Appellant on the contrary, has not paid a single centavo and refuses to acknowledge the authority of appellee association. Her act is detrimental not only to appellee association but to all the members who have been religiously paying their dues. Her act of continued stay in the subject property amounts to unjust enrichment and will not be sanctioned by this Court.

In addition, there is all the more reason to evict appellant from the subject property because aside from having been declared as a recalcitrant member, the Housing and Land Use Regulatory Board in HLURB case No. NCRHOA 112101-95[7] had declared that appellant is an officer/director of Tulungan Magkakapitbahay (HOA), Inc. and not that of appellee association, to wit -

“Records show that the respective associations of the complainants and respondents are entirely two different associations with personalities distinct and separate from each other. xxx Moreover, the complainants' association and the respondents' association being distinct entities with separate juridical personalities, their respective officers should confine only their authority to their members which their associations were created and formed.

All told, there is no doubt that appellee association, being the registered owner of the subject property, also has the corresponding right to the recovery and possession of the same. The appellant who is in physical occupancy of the land belonging to appellee association has no right whatsoever to unjustly withhold the possession of the said land from the latter and should immediately vacate the same. No error was committed by the Regional Trial Court, Branch 192, Marikina City in its Decision dated September 9, 2013.

WHEREFORE, the judgment appealed from must be, as is hereby, **AFFIRMED** with modification that an interest of 6% per annum is imposed upon the total monetary awards computed from September 9, 2013 until their satisfaction. Costs against the appellant .

IT IS SO ORDERED.

Bruselas, JR., A.D., Chairman and [*]Paredes, V.I., A., JJ., concur.

[*] Acting Junior Member for 15 working days only from February 24, 2015 per Office Order No. 55-15-ABR dated February 23, 2015.

[1] Records, pp.16-17; pp.18-19.

[2] Id. at 20.

[3] Go vs. Lookyu, G.R. No. 196529, July 10, 2013.

[4] Joint Resolution in OMB-C-A-05-0345-G, Id. at 41-42,44.

[5] Id. at 59-84.

[6] Rollo, p. 49.

[7] Decision dated June 15, 2005, Id. At 86-89.

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