HEIRS OF ROSARIO POSADAS REALTY, INC., PETITIONER, VS. ROSENDO BANTUG, RESPONDENT.

G.R. No. 143939. November 22, 2001

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

This is a petition for review seeking reversal of the decision dated August 20, 1999, of the Court of Appeals in CA-G.R. SP No. 49058, and its resolution dated June 7, 2000, denying reconsideration. The Court of Appeals affirmed the decision of the Housing and Land Use Regulatory Board (HLURB) that: (1) declared as null and void the contract to sell (Contract No. 151) entered into by petitioner and respondent, (2) restrained petitioner from further demanding amortization payments from respondent, (3) authorized respondent to suspend payment of amortization, and (4) ordered petitioner to cease from selling lots in Rosario Heights, Parañaque until further orders.

The facts as amply summarized by the Court of Appeals are as follows:

> It appears that in September 1985, private respondent Rosendo Bantug purchased on installment from petitioner a subdivision lot particularly identified as Lot 22, Block 4, Doña Rosario Heights Subdivision, Sucat, Muntinlupa, Metro Manila, and evidenced by Contract to Sell No. 151.
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> After paying the downpayment and the twenty-one (21) monthly amortizations thereto, private respondent applied for a housing loan with the Social Security System (SSS) in order to fully satisfy his obligation with petitioner. The loan application, however, did not materialize due to petitioner's refusal to transfer the title of the property in private respondent's name as required in the Letter of Guarantee issued by the SSS.
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> Subsequently, private respondent ceased paying the monthly amortization to petitioner, although he was able to obtain an extension to pay the balance from the latter.
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> Private respondent then applied for a loan with Premier[e] Development Bank, for the full satisfaction of his obligation with petitioner, using the subject lot as collateral. However, when he requested petitioner to transfer the title of the subject lot in his name as this was a requirement in the letter of guarantee of Premier[e] Development Bank, the [petitioner] unjustly refused to do so despite its previous commitment as allegedly the letter of guarantee is non-acceptable.
>
> Exasperated by petitioner's refusal to issue the deed of sale and to transfer the title of the subject property, private respondent sought redress before the Office of Appeals, Adjudication and Legal Affairs, HLURB via a complaint for specific performance.[1]

Housing and Land Use Arbiter Cesar A. Manuel ruled that petitioner's notarial cancellation of the contract to sell was invalid and meant only to harass respondent, since it was done after the filing of the complaint before the HLURB. While respondent incurred delay in paying his amortization, petitioner condoned the same when it accepted late payments on several occasions. However, he also noted that petitioner was not under any obligation to execute a deed of sale and transfer the title of the property to respondent's name because the latter had not yet

paid for the lot in full. Further, according to the arbiter, petitioner was not obligated to accept the letter of guarantee of Premiere Development Bank since the letter contained a mere offer from the bank that did not appear to have been accepted by respondent. The arbiter ruled that the reliefs being sought by respondent were premature, considering that the Posadas heirs were still arguing among themselves about the property and that the mortgage on the property was on the verge of being foreclosed by the Philippine Bank of Communication.

Respondent sought review of the arbiter's decision by HLURB's Board of Commissioners which, however, affirmed the same. Respondent then appealed to the Office of the President, which denied it for lack of merit.

Respondent then brought the matter to the Court of Appeals. The appellate court upheld the resolution of the Office of the President, except for the latter's ruling that petitioner was remiss in its duty to execute the deed of sale in favor of respondent. In this regard, the Court of Appeals affirmed the ruling of the arbiter that petitioner did not have the obligation to execute the deed of sale since respondent had not complied with the requirements therefor.

