

## MANUEL U. TINIO, PLAINTIFF-APPELLEE, VS. SPS. WILMA P. MUÑOZ AND GODOFREDO PINEDA, DEFENDANTS-APPELLANTS.

Ponente: COSICO, J.

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### COSICO, J.:

This is an appeal from the Decision[1] dated January 7, 2004 of the Regional Trial Court [RTC], Branch 89 of Baloc, Sto. Domingo, Nueva Ecija in the case entitled, “Manuel Tinio v. Spouses Wilma P. Muñoz and Godofredo Pineda” docketed as Civil Case No. 72-SD(2001) AF and denominated as an action for specific performance and collection of sum of money with damages.

Verily, in ruling in favor of herein plaintiff-appellee Manuel Tinio, the trial court, in the decretal portion of the assailed decision held:

“In the light of the foregoing therefore, a decision is hereby rendered:

- Directing the defendants to completely execute the Real Estate Mortgage over the several parcels of land covered under TCT Nos. N-9798, 9799, 9801, 9805 and 9806 by affixing the signature of Godofredo Pineda therein;
- Ordering the defendants to cause the annotation/registration of the said Real Estate Mortgage with the Office of the Register of Deeds, Talavera, Nueva Ecija at the back portion of the aforesaid titles;
- Ordering the Register of Deeds, Talavera, Nueva Ecija to do the annotation/recording should the defendant’s fail/refuse to sign the subject document (Real Estate Mortgage);
- Declaring the defendants to be liable to herein plaintiff for their loan obligation in the total amount of P223,791.97 and applying their agreed interest rate of 3% per month starting April 30, 2000 until fully paid over the P100,000.00 loan obtained by the defendant Wilma Pineda from plaintiff Manuel U. Tinio;
- Attorney’s fees and litigation expenses in the amount of P50,000.00 are likewise awarded in favor of the plaintiff.

SO ORDERED.” [Decision, pp. 5-6]

### The Facts

As narrated by the trial court, the antecedent facts of the instant case are as follows:

“Defendants are spouses Wilma P. Muñoz and Godofredo Pineda. Alleged among others in the Complaint are the following: that plaintiff is of legal age, single, and a resident of Bayanihan, Gapan, Nueva Ecija; that defendants are likewise both of legal age, and residents of Hulo, Sto. Domingo, Nueva Ecija; that on December 31, 1999, plaintiff and defendants had entered into a Contract of Loan whereby the former had agreed to grant

the latter the loan in the amount of P100,000.00; that as a security thereof, defendants executed a Deed of Real Estate Mortgage over certain parcels of land under the following titles: TCT No. N-9798; 9799; 9801; 9805; 9806, all located at Brgy. Malasin, Sto. Domingo, Nueva Ecija and containing the following areas; 1,302 square meters; 1,327 square meters; 1,383 square meters, 1,482 square meters, 5,185 square meters respectively; that these titles are owned by Wilma Pineda exclusively; that defendants had promised to herein plaintiff that they will cause the notarization and registration of the said "deed" to the office of the Register of Deeds, Nueva Ecija; however, defendants failed to comply with what they promised to do, despite several demands made to them by the plaintiff, that defendants likewise, failed to pay the loan obligation where the same fell due; that the second owner's copies of the titles mentioned and described above are presently in the possession of the plaintiff as these were delivered to him voluntarily and personally by the defendants; that, unfortunately, plaintiff cannot proceed with the foreclosure of the Real Estate Mortgage because of its incomplete execution which is attributable to the non-action or refusal to do what remains for the defendants to accomplish; that moreover, defendants are also indebted to herein plaintiff in the total amount of P123,721.97 representing the amounts of Land Bank checks they issued in favor of Manuel U. Tinio which were all unpaid in view of the closure of the account.

Plaintiff Tinio also alleges, actual, moral and exemplary damages, litigation expenses and attorney's fees are likewise included in the complaint.

