

**EDEN TAYAG, PETITIONER, VS. SONNY MEJIA, RESPONDENT.**

Ponente: BALTAZAR-PADILLA, J.

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**BALTAZAR-PADILLA, J.:**

Challenged before US in this Petition[1] for Review under Rule 42 of 1997 the Rules of Civil Procedure is the Decision[2] dated September 29, 2014 of the Regional Trial Court of Malolos City, Branch 15 (hereinafter, “RTC”) in Civil Case No. 290-M-2014.

On January 7, 2013, a Complaint[3] for collection of sum of money and damages was filed by respondent Sonny Mejia with the Municipal Trial Court in Cities (MTCC), San Jose del Monte City, Bulacan, Branch 3 against petitioner Eden Tayag. Respondent alleged that on different occasions, petitioner obtained several loans from him. Due to petitioner's inability to pay her periodic amortizations, all the loans extended to her were consolidated into a single loan amounting to P329,000.00 inclusive of interest under Promissory Note dated January 28, 2012. In the said promissory note signed by petitioner, she obligated herself to pay respondent the full amount of P329,000.00 within a period of 13 weeks by making a weekly payment of P25,000.00. However, out of the amount due, petitioner only paid respondent P197,000.00 on a staggered basis. Due to petitioner's failure to pay the remaining balance of her loan, respondent made numerous demands for her to comply with her obligation to pay but his demands were left unheeded. After the barangay conciliation failed, respondent filed a complaint for collection of sum of money and damages with the court a quo. Upon the foregoing allegations, the complaint concluded with the following prayer:

“WHEREFORE, premises considered, it is respectfully prayed after due notice and proceedings, that judgment be issued in plaintiff's [herein respondent] favor and adverse to the defendant [herein petitioner], ordering the latter to:

- a. Pay the principal sum of ONE HUNDRED THIRTY FIVE THOUSAND (P135,000.00) plus the legal rate of interest thereon from date of filing this judicial demand until fully paid.
- b. A sum equivalent to twenty percent (20%) of P135,000.00 representing attorney's fees and P2,000.00 per court appearance;
- c. Costs of suit and expenses of litigation.

Other relief and remedies just and equitable in the premises are likewise prayed for.”[4]

In her Answer,[5] petitioner admitted having obtained a loan from respondent but insisted that her outstanding obligation to him is only P34,000.00. The total loan obtained by her from 2002 to 2011 as per her personal computation had ballooned to P492,000.00 because of the 20% interest imposed by respondent but if said interest will be deducted, the totality of her loan would only amount to P393,000.00 of which she had already paid P359,000.00. Considering that the interest imposed upon her accumulated loans is too high, petitioner prayed for the court a quo to temper the interest rate to avoid unjust enrichment on the part of respondent. Moreover, petitioner alleged that although she admitted signing the promissory note acknowledging her indebtedness to respondent in the amount of P329,000.00, she only signed the same so that respondent would stop from constantly

reminding her to pay her loan.

After trial, the MTCC rendered its judgment[6] on December 23, 2013 against herein petitioner, disposing:

“WHEREFORE, premises considered, defendant Eden Tayag [herein petitioner] is DIRECTED TO PAY plaintiff Sonny Mejia [herein respondent] the following:

- (1) Sixty[-]Six Thousand Two Hundred (P66,200.00) Pesos, representing the remaining loan obligation plus One (1%) percent per month starting on November, 2011 until the finality of this Decision;
- (2) Twenty Thousand (P20,000.00) Pesos by way of Attorney's Fees plus Two Thousand (P2,000.00) Pesos per Court Appearance;
- (3) Four Thousand Two Hundred Thirty[-]Two (P4,232.00) Pesos as expenses of litigation; and
- (4) Interest of six (6%) percent per annum of the total monetary awards from the time this judgment becomes final and executory until satisfaction.

