GUIDELINES TO BE OBSERVED IN THE REGISTRATION OF MOTOR VEHICLES ACQUIRED THRU EXTRA-JUDICIAL FORECLOSURE OF MORTGAGE

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Pursuant to Section 4 (d-1) of R.A. 4136, otherwise known as the Land Transportation and Traffic Code of the Philippines, as amended, in relation to the provisions of Act 1508, otherwise known as the Chattel Mortgage Law, and Articles 2112 and 2141 of the New Civil Code of the Philippines, hereunder is the procedure to be observed in the registration of motor vehicles acquired thru Extra-Judicial Foreclosure of Chattel Mortgage, for the guidance and compliance of all concerned.

SECTION 1. Objective -These regulations are being promulgated in order to have uniformity in the procedure to be observed by all District Offices in the registration of motor vehicles acquired thru Extra-Judicial Foreclosure of Chattel Mortgage,

SECTION 2. Legal Bases -

* Section 5 (e) of R.A. 4136, as amended;

* Section 14 of Act 1508;

* Articles 2112 and 2141 of the New Civil Code of the Philippines

SECTION 3. Who may Conduct the Sale at Public Auction -

1. The Sheriff

2. The Mortgagee, who may proceed with the sale before a Notary Public pursuant to Article 2112 in relation to Article 2141 of the New Civil Code of the Philippines, only in cases where:

a. The Sheriff is not available, or

b. The municipality where the sale is to take place is far from where the sheriff performs his official duties.

SECTION 4. Documentary Requirements - A. When public auction is conducted by the Sheriff:

a. Original copy of the Certificate of Registration Encumbered (CRE);

b. Original copy of the latest official receipt of payment of registration fees;

c. Proof of posting of notice for at least ten (10) days in at least two (2) public places in the municipality where the mortgaged property is to be sold, designating the time, place and purpose of the sale;

d. Proof of receipt of written notice by the mortgagor, his executor, administrator or assign, at least ten (1) days before the sale. The notice should be delivered personally if mortgagor is residing in the same municipality or sent by registered mail if residing outside;

e. Original copy of the Sheriffs return which should be recorded in the Office of the Register of Deeds where the mortgage has been recorded. The officer's return shall serve as a discharge or release of the lien created by the

mortgage;

f. Official receipt evidencing payment of recording fee with the Register of Deeds;

g. Original copy of the Sheriffs or Notary Public's Certificate of Sale;

h. PNPATMC Clearance;

i. Appropriate Insurance Certificate of Cover;

j. Motor Vehicle for ocular inspection.

B. When the public auction is conducted before a Notary Public, the following documents shall be required in addition to those enumerated above:

a. A certification from the Clerk of Court that no Sheriff is available or the municipality where the sale is to take place is far from where the Sheriff performs his official duties;

b. In cases where only the Mortgagee is represented during the public auction, a second bidding with the same formalities shall be required.

SECTION 5. Repealing Clause - Any circular, regulation or memoranda in conflict herewith are hereby deemed modified, amended or repealed.

SECTION 6. Effectivity - The provisions of this Memorandum Circular shall take effect immediately.

Adopted: 22 July 1996

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