Records will show that only defendant Wilma Pineda filed her answer to the complaint thru Atty. Bayani P. Dalangin. Co-defendant Godofredo Pineda was declared in default by this Court, upon motion of Atty. Matias.

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Upon request of the answering defendant, this Court gave the defendants ample time to have their obligation to herein plaintiff settled out of Court, and this was consented to by the plaintiff, however, nothing happened then.

A reconsideration of the Order allowing the plaintiff to present evidence ex-parte was granted by the Court, thus, initially, Atty. Dalangin was allowed to participate in the plaintiff's presentation of evidence, but at the end, in view of his non-appearance during the following date of hearing on July 30, 2003, Atty. Matias proceeded with the hearing ex-parte.

Plaintiff Manuel U. Tinio was called to the stand; under oath, he testified that he is 32 years old, single, a businessman, and a resident of Bayanihan, Gapan, Nueva Ecija; that particularly, he is engaged in Gapan City Ice Plant and storage and also, in money lending; that he knows defendants spouses Pineda since defendant Wilma Pineda stored onions sometime in April 1999 in his storage and that he lent her money in the sum of more than P200,000.00 as pleaded by the former; that the loans he extended to her were evidenced by the checks Wilma Pineda issued to him, and also, a Mortgage Contract; that the Real Estate Mortgage was signed only by Wilma Pineda; that her husband could not sign it because of their family problem related to a shooting incident involving their farm and her husband was one among those involved in the said incident; that because of this, Wilma Pineda asked for an extended time to have the Real Estate Mortgage signed by her husband.

x x x witness Tinio testified that he presented for payment the checks issued to him by Pineda when they became due, however, these were dishonored because the account was closed; that therefore, the checks were stamped "closed account" and the MetroBank issued him a debit memorandum; that he made oral and written demands to Pineda for the payment of her obligations after the checks were dishonored; that the letter of demand was prepared by his lawyer and had it mailed on June 15, 2000; that he knew that Pineda received his demand letter since the latter wrote back to his counsel, Atty. Matias asking that she be allowed to see him on June 20, 2000; that this request was accommodated by his counsel but again, Wilma Pineda failed to settle her obligations; that the total loan obligation of Pineda is P223,721.97, however, only the amount of P100,000.00 was secured by a Real Estate Mortgage mentioned earlier; that an interest of 3% per month was agreed upon by the parties; that as stated above, the execution of Real Estate Mortgage is considered as incomplete since

her husband did not sign the contract; that consequently, plaintiff filed an Adverse claim to protect his interest thereto; that he had the adverse claim annotated at the back portions of the titles subject matter of this present case.

The second witness called to the stand was Sylvia R. Santiago; after she was sworn in, she testified that she is 26 years old, single, an employee of Manuel U. Tinio, and a resident of San Nicolas, Gapan City; that her employment to Mr. Tinio started in 1998; that her duties consists of keeping the records of accounts of their customers; that she came to know of Wilma Pineda as the latter used to deposit monies in the cold storage of Mr. Tinio; that Pineda also borrowed money from plaintiff Tinio in the total amount of more than P223,721.97; that the amount of P100,000.00 is secured by a Real Estate Mortgage covering the parcels of land under the titles mentioned and subject matter of this case; that the remaining amount of loan were covered by the checks issued by Wilma Pineda to herein plaintiff; that she witnessed the handling over of the checks to Tinio and their signing by Pineda; that these were signed and delivered in December 1999 at San Leonardo, Nueva Ecija where Tinio is likewise holding office thereat; that the Real Estate Mortgage was seen by her also executed by Pineda on December 31, 1999 and gave to Tinio at San Leonardo, Nueva Ecija; that as per her records, Pineda failed to pay her obligation when they all fell due and demandable; that she was the one who presented for payment the checks with Metrobank but all checks were dishonored and had them stamped account closed; that Metrobank issued them Debit Memo.” [Decision, pp.1-4]

To prove his claims, plaintiff-appellee, presented among other things, the following documents as evidence: (1) Real Estate Mortgage dated December 31, 1999; (2) Original Copies of TCT Nos. N-9798; N-9799; N-9801; N-9805; N-9806; (3) Three Land Bank Checks (Nos. 0017623; 0017624; 0017625) all dated April 30, 2000 issued in the name of Manuel Uy Tinio by Wilma P. Muñoz bearing the following amounts, P99,751.97, P100,000.00 and P23,970.23, respectively; (4) Demand Letter dated June 1, 2000; and (5) Letter of Wilma Muñoz addressed to Atty. Matias.