SO ORDERED.”[7]

According to the court of origin, inasmuch as the interest of 20% imposed by respondent is unconscionable, the same must be deducted from the total loan amount of P329,000.00 inclusive of interest stated in the promissory note. Deducting the 20% interest from P329,000.00, the remaining amount is P263,200.00. Since respondent himself admitted that petitioner already paid him P197,000.00, said amount should be deducted from P263,200.00 monetary obligation of petitioner. Hence, the supposed remaining amount of loan of petitioner to respondent is P66,200.00. In addition, the MTCC deemed it proper in the interest of fair play to impose an interest rate of 1% per month starting November, 2011 (the date of the earliest promissory note attached to the record) until finality of the court a quo's decision. Thereafter, the interest rate shall be 6% per annum from such finality until its satisfaction as said interim period is deemed to be by then equivalent to a forbearance of credit, citing *Nacar vs. Gallery Frames and/or Felipe Bordey, Jr.* (G.R. No. 189871, August 13, 2013).[8]

The MTCC further found it proper to award P20,000.00 attorney's fees to respondent since he was left with no recourse but to litigate in order to protect his interest. The same court made petitioner liable to pay the expenses incurred by respondent in the filing the case in the amount of P4,232.00 as well as the court appearance of respondent's counsel in the amount of P2,000.00 per hearing.

On appeal before the RTC, petitioner argued that although the lower court was correct in finding that the 20% interest is exorbitant and the same must be deducted from the P329,000.00 alleged total amount of loans, the computation as to her remaining obligation was still not accurate because there is still a need to specifically identify each loan obtained by her on different occasions to determine the precise amount of her outstanding obligation to respondent.

On September 29, 2014, the RTC affirmed with modification the MTCC decision, thus:

“WHEREFORE, premises considered, the instant appeal is DISMISSED and the assailed Decision dated December 23, 2013 of the Municipal Trial Court in Cities, San Jose del Monte City, Bulacan is hereby AFFIRMED with modification by directing the defendant-appellant [herein petitioner] to pay:

- (1) Sixty[-]Six Thousand Two Hundred (P66,200.00) Pesos, representing the outstanding loan obligation with the rate of interest of 12% per annum from extrajudicial demand on December 10, 2012;
- (2) Twenty Thousand (P20,000.00) Pesos by way of Attorney's Fees; and
- (3) Four Thousand Two Hundred Thirty Two (P4,232.00) Pesos as expenses of litigation[.]

SO ORDERED.”[9]

In support of its ruling, the RTC made the following ratiocination:

“After a judicious assessment of the records and the arguments raised, the court is in accord with the findings of the court a quo but with modification.

As could be gleaned from the several promissory notes, defendant-appellant obtained the following loans, to wit:

October 29, 2011 - P50,000.00 to be paid in 10 weeks (Exh. G-3)

November 3, 2011 - P50,000.00 to be paid in 92 days (Exh. G-4)

November 14, 2011 - P50,000.00 to be paid in 92 days (Exh. G-5)

November 28, 2011 - P20,000.00 to be paid in 10 weeks (Exh. G-6)

December 3, 2011 - P50,000.00 to be paid in 92 days (Exh. G-7)

December 9, 2011 - P50,000.00 to be paid in 10 weeks (Exh. G-8)

December 17, 2011 - P30,000.00 to be paid in 10 weeks (Exh. G-10)

December 25, 2011 - P50,000.00 to be paid in 10 weeks (Exh. G-9)

December 30, 2011 - P50,000.00 to be paid in 92 days (Exh. G)

January 6, 2012 - P50,000.00 to be paid in 92 days (Exh. G-1)

January 10, 2012 - P40,000.00 to be paid in 80 days (Exh. G-2)

Noticeably, even before the loan could be paid by defendant-appellant, her loan was renewed without stipulated interest indicated thereon.

As per the last Promissory Note dated January 28, 2012 (Exh. A) signed by defendant-appellant, her loan amounted to P329,000.00 to be paid in 13 weeks.

It was admitted during the pre-trial that said amount of P329,000.00 is the consolidated amount of all the loans and that each loan was charged an interest of 20% for 92 days.

Defendant-appellant had already paid the total amount of P197,000.00, thus, there remains a balance of P137,000.00 which is now the subject of this collection suit.

The fact of loan and non payment of the balance being admitted, the court proceeds to determine if payment of interest was warranted.

Article 1956 of the Civil Code specifically mandates that no interest shall be due unless it has been expressly stipulated in writing. Thus, payment of monetary interest is allowed only if: (1) there was an express stipulation for the payment of interest; and (2) the agreement for the payment of interest was reduced in writing. The concurrence of the two conditions is required for the payment of monetary interest. Thus, collection of interest without any stipulation therefor in writing is prohibited by law. (Ching v. Nicdao, G.R. No. 141181, 27 April 2007; Tan v. Valdehueza, 160 Phil. 760, 767 [1975]).

