BIENVENIDO P. JABAN AND LYDIA B. JABAN, PETITIONERS, VS. HON. COURT OF APPEALS, HON. GERMAN LEE, JR., PRESIDING JUDGE, REGIONAL TRIAL COURT OF CEBU CITY, BRANCH 15, SOCIAL SECUR...

G.R. No. 129660. November 22, 2001

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

For review is the decision[1] dated February 28, 1997, of the Court of Appeals in CA-G.R. SP No. 38472, which dismissed petitioners' special civil action for certiorari. Petitioners filed CA-G.R. SP No. 38472 to nullify two orders of the Regional Trial Court of Cebu City, Branch 15, in Civil Case No. Ceb-6571, on the ground that said orders amended, modified, and altered the dispositive portion of a final and executory judgment. The appellate court, however, found that said orders were issued only in consonance with its resolution, dated November 25, 1994, in CA-G.R. CV No. 35041 and neither altered nor amended the decretal portion of the final and executory judgment in Civil Case No. Ceb-6571.

The facts of this case, as gleaned from the records, are as follows:

In 1979, petitioners obtained a housing loan from respondent Social Security System (SSS). The loan of P38,300 for a term of 15 years and payable in monthly amortizations, was split into two obligations bearing different interest rates to be paid simultaneously, thus: the first P30,000 would bear an interest of six percent (6%) per annum and the remaining P8,300 would be charged nine percent (9%) per annum. To secure the loan, petitioners executed a promissory note and mortgaged their conjugal lot to SSS. Instead of paying according to the monthly schedule, petitioners made advance payments in large amounts.

In 1987, petitioners computed the payments they had made and determined that the loan had been paid in full. They submitted to SSS their detailed computation of the payments made with the corresponding receipts and asked for the release of the mortgage and the return of their Transfer Certificate of Title. Respondent SSS refused on the ground that petitioners' computations were not in accordance with SSS rules and regulations and policy on priority of payments. SSS claimed that as per its records, the Jabans still owed it P6,006.14 as of May 1, 1987.

Petitioners then initiated an action for release of mortgage with damages before the Regional Trial Court of Cebu City against SSS, docketed as Civil Case No. Ceb-6571.

On December 21, 1989, the trial court resolved petitioners' suit as follows:

> WHEREFORE, finding the preponderance to be in favor of defendants judgment is hereby rendered:
>
> - Dismissing the complaint for lack of cause of action;
>
> - Requiring the plaintiffs to pay the balance of their obligation in the sum of P6,367.62 up to December 1987, and such other amounts that may have fallen due in accordance with the Promissory Note signed by the

> plaintiffs in favor of defendants;
>
> - Ordering the plaintiffs to pay to the defendants the sum of P10,000.00 as attorney's fees, and litigation expenses. No exemplary damages are awarded to the Defendants, otherwise it would be imposing a penalty on the right to litigate.
>
> SO ORDERED.[2]

Petitioners seasonably appealed the aforequoted judgment to the appellate court, which docketed their appeal as CA-G.R. CV No. 35041.

On March 26, 1993, the Court of Appeals decided CA-G.R. CV No. 35041 as follows:

> WHEREFORE, the judgment appealed from is AFFIRMED with the modification that the award of P10,000.00 as attorney's fees and litigation expenses is deleted and set aside.
>
> SO ORDERED.[3]

Petitioners then elevated the controversy to this Court via an appeal by certiorari. On November 17, 1993, that appeal, docketed as G.R. No. 112132, was denied for failure of petitioners to comply with Supreme Court Circular Nos. 19-91 and 28-91. On February 21, 1994, petitioners' motion for reconsideration was denied. Their second motion for reconsideration was likewise denied with finality on May 18, 1994.

On March 15, 1994, our resolution denying G.R. No. 112132 became final and executory, and duly recorded in the Book of Entries of Judgments.[4]

On March 22, 1994, petitioners moved for execution of judgment and release of the mortgage. They alleged inter alia that the dispositive portion of the decision in Civil Case No. Ceb-6571, as modified by the appellate court in CA-G.R. CV No. 35041 only required them to pay the balance of their obligation in the sum of P6,367.62 up to December 1987 and such other amounts that may have fallen due in accordance with the promissory note they signed in favor of SSS.

On March 24, 1995, the trial court issued the following order:

> When this case was called, Atty. B. Jaban appeared for the movant, while Atty. Ruel del Valle appeared for the defendant-SSS. It appearing that the only question is the computation of the amount still due and owing from Atty. Jaban and the issue of the principal obligation: the fire insurance and mortgage redemption insurance - Atty. del Valle is hereby required to submit to this Court within 15 days from today a Manifestation as to whether the plaintiffs have already fully paid their principal obligations as covered and protected by the mortgage as to be the basis for the determination by this Court of whether the mortgage contract should now be discharged and released to: Atty. Jaban. Starting today, if the obligation has been fully paid, the SSS should discontinue charging interest on the principal obligation.
>
> IT IS SO ORDERED.[5]

Respondent SSS then filed its manifestation showing that petitioners' housing loan was covered by mortgage redemption insurance (MRI), that petitioners' unpaid account as of March 1, 1995 amounted to P15,083.21 and not P9,969.41 as alleged by petitioners and that considering that petitioners had paid the amount of P9,969.41, said amount was first applied to the fire insurance and MRI accounts and the balance of the unpaid amortizations in accordance with SSS rules and regulations. SSS then determined petitioners' unpaid account after the payment of P9,969.41 to be P4,615.72 as of May 1, 1995.