#### The Ruling of the Regional Trial Court

As earlier adverted to, the trial court ruled in favor of plaintiff-appellee in this wise ---

“After having carefully studied the records of this case, particularly the documentary evidence and the oral testimonies of the witnesses, this Court is convinced that the plaintiff herein has a valid and meritorious cause of action to pursue with against defendants spouses Godofredo Pineda and Wilma Pineda” [Decision, p. 5]

#### The Present Appeal

In their Brief, defendants-appellants ascribe the following errors committed by the trial court to wit:

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- In not finding that the purported Deed of Real Estate Mortgage is unenforceable and not binding upon the defendants-appellants.
- In declaring the defendants-appellants liable to pay 3% monthly interest rate over the P100,000.00 loan contracted by defendant-appellant Wilma Muñoz.
- In ordering the defendants-appellants to pay the plaintiff-appellee P50,000.00 as attorney’s fees and litigation expenses.

Defendants-appellants argue[2] that the trial court erred in failing to appreciate that the real intention of the parties in the execution of the Deed of Real Estate Mortgage was not to enter into an ancillary contract of mortgage but rather to use the defendants-appellants’ properties as a mere guarantee of their P100,000 loan obligation with

plaintiff-appellee. Notwithstanding, even if it is true that the agreement between the contending parties is one of mortgage, the same is invalid and unenforceable considering the lack of written consent by Godofredo Pineda which is necessary to validly encumber the said properties which are part and parcel of the spouses' conjugal properties.

Moreover, the terms and conditions set forth under the mortgage contract, specifically on the monthly interest rate of 3% is contrary to law, public morals, and public policy considering that the same is unconscionable. Likewise, the filing of the instant case is premature considering that the loan obligations of defendants-appellants have not yet become due and demandable as no date for the maturity of the said loans had been previously agreed upon by the parties.

Similarly, it was also an error for the trial court to award litigation costs and attorney's fees as the same were not warranted under the circumstances by reason of the fact that defendants-appellants were justified in opposing plaintiff-appellee's unjustified and premature demands.

On the other hand, the plaintiff-appellee posits[3] that the conduct of the spouses belies their stance herein. First, if the property was not intended as security for the loan obligations, why then did the spouses deliver the titles of their property to plaintiff-appellee? It must also be stressed that the mortgaged properties herein are not part of the conjugal properties of the spouses, there being no proof to show otherwise. Plaintiff-appellee asserts that the term, "married to Godofredo Pineda" is merely descriptive of the civil status of Wilma Muñoz and does not make the mortgaged properties conjugal properties. Nonetheless, the conjugal partnership is liable to answer for the loan obligations contracted by the spouses as it is presumed that the loan was used for the benefit of the family.

Meanwhile, the 3% monthly interest is not unconscionable because the contracting parties freely agreed upon the said interest rate. Anent the loan obligations being due and demandable, plaintiff-appellee advances that the issuance of the checks in payment of the said loan obligations represents the fact that the same had already matured. On this note, a letter of demand was sent to defendants-appellants but they failed to pay the amount on the said checks. Finally, the award of attorney's fees and litigation expenses are justified under the circumstances.

#### This Court's Ruling

We affirm the findings of the trial court albeit with certain modifications.