Clearly, in all the promissory notes signed by the defendant-appellant, there was no interest stipulated therein. The admission as to payment of interest at 20% interest only bolstered the fact that an interest was charged when it should have not been allowed in view of the absence of agreement as to payment of interest reduced into writing.

As to the last Promissory Note signed by defendant-appellant which she herself wrote the details as to the outstanding obligation in the amount of P137,000.00, the same is an admission of the exact loan obligation. In the absence of any evidence to prove otherwise only leads to the conclusion that the amount stated is the outstanding loan.

The court a quo finds that the 20% interest was unconscionable that it resolved to deduct the same from the original amount of P329,000.00. After deducting P65,800.00 (representing 20% interest), the balance was reduced to P263,200.00. The deduction was proper, not because it is unconscionable but because it should not be allowed in the absence of stipulation in writing for the payment of interest. As payment of P197,000.00 had been made by defendant-appellant, the same is further deducted from the actual balance leaving the amount due to P66,200.00.

In imposing interest, the rule is that interest shall be computed in accordance with the stipulation of the parties. In the absence of such agreement, the rate shall be twelve percent (12%) per annum when the obligation arises out of a loan or a forbearance of money, goods or credits. On other cases, it shall be six percent (6%). The demand being made with certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code).

The failure of defendant-appellant to pay her monetary obligation consisted of breach which shall be charged with the rate of interest of 12% per annum to be reckoned from extrajudicial demand which was on December 10, 2012.”[10]

Not satisfied with the above ruling of the RTC, petitioner took this recourse under Rule 42 of the Rules of Court raising the following issues:

“I

WHETHER THE REGIONAL TRIAL COURT GRAVELY ERRED IN RESOLVING THAT RESPONDENT HAS SUFFICIENTLY SHOWN HOW THE AMOUNT STATED IN THE PROMISSORY NOTE WAS ARRIVED AT.

II

WHETHER THE REGIONAL TRIAL COURT GRAVELY ERRED IN AWARDING RESPONDENT ATTORNEY'S FEES AND EXPENSES OF LITIGATION AND GRANTING AN INTEREST RATE OF 12% OF THE AMOUNT DUE UNTIL FULL PAYMENT THEREOF.”[11]

Although petitioner admits that she executed a promissory note in favor of respondent, she claims that she only signed the same to stop respondent from consistently nagging her about her debt. She insists that the amount stated in the promissory note does not reflect the correct amount of her indebtedness to respondent. She belies the narration of respondent during trial that it was she who manifested to him that her total amount of loan to him is P329,000.00, viz -

“CROSS EXAMINATION OF MR. SONNY  
O. MEJIA BY ATTY. RENATO E. CAÑAL

xxx

Q:

Did you compute all the payments listed here Mr. witness before filing this case?

A:

I only based my computation with Eden Tayag's statement of Three Hundred Twenty Nine Thousand (P329,000.00) Pesos.

COURT:

It is Eden Tayag who made the declaration that she owes you Three Hundred Twenty Nine Thousand (P329,000.00) Pesos?

A:

Yes, ma'am. Siya po mismo and pumunta sa akin at nagsabi na 'ito and summary ng lahat ng utang ko sa iyo.'

COURT:

Are you trying to say that it was the defendant who manifested that she was indebted to you in the amount of Three Hundred Twenty Nine Thousand (P329,000.00) Pesos?

A:

Yes, Your Honor.”[12]

Petitioner maintains that the consolidated amount of loan inclusive of the 20% interest embodied in the promissory note was arbitrarily set by respondent himself. It is contrary to human experience for a creditor to simply accept a debtor's declaration of how much she owes him without determining the truthfulness of her assertion.

According to petitioner, she had made her own computation of the totality of her debt to respondent which she had incurred from 2002 to 2011 before her loans were consolidated into a single promissory note. As per her calculation, her outstanding debt to respondent totaled to P492,000.00. Of the said sum, she claims that she already paid respondent P359,000.00. Deducting the 20% interest from her P492,000.00 loan, the difference would be P393,000.00. Applying her payment of P359,000.00, petitioner's remaining loan will only be P34,000.00.

Petitioner also questions the award of attorney's fees to respondent and the award of interest rate of 12% of the amount due until full payment thereof, as being not in accord with law.