Still dissatisfied, petitioner filed the instant petition in this Court, raising the following issues:

> I
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> [THE] COURT OF APPEALS ERRED IN ITS REFUSAL TO CONSIDER RESPONDENT'S DEFAULT AS MORE THAN SUFFICIENT BASIS FOR CANCELLATION OF THE CONTRACT TO SELL NO. 151.
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> II
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> THE CONTRACT TO SELL NO. 151 HAVING BEEN LEGALLY CANCELLED, RESPONDENT HAS NO MORE RIGHTS EXCEPT TO REFUND UNDER RA 6552 CERTAIN PERCENTAGE OF TOTAL PAYMENTS MADE, [PARTICULARLY SINCE] RESPONDENT FAILED TO MEET THE MINIMUM REQUIREMENT OF PAYMENT EQUIVALENT TO TWO (2) YEARS INSTALLMENT PAYMENT[S].
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> III
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> WITH OR WITHOUT CANCELLATION OF CONTRACT TO SELL NO. 151 RESPONDENT IS A BUILDER IN BAD FAITH ON THE LAND OF ANOTHER AND LOSES WHAT IS BUILT WITHOUT RIGHTS TO INDEMNITY.
>
> IV
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> [THE] COURT OF APPEALS' DECLARATION THAT PETITIONER [CANNOT] GUARANTEE [THAT] IT WILL BE ABLE TO ISSUE TITLE FREE FROM LIENS AND ENCUMBRANCES HAS NO BASIS AS IT IS AGAINST EVIDENCE ON RECORD.[2]

On April 10, 2001, before respondent had filed his comment to the petition, the parties filed a joint motion to render judgment based on an amicable settlement. It appears that the parties had earlier settled their differences and agreed to the following terms and conditions:

> - Petitioner accepts the validity of Contract to Sell 151 and rights of the respondent under such Contract to Sell;
>
> - Respondent tenders payment of the balance due petitioner on the purchase price of the lot subject of Contract to Sell in the amount of PHP31,502.42 plus an additional amount of PHP51,413.15 as accrued interests and charges, which petitioner accepts as payment in full of the purchase price of said lot;
>
> - Respondent makes known for the first time that as early as November 1995, he has transferred his rights in Contract to Sell No. 151 in favor of CARMEN RAMOS KANEMATSU, of legal age married to Kazuhiko Kanematsu, holder of Republic of the Philippines Passport No. FF-103796 issued November 29, 1999 with

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expiry date of November 29, 2004, which petitioner approves pursuant to its rules on transfers of rights;

- Petitioner will execute the necessary Deed of Absolute Sale of its title, interest and participation over Lot 22 Blk. 4 of the Doña Rosario Heights Subdivision in favor of transferee CARMEN RAMOS KANEMATSU, however respondent undertakes to cause the issuance of the proper title in the name of his transferee aforestated as well as assume all expenses incidental thereto including unpaid real taxes as well as secure the signature on the Deed of Absolute Sale by the Estate of Juan Posadas III; and will deliver said Deed of Absolute Sale together with the Owner's Duplicate of Transfer Certificate of Title No. 387496 of the Register of Deeds for Rizal unto transferee CARMEN RAMOS KANEMUTSU [sic];

- Parties declare that they each release the other from any and all claims whatsoever that one may have against the other, so that parties herein mutually release and free each other from any and all claims of whatsoever nature and character and that this Amicable Settlement absolutely and irrevocably terminates this litigation to their mutual satisfaction.[3]

The motion was signed by petitioner, represented by its vice president and treasurer Maria Elena M. Posadas, and by respondent, assisted by their respective counsels. Finding the terms and conditions of the abovecited amicable settlement between the parties not contrary to law, morals, good custom and public policy, the motion for judgment based thereon ought to be granted.

Inasmuch as the parties to this case have already arrived at an amicable settlement, we find no need to pass upon the issues raised by petitioner. The petition itself is now moot.

WHEREFORE, as prayed for, the joint motion to render judgment based on the amicable settlement between the parties abovequoted is GRANTED. Herein petition is declared MOOT. Petitioner Heirs of Rosario Posadas Realty, Inc. and respondent Rosendo Bantug are ORDERED to faithfully abide by the terms and conditions of their amicable settlement. No pronouncement as to costs.

SO ORDERED.

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

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[1] Rollo, pp. 34-35.

[2] Id. at 17-18.

[3] Id. at 77-78.

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