#### First Issue: Secured Loan in the Amount of P100,000

The P100,000 Loan Obligation  
was Secured by way of Real Estate Mortgage

As borne out by the records, as against defendants-appellants' stand that their real properties were used only as a guaranty for the P100,000 loan, the plaintiff-appellee was able to present testimonial and documentary evidence to prove that the agreement entered into by the contending parties herein respecting the real properties subject of the instant case is one of mortgage. On this note, it bears stressing that mere allegations on the part of a party as to a certain fact unsupported by evidence deserves scant consideration.[4] And in civil cases, a party proves his claim by presenting a preponderance of evidence to support the same, or evidence that is of superior weight than the evidence presented by the other party. Verily, under the present facts of the case, we find that the evidence presented by plaintiff-appellee to prove his claim is of superior weight than the mere allegations on the part of the defendants-appellants regarding the nature of the said contract.

In this regard, to prove that the agreement between the contending parties is really a contract of mortgage, plaintiff-appellee, in addition to his testimony on the matter which was not refuted by the opposing parties herein,

presented the following evidence, to wit: (1) Testimony of Sylvia Santiago[5] who testified that she witnessed the execution of the said contract of mortgage between Wilma P. Muñoz and plaintiff-appellee and who saw defendant-appellant Wilma P. Muñoz affixed her signature in the said contract; (2) The conduct of defendant-appellant Wilma P. Muñoz in delivering the titles to the mortgaged properties to secure the loan obligations of defendants-appellants; and (3) The provisions of the Contract of Mortgage executed between plaintiff-appellee and defendants-appellants which clearly show that the latter intended to mortgage the real properties therein as a security for the loan obligation contracted by Wilma Muñoz.

Parenthetically, defendants-appellants' invocation of the exception to the rule on parol evidence does not signify. For purposes of clarity, Section 9, of Rule 130 of the 1997 Rules of Civil Procedure states:

“Sec. 9. Evidence of written agreements. – When the terms of an agreement have been reduced to writing, it is considered as containing all the terms agreed upon and there can be, between the parties and their successors in interest, no evidence of such terms other than the contents of the written agreement.

However, a party may present evidence to modify, explain or add to the terms of the written agreement if he puts in issue in his pleading:

- An intrinsic ambiguity, mistake or imperfection in the written agreement;
- The failure of the written agreement to express the true intent and agreement of the parties thereto;
- The validity of the written agreement; or
- The existence of other terms agreed to by the parties or their successors in interest after the execution of the written agreement.

The term “agreement” includes wills.”

Clearly, the reliance on the above-quoted rule presupposes that the party invoking the same has adduced clear and convincing evidence of exempting circumstances that may warrant a deviation from the general rule. As we have mentioned earlier, no evidence whatsoever was presented by the defendants-appellants to prove their allegation that the subject agreement was a mere guaranty and not a mortgage. Thus, no error can be attributed to the lower court in making conclusions on the basis of the evidence adduced by plaintiff-appellee herein.

Mortgaged Properties have been adequately proven  
as Part of Wilma P. Muñoz's Paraphernal Property

In civil cases, the rule is well settled that the party having the burden of proof must produce a preponderance of evidence therein, with plaintiff having to rely on the strength of his own evidence and not upon the weakness of the defendant's.[6] In the course of trial in a civil case, once plaintiff makes out a prima facie case in his favor, the duty or the burden of evidence shifts to defendant to controvert plaintiff's prima facie case, otherwise, a verdict must be returned in favor of plaintiff.[7]

In this connection, we are of the view that plaintiff-appellee was able to adduce evidence of superior weight that the mortgaged properties which were used to secure defendants-appellants loan obligation in the amount of P100,000.00 is part of Wilma P. Muñoz's paraphernal property.