Petitioner insists that the power of the court to award attorney's fees under Article 2208 demands factual, legal and equitable justification. Even when a claimant is compelled to litigate or to incur expenses to protect his rights, still attorney's fees may not be awarded where no sufficient showing of bad faith could be reflected in a party's persistence in a case other than an erroneous conviction of the righteousness of his cause. Inasmuch as there was no finding of bad faith on her part, the award of attorney's fees was improper.

Finally, petitioner citing *Nacar vs. Gallery Frames*,[13] posits that in the absence of an express stipulation as to the rate of interest, the rate of legal interest for loans or forbearance of any money, goods or credits is only 6% per annum.

WE find the petition partly meritorious.

The issues in this case boil down to the following: (1) whether the unpaid balance supposedly still due respondent is only P34,000.00 as claimed by petitioner; (2) whether petitioner is liable to respondent for attorney's fees; and (3) whether the trial court correctly imposed a 12% interest rate on her loan.

Anent petitioner's claim that she should only pay P34,000.00 to respondent because she had already paid him a total of P359,000.00 out of her self-calculated debt of P492,000.00, WE note that no evidence was presented by her to establish the fact of payment of said amount.

Jurisprudence tells us that one who pleads payment has the burden of proving it;[14] the burden rests on the defendant to prove payment, rather than on the plaintiff to prove non-payment.[15] Indeed, once the existence of an indebtedness is duly established by evidence, the burden of showing with legal certainty that the obligation has been discharged by payment rests on the debtor.[16]

In the present case, petitioner failed to satisfactorily prove that her obligation amounted to P492,000.00 and that she had already paid respondent a total of P359,000.00. Petitioner failed to present any documentary evidence that respondent had in fact received such amount from her. Neither did she present official receipts evidencing payment or any documentary proof that she indeed made payment in such amount.

What is clear from the record of this case is that, it had been stipulated during pre-trial that the amount of P329,000.00 appearing on the face of the promissory note which petitioner herself executed is the consolidated amount of all the loans obtained by her from respondent inclusive of 20% interest and that out of the said sum, she already paid respondent P197,000.00. The 20% interest included in the P329,000.00 obligation being unconscionable and not specifically written to have been agreed upon by the parties, said interest rate must be deducted from P329,000.00. 20% of P329,000.00 is P65,800.00 ( $P329,000.00 \times .20 = P65,800.00$ ). P329,000.00 less P65,800.00 (20% interest) less P197,000.00 (payment already made by petitioner to respondent), the remaining total amount of her obligation is P66,200.00 as correctly found by the two lower courts.

WE refuse to believe petitioner's assertion that the amount appearing on the face of the promissory note was only set by respondent himself and that she only signed the same to stop him from pestering her of her loan obligation. While petitioner may have wanted to escape the persistent demand for payment of respondent, she was never forced or intimidated by respondent to sign said document. There is total lack of showing that she was divested of free will and choice when she signed the promissory note. She had an option to refuse to execute the promissory note but she chose to sign the same, thereby agreeing to the amount stated therein as her outstanding indebtedness.

Even if petitioner may have felt compelled to sign the promissory note, this circumstance will not nullify the voluntariness of her act.[17] Contracts are voidable where consent thereto is given through mistake, violence, intimidation, undue influence, or fraud. In determining whether consent is vitiated by any of these circumstances, courts are given a wide latitude in weighing the facts or circumstances in a given case and in deciding in favor of what they believe actually occurred, considering the age, physical infirmity, intelligence, relationship, and conduct of the parties at the time of the execution of the contract and subsequent thereto, irrespective of whether the contract is in a public or private writing.[18] Considering the circumstances herein obtaining, WE found petitioner to have executed the promissory note out of her own free will. It may have been done against her better judgment but her consent thereto was not vitiated by any vice.