On July 3, 1995, the trial court issued the following order:

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> This is acting on the Manifestation filed by Atty. Ruel B. del Valle dated June 23, 1995 in response to the Order of this court requiring defendant-SSS to show proof that the SSS Housing Loan of Spouses Bienvenido and Lydia Jaban in question was covered by a Mortgage Insurance, considering that there is no mention in resulting Contract of Mortgage signed by the parties. In one of the proofs attached, there appears a Real Estate Loan Payment Return, (underlined in the original) in the name of borrower: Atty. Bienvenido Jaban dated 6-7-82 and it reflects a payment of P200.00 for the Mortgage Redemption Insurance Payment by means of a BPI Check No. 207148 dated May 31, 1982 (See: Annex 2). Also the Social Security System Insurance Subsidiary Ledger Card shows: Column MRI for 1986 to 1988 in the amount of P288.04 and 125.23, thereby showing that the mortgage contract and the resulting obligation of the Jaban spouses includes a mortgage redemption insurance or MRI insurance. And they cannot now deny this fact being an estoppel in pais.
>
> WHEREFORE, the court hereby rules that after Atty. Jaban pays the due amount on the mortgage insurance and other legitimate impositions stated in the contract, the mortgage may be finally released and discharged by the SSS.
>
> Notify all concerned accordingly.
>
> IT IS SO ORDERED.[6]

Claiming that the trial court's orders amended and altered the dispositive portion of a final and executory judgment, petitioners filed a special civil action for certiorari with the Court of Appeals, docketed as CA-G.R. SP No. 38472.

On February 28, 1997, the appellate court disposed of CA-G.R. SP No. 38472 as follows:

> WHEREFORE, the petition is hereby DENIED due course and DISMISSED. Costs against petitioner.
>
> SO ORDERED.[7]

Hence, the instant petition alleging the following errors:

> I
>
> THE RESPONDENT COURT OF APPEALS ERRED AND COMMITTED A REVERSIBLE ERROR TO HAVE SANCTION THE LOWER COURT OR RESPONDENT RTC JUDGE LEE IN AMENDING AND MODIFYING AND FURTHER TO CHANGE THE DISPOSITIVE PORTION OF A FINAL AND EXECUTORY DECISION.
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> II
>
> THE RESPONDENT COURT OF APPEALS ERRED AND COMMITTED A REVERSIBLE ERROR AND SANCTIONING AND APPROVING, EVEN THOUGH IT IS NOT WITHIN PROVISIONS OF THE DISPOSITIVE PORTION OF THE FINAL AND EXECUTORY DECISION, TO FURTHER ORDER PLAINTIFFS TO PAY FOR THE FIRE INSURANCE AND THE MORTGAGE REDEMPTION INSURANCE AND THE ADDITIONAL AMORTIZATION PAYMENT OF THE HOUSING LOAN WITH PENALTIES IMPOSED THEREIN AS THERE WAS NO LEGAL BASIS.
>
> III
>
> THE RESPONDENT COURT OF APPEALS ALSO ERRED AND COMMITTED A REVERSIBLE ERROR TO APPROVE AND SANCTION THE RESPONDENT LOWER COURT OR RTC JUDGE LEE IN NOT ORDERING THE RELEASE OF MORTGAGE WHEN THE DISPOSITIVE PORTION OF THE FINAL AND EXECUTORY JUDGMENT HAS BEEN SATISFIED.

Despite petitioners' assigned errors, we find only one core issue: Did the Court of Appeals commit a reversible

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error in holding that the questioned orders of the RTC did not amend, alter, or modify the dispositive portion of a final and executory judgment?

Before us, petitioners vehemently insist that even the briefest look at the dispositive portion of the decision in Civil Case No. Ceb-6571, as modified by the appellate court's judgment in CA-G.R. CV No. 35041, clearly shows that all that they are required to pay the SSS is only "the balance of their obligation in the sum of P6,367.62 up to December 1987 and such other amounts fallen due in accordance with the promissory note signed by the plaintiffs in favor of defendants." Petitioners stress that the document mentioned in the judgment in Civil Case No. Ceb-6571 is the promissory note executed by them in favor of SSS. Nowhere is there mention of the mortgage contract or any other document pertaining to or related to their housing loan. Petitioners now state that said promissory note contains no mention nor promise on petitioners' part to pay either fire insurance or MRI. Hence, in requiring them to pay said obligations, the trial court modified a decision which was already final and executory. Petitioners submit that under the doctrine of finality of judgment, as pronounced by this Court in several cases, a final and executory decision can no longer be amended or corrected. Hence, it was a grave error of law on the part of the appellate court to sustain the trial court's orders amending or altering a final and executory judgment.