Verily, it is not amiss to note that plaintiff-appellee's testimony regarding the statement of Wilma P. Muñoz on the ownership of the mortgaged properties as part of the latter's paraphernal property was not refuted by

defendants-appellants. Likewise, a facial examination of the transfer certificates of title of the mortgaged properties herein shows that the same were not registered in the name of both defendants-appellants, but only in the name of defendant-appellant Wilma P. Muñoz, “married to Godofredo Pineda”. In this respect, the Supreme Court in *Ruiz v. Court of Appeals*[8] was explicit in stating that no presumption can automatically be inferred that such property is part of the conjugal property and held:

The property subject of the mortgage is registered in the name of “Corazon G. Ruiz, of legal age, married to Rogelio Ruiz, Filipinos.” Thus, title is registered in the name of Corazon alone because the phrase “married to Rogelio Ruiz” is merely descriptive of the civil status of Corazon and should not be construed to mean that her husband is also a registered owner. Furthermore, registration of the property in the name of “Corazon G. Ruiz, of legal age, married to Rogelio Ruiz” is not proof that such property was acquired during the marriage, and thus, is presumed to be conjugal. The property could have been acquired by Corazon while she was still single, and registered only after her marriage to Rogelio Ruiz. Acquisition of title and registration thereof are two different acts. The presumption under Article 116 of the Family Code that properties acquired during the marriage are presumed to be conjugal cannot apply in the instant case. Before such presumption can apply, it must first be established that the property was in fact acquired during the marriage. In other words, proof of acquisition during the marriage is a condition sine qua non for the operation of the presumption in favor of conjugal ownership. No such proof was offered nor presented in the case at bar. Thus, on the basis alone of the certificate of title, it cannot be presumed that said property was acquired during the marriage and that it is conjugal property. Since there is no showing as to when the property in question was acquired, the fact that the title is in the name of the wife alone is determinative of its nature as paraphernal, i.e., belonging exclusively to said spouse. The only import of the title is that Corazon is the owner of said property, the same having been registered in her name alone, and that she is married to Rogelio Ruiz.”

Thus, we agree with plaintiff-appellee that under the present circumstances of the case and in view of plaintiff-appellee’s un rebutted testimony regarding the representation made by Wilma P. Muñoz as to the status of the said properties being paraphernal properties, the phrase “married to Godofredo Pineda” stated in the certificates of title of the mortgaged properties should be taken to mean as merely descriptive of the civil status of Wilma P. Muñoz and does not in no way evince that the subject properties are part of the defendants-appellants’ conjugal property.

That being the case, we find that the marital consent of Godofredo Pineda is not necessary, considering that the provisions of the Family Code, specifically, Articles 96 and 124 on written marital consent apply only to dispositions or encumbrances involving conjugal property. This is not obtaining in the case at bar.

#### Second Issue: Demandability of the Loans

Defendants-appellants are already in Default  
in Paying the Loan Obligations herein

As the evidence on hand shows, the obligation of defendants-appellants to pay the loans subject of the instant case is in the nature of a pure obligation as defined under Article 1179 of the New Civil Code considering that there is no agreement as to the date of maturity or the happening of an event to which the fulfillment or payment of the subject loans herein is based. In this regard, Article 1179 states that an obligation “whose performance does not depend upon a future or uncertain event, or upon a past event unknown to the parties, is demandable at once.” Corollary to this, Article 1169 of the New Civil Code lays down the rule in determining when a party is deemed already in default. The first paragraph of Article 1169, states:

“Art. 1169. Those obliged to deliver or to do something incur in delay from the time the obligee judicially or extrajudicially demands from them the fulfillment of their obligation”.

To prove that defendants-appellants were already in delay in paying their loan obligations, plaintiff-appellee presented in evidence the three checks all dated April 30, 2000 issued by Wilma Muñoz in payment of the loans which were dishonored by the bank and the demand letter dated June 1, 2000[9] addressed to defendant-appellant Wilma P. Muñoz demanding the latter to pay the money owing to plaintiff-appellee in the amount of P223,721.97. Plaintiff-appellee likewise presented a reply-letter written by Wilma P. Muñoz dated June 17, 2000 asking for an appointment with plaintiff-appellee's attorney.[10] Similarly, plaintiff-appellee presented in evidence his unrefuted testimony regarding the verbal and written demands made by him upon defendants-appellants regarding the payment of the said loan obligations, to wit:

“Q: Mr. Witness, during the last hearing, you testified that Wilma Muñoz issued to you checks to guarantee payment of the money she borrowed from you?