With regard to the award of attorney's fees, WE agree that the same must be deleted. In *Philippine National Construction Corporation vs. APAC Marketing Corporation*,[19] it was held that -

“Article 2208 of the New Civil Code of the Philippines states the policy that should guide the courts when

awarding attorney's fees to a litigant. As a general rule, the parties may stipulate the recovery of attorney's fees. In the absence on such stipulation, this article restrictively enumerates the instances when these fees may be recovered, to wit:

Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

- (1) When exemplary damages are awarded;
- (2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
- (3) In criminal cases of malicious prosecution against the plaintiff;
- (4) In case of a clearly unfounded civil action or proceeding against the plaintiff;
- (5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim;
- (6) In actions for legal support;
- (7) In actions for the recovery of wages of household helpers, laborers and skilled workers;
- (8) In actions for indemnity under workmen's compensation and employer's liability laws;
- (9) In a separate civil action to recover civil liability arising from a crime;
- (10) When at least double judicial costs are awarded;
- (11) In any other case where the court deems it just and equitable that attorney's fees and expenses of litigation should be recovered.

In all cases, the attorney's fees and expenses of litigation must be reasonable.

In *ABS-CBN Broadcasting Corp. v. CA*, this Court had the occasion to expound on the policy behind the grant of attorney's fees as actual or compensatory damages:

(T)he law is clear that in the absence of stipulation, attorney's fees may be recovered as actual or compensatory damages under any of the circumstances provided for in Article 2208 of the Civil Code.

The general rule is that attorney's fees cannot be recovered as part of damages because of the policy that no premium should be placed on the right to litigate. They are not to be awarded every time a party wins a suit. The power of the court to award attorney's fees under Article 2208 demands factual, legal, and equitable justification. Even when a claimant is compelled to litigate with third persons or to incur expenses to protect his rights, still attorney's fees may not be awarded where no sufficient showing of bad faith could be reflected in a party's persistence in a case other than an erroneous conviction of the righteousness of his cause.

In *Benedicto v. Villaflores*, we explained the reason behind the need for the courts to arrive upon an actual finding to serve as basis for a grant of attorney's fees, considering the dual concept of these fees as ordinary and extraordinary:

It is settled that the award of attorney's fees is the exception rather than the general rule; counsel's fees are not awarded every time a party prevails in a suit because of the policy that no premium should be placed on the right to litigate. Attorney's fees, as part of damages, are not necessarily equated to the amount paid by a litigant to a lawyer. In the ordinary sense, attorney's fees represent the reasonable compensation paid to a lawyer by his client for the legal services he has rendered to the latter; while in its extraordinary concept, they may be awarded by the court as indemnity for damages to be paid by the losing party to the prevailing party. Attorney's

fees as part of damages are awarded only in the instances specified in Article 2208 of the Civil Code. As such, it is necessary for the court to make findings of fact and law that would bring the case within the ambit of these enumerated instances to justify the grant of such award, and in all cases it must be reasonable.

We can glean from the above ruling that attorney's fees are not awarded as a matter of course every time a party wins. We do not put a premium on the right to litigate. On occasions that those fees are awarded, the basis for the grant must be clearly expressed in the decision of the court."

WE agree with petitioner's contention that the RTC has not given any factual, legal, or equitable justification for awarding attorney's fees. It has been consistently ruled by the High Court that an award of attorney's fees under Article 2208 demands factual, legal, and equitable justification to avoid speculation and conjecture surrounding the grant thereof.[20] Due to the special nature of the award of attorney's fees, a rigid standard is imposed on the courts before these fees could be granted. Hence, it is imperative that they clearly and distinctly set forth in their decisions the basis for the award thereof. It is not enough that they merely state the amount of the grant in the dispositive portion of their decisions.[21] It bears reiteration that the award of attorney's fees is an exception rather than the general rule; thus, there must be compelling legal reason to bring the case within the exceptions provided under Article 2208 of the Civil Code to justify the award.[22]

In awarding attorney's fees in the amount of P20,000.00 in favor of respondent, the RTC did not cite any justification therefor but merely adopted the amount awarded by the court a quo on this point. In this case, the court a quo merely stated that "[a]s plaintiff was left with no recourse but to litigate to protect his interest, the award of attorney's fees is justified under the circumstances." The RTC did not bother to make an independent finding as to factual circumstances and legal or equitable basis to justify the grant of attorney's fees. In the case of *Philippine National Construction Corporation vs. APAC Marketing Corporation*,[23] the attorney's fees awarded by the trial court in that case was deleted by the High Court inasmuch as the lower court's reason in awarding the same was because the complainant was forced to litigate to protect his interest just like the reasoning of the MTCC in the present case, viz -

"The only discernible reason proffered by the trial court in granting the award was that respondent, as complainant in the civil case, was forced to litigate to protect the latter's interest. Thus, we find that there is an obvious lack of a compelling legal reason to consider the present case as one that falls within the exception provided under Article 2208 of the Civil Code. Absent such finding, we hold that the award of attorney's fees by the court a quo, as sustained by the appellate court, was improper and must be deleted."