Respondent SSS avers, in turn, that there was no grave abuse of discretion amounting to want or excess of jurisdiction on the part of the trial court in issuing the said orders. According to said respondent, it was but proper for the appellate court to dismiss petitioners' special civil action for certiorari in CA-G.R. SP No. 38472. It adds that the questioned orders of the trial court neither amended nor altered the decretal portion of its judgment as modified by the Court of Appeals, but sought to clarify and quantify the amount still owed by petitioners to the SSS. Respondent points out that in affirming the trial court's decision, the appellate court in CA-G.R. CV No. 35041 did not provide for the amount to be paid by petitioners to the SSS. Instead, the amount due was to be computed by the trial court within the parameters defined by the appellate court. It was precisely with this aim of carrying out the appellate court's mandate that the trial court issued the orders of March 24 and July 3, 1995. For without the determination of the exact amount due and payable, according to respondent, the decision of the trial court could not be implemented or executed.

We note that among the obligations which petitioners must settle with the SSS concern the MRI and fire insurance. These items appear to petitioners as constituting an amendment, modification, or alteration of the decision of the trial court in Civil Case No. Ceb-6571, as affirmed with modification in CA-G.R. CV No. 35041. Petitioners' view, however, is not supported by the record. Petitioners appear to have overlooked the resolution dated November 25, 1994, of the appellate court in CA-G.R. CV No. 35041, which was issued in response to their motion for clarification of the appellate court's decision dated March 26, 1993. The pertinent portion of said resolution reads:

> The judgment of this Court which held that the rules on application of payments under the Civil Code are not applicable to the loan contracted by appellant from the appellee and dismissing the complaint filed by the plaintiff-appellant having attained finality, the computation of the exact amount payable by the appellant is governed by the Rules and Regulations on loan payments...of the appellee SSS, which is in a better position to make a computation thereof. The ruling of the trial court, which was affirmed by this Court, that the appellant should pay the remaining balance and such other amount that may have fallen due refers to surcharges which may be imposable on the appellants' balance, considering that under the promissory note interest due is compounded monthly. Only after full payment of the amount due may the appellant demand from the appellee release of the mortgage.
>
> WHEREFORE, the judgment is clarified accordingly.

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SO ORDERED.[8]

A judgment is not confined to what appears on the face of the decision but also those necessarily included therein or necessary thereto.[9] The orders dated March 24 and July 3, 1995, of the trial court, which sought to give life to the dispositive portion of its decision should be read in consonance with the aforequoted resolution of the Court of Appeals. Note that while the resolution speaks of "computation of the exact amount payable...is governed by the rules and regulations on loan payments of the appellee SSS," it nonetheless did not provide for an exact or definite amount, which petitioners herein should pay the SSS. Instead, it merely set the parameters by which the trial court would come up with the computation. It was precisely to determine this amount that the trial court conducted a hearing on the matter.

As established at said hearing, under the pertinent SSS rules, among the amounts to be paid by housing loan borrowers are the MRI and fire insurance, apart from amortization, interest, and in case of default, penalties. Only after the hearing did the trial court issue its order of July 3, 1995, providing for a computation in accordance with the SSS rules and regulations on loan payments.

As found by the appellate court, in ordering a computation of petitioners' balance as determined by the pertinent SSS rules, the trial court did not amend, alter, or modify the decretal portion of its decision. Instead, the trial court merely clarified its decision so as to comply with the November 25, 1994, resolution of the Court of Appeals and at the same time enable its decision to be executed or implemented. Thus, the trial court was only acting pursuant to the said resolution of the appellate court. No error may therefore be attributed to the Court of Appeals in CA-G.R. SP No. 38472, when it held that certiorari did not lie, since no grave abuse of discretion amounting to want or excess or jurisdiction was committed by the trial court when it tailored its orders to comply with the resolution of the appellate court.

WHEREFORE, the instant petition is DENIED. The assailed decision of the Court of Appeals in CA-G.R. SP No. 38472 is AFFIRMED. Costs against petitioners.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, Buena, and De Leon, Jr., JJ., concur.

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[1] Rollo, pp. 27-37. Penned by Ruben T. Reyes, J., with Nathanael P. de Pano, Jr. and Bennie Adefuin dela Cruz, JJ., concurring.

[2] CA Rollo, p. 22.

[3] Id. at 28. Penned by Minerva Gonzaga-Reyes, J., with Luis A. Javellana and Consuelo Ynares-Santiago, JJ., concurring.

[4] Id. at 29.

[5] Id. at 40.

[6] Id. at 56.

[7] Rollo, p. 36.

[8] CA Rollo, p. 88.

[9] Baluyot v. Guiao, G.R. No. 136294, 315 SCRA 396, 404 (1999).

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