A Yes, sir. [TSN, July 30, 2003, pp. 5-6] 112)

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x x x

Q: When these three (3) checks were issued to you by Wilma Muñoz were dishonored by the bank, Mr. Witness, what measures did you take, if any?”

A: I demanded from Wilma Muñoz to pay the said checks.

Q: What kind of demand you have given to Wilma Muñoz, Mr. Witness?

A: Written and verbal demands, sir.” [Id. at 11-12; Records at 118-119]

On the basis of the foregoing disquisition, there is therefore no doubt in our minds that the loan obligations of defendants-appellants are already due and demandable and that defendants-appellants have already incurred in delay for their failure to pay the same despite repeated demands made by plaintiff-appellee. Consequently, we find that the foreclosure of the mortgaged properties to answer for the loan obligation in the amount of P100,000 as stated in LandBank Check No. 0017624, along with the corresponding interest therein, is in order. Meanwhile, defendants-appellants are also liable to pay the amounts of P99,751.97 and P23,970 as stated in LandBank Checks Nos. 0017623 and 0017625 considering that plaintiff-appellee has presented satisfactory evidence to show that such loan obligations are already due and demandable and that defendants-appellants likewise failed to pay the same after verbal and written demands were made upon them by plaintiff-appellee.

Monthly Interest of 3% stipulated in the  
Mortgage Contract Must be Equitably Reduced.

In the case of Ruiz v. Court of Appeals which bears issues similar to the case at bar, the Supreme Court was unequivocal in stating that a monthly interest of three percent (3%) or thirty six percent (36%) per annum is unconscionable and must be equitably reduced to a monthly interest of one percent (1%) or twelve percent (12%) per annum and made the following ratiocinations, viz:

“This Court invalidated a stipulated 5.5% per month or 66% per annum interest on a P500,000.00 loan x x x and a 6% per month or 72% per annum interest on a P60,000.00 loan x x x for being excessive, iniquitous, unconscionable and exorbitant. In both cases, we reduced the interest rate to 12% per annum. We held that while the Usury Law has been suspended by Central Bank Circular No. 905, s. 1982, effective on January 1, 1983, and parties to a loan agreement have been given wide latitude to agree on any interest rate, still stipulated interest rates are illegal if they are unconscionable. Nothing in the said circular grants lenders carte blanche authority to raise interest rates to levels which will either enslave their borrowers or lead to a hemorrhaging of their assets. On the other hand, x x x this Court upheld the validity of a 21% per annum

interest on a P142,326.43 loan, and x x x sustained the agreement of the parties to a 24% per annum interest on an P8,649,250.00 loan. It is on the basis of these cases that we reduce the 36% per annum interest to 12%. An interest of 12% per annum is deemed fair and reasonable.”[11]

Moreover, consistent with the ruling of the Supreme Court in *Tanay Recreation Center and Development Corp. v. Fausto*[12], when the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

Prescinding therefrom, the aforesaid interest due in the P100,000 loan obligation, which is 12% per annum, shall be computed from the time of the execution of the mortgage contract and shall together with the principal loan, earn additional interest at the rate of 12% per annum as interest in the concept of damages from the date of the judicial demand for the payment of the said loan obligation. In this case, such additional interest shall be computed from March 29, 2001 the date when plaintiff-appellee filed the instant case against defendants-appellants.

In addition, we find that the award of interest in the concept of actual or compensatory damages with respect to the unsecured loan in the amount of P123,791.97 is justifiable under the circumstances considering that defendants-appellants are in default in paying their loan obligations. Under Article 1170 of the New Civil Code, “those who in the performance of their obligations are guilty of fraud, negligence, or delay and those who in any manner contravene the tenor thereof, are liable for damages.” On this note, the interest rate of 12% per annum shall be imposed as interest in the concept of damages on the aforesaid amounts.