Also, WE find no legal basis for the award of litigation expenses. On the matter of attorney's fees and expenses of litigation, it is settled that the reasons or grounds for the award thereof must be set forth in the decision of the court.[24] In this case, the RTC merely adopted in its dispositive portion the ruling of the MTCC awarding litigation expenses in favor of respondent in the amount of P4,232.00, without citing legal justification therefor. A perusal of the MTCC decision shows that it found petitioner liable to pay the expenses incurred in filing the case amounting to P4,232.00 as evidenced by Official Receipt Nos. 2999108, 29999350, 1933812, 774895, 4608755 and 1022057 without stating the legal basis for awarding the same.

WE also find merit in the argument of petitioner that the 12% interest imposed by the RTC was improper.

In line with the recent circular of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP-MB) No. 799, the Supreme Court in *Nacar vs. Gallery Frames*[25] laid down the guidelines in awarding of interest involving a loan or forbearance of money as follows:

"I. When an obligation, regardless of its source, i.e., law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of

the Civil Code govern in determining the measure of recoverable damages.

II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

1. 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 6% 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.

2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages, except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code), but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.

3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 6% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.”

Applying the foregoing guidelines, inasmuch as there was no written stipulation as to the interest of petitioner's loan, the rate of interest shall be 6% per annum to be computed from December 10, 2012<sup>[26]</sup> when petitioner received the written extrajudicial demand for payment dated December 5, 2012 from respondent. When the judgment of this Court becomes final and executory, legal interest at the rate of 6% per annum from such finality until its satisfaction shall further be imposed inasmuch as this intervening period shall be deemed to be by then an equivalent to a forbearance of credit.

WHEREFORE, the assailed Decision is AFFIRMED with MODIFICATIONS in that the award of attorney's fees in the amount of P20,000.00 and the award of litigation expenses in the amount of P4,232.00 are deleted for lack of factual, legal, or equitable justification; petitioner is to pay respondent the amount of P66,200.00 representing her outstanding obligation with interest at the reduced rate of 6% per annum from December 10, 2012, the date when she received the written extrajudicial demand from respondent until finality of the decision and to pay an interest of 6% per annum on the total monetary awards from the time of finality of the judgment until full satisfaction thereof.

**SO ORDERED.**

Abdulwahid, H. S., Chairperson and Inting, S. B., JJ., concur.

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[1] Rollo, pp. 10-28

[2] Id., pp. 29-32

[3] Id., pp. 129-132

[4] Id., p. 131

- [5] Id.,po.125-128
- [6] Id.,pp.46-50
- [7] Id.,pp.49-50
- [8] Id.,p.49
- [9] Id.,p.32
- [10] Id.,pp.30-32
- [11] Id.,p.15
- [12] TSN, June 3, 2013,p.10; Rollo,p.112
- [13] G.R. No. 189871, August 13, 2013
- [14] Vitarich Corporation vs. Losin, G.R. No. 181560, November 15, 2010
- [15] Bank of the Philippine Islands vs. Spouses Royeca, G.R. No. 176664, 581 Phil. 188, 195 (2008).
- [16] Spouses Deo Agner and Maricon Agner vs. BPI Family Savings Bank, Inc., G.R. No. 182963, June 3, 2013.
- [17] See Mangahas vs. Brobio, G.R. No. 183852, October 20, 2010
- [18] Leonardo vs. Court of Appeals, 481 Phil. 520, 532 (2004).
- [19] G. R. No. 190957, June 05, 2013
- [20] Delos Santos vs. Papa, G.R. No. 154427, May 8, 2009
- [21] Philippine National Bank vs. Court of Appeals, 443 Phil.351(2003) citing Pimentel vs. Court of Appeals, 366 Phil. 494 (1999).
- [22] Espino vs. Spouses Bulut, G.R. No. 183811, May 30, 2011
- [23] Supra.
- [24] Cagungun, et al. vs. Planters Development Bank, G.R. No. 158674 October 17, 2005
- [25] G.R. No. 189871, August 13, 2013.
- [26] Rollo,p.103

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