Third Issue:

#### Attorney’s Fees and Litigation Expenses

It is well-settled that no premium should be placed on the right to litigate and not every winning party is entitled to an automatic grant of attorney’s fees.[13] The party must show that he falls under one of the instances enumerated in Article 2208 of the New Civil Code.[14] Under the present facts of the case, plaintiff-appellee was compelled to engage the services of a lawyer in order to protect his interests. Hence, we find that the award of attorney’s fees is proper. This is also true with respect to the trial court’s award of litigation costs as the same may be awarded under the instances provided under Article 2208.

However, the rule is settled that in fixing the amount of attorney’s fees, certain standards must be taken into consideration, to wit: (1) the amount and the character of the services rendered; (2) labor, time and trouble involved; (3) the nature and importance of the litigation and business in which the services were rendered; (4) the responsibility imposed; (5) the amount of money and the value of the property affected by the controversy or involved in the employment; (6) the skill and the experience called for in the performance of the services; (7) the professional character and the social standing of the attorney; and (8) the results secured, it being a recognized rule that an attorney may properly charge a much larger fee when it is contingent than when it is not.[15] Considering the foregoing, we resolve to reduce the amount of the said awards from P50,000 to P25,000 as the same is reasonable under the circumstances.

WHEREFORE, premises considered, the Decision dated January 7, 2004 of the Regional Trial Court, Branch 89 of Baloc, Sto. Domingo, Nueva Ecija in Civil Case No. 72-SD[2001] AF is **AFFIRMED** with **MODIFICATION**, as follows:

(1) Ordering defendants-appellants to cause the annotation/registration of the said Real Estate Mortgage with the Office of the Register of Deeds, Talavera, Nueva Ecija at the back portion of the aforestated titles;

(2) Ordering the Register of Deeds, Talavera, Nueva Ecija, upon payment of the corresponding legal fees, to do the annotation/recording should defendants-appellants fail/refuse to cause the annotation/recording of the Real Estate Mortgage herein;

(3) Declaring the defendants-appellants liable to herein plaintiff-appellee for their loan obligations in the total amount of P223,791.97 broken down as follows:

- P100,000.00 on the principal loan secured by a mortgage respecting several parcels of land owned by defendant-appellant Wilma P. Muñoz and covered by Transfer Certificates of Title Nos. N-9798, N-9799, N-9801, N-9805 and N-9806 with reduced monthly interest rate of 1% or 12% per annum from December 31, 1999 the date of execution of the mortgage contract to March 28, 2001, thereafter, a monthly interest of 1% per month or 12% per annum on the principal loan and the interest already due on such loan shall be added and computed starting from March 29, 2001, the date of judicial demand until fully paid;

- P 99,751.97 as the principal loan with 12% per annum from the date of extrajudicial demand or from June 1, 2000 until fully paid;

- P23,970.23 as the principal loan with 12% per annum from the date of extrajudicial demand or from June 1, 2000 until fully paid;

- In the above instances, and upon finality of the judgment herein, the rate of interest of 12% per annum shall be imposed from the date of the finality of such judgment awarding the sum of money until the satisfaction thereof.

(4) Attorney's fees and litigation expenses in the reduced amount of P25,000.00 are likewise awarded in favor of the plaintiff.

### **SO ORDERED.**

Sundiam, and Librea-Leagogo, JJ., concur.

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[1] Records at 82-87.

[2] Brief for Defendants-Appellants; Rollo at 19-36.

[3] Plaintiff-Appellee'd Brief; Rollo at 62-78.

[4] Ramoran v. Jardine CMG Life Insurance Company, Inc., 326 SCRA 208, 221 [2000].

[5] TSN, July 30, 2003; Records at 137-156.

[6] Asian Construction and Development Corp. v. Tulabut, G.R. No. 161904, April 26, 2004

[7] Ibid.

**[8] 401 SCRA 410,418-419 [2003]**

[9] Records at 53.

[10] Id. at 54.

[11] Supra, at 421.

**[12] 455 SCRA 436, 455[2005].**

[13] Id. at 457.

[14] Ibid.

[15] Id. at 458.

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