

**PASTOR TOLENTINO, PETITIONER, VS. BASILIO BALTAZAR,
DIRECTOR OF THE BUREAU OF LANDS AND ESTATE OF ANGEL
BALTAZAR, DECEASED, RESPONDENTS.***G.R. No. 14597. March 27, 1961*

Ponente: CONCEPCION, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-14597/>**CONCEPCION, J.:**

Review by certiorari of a decision of the Court of Appeals.

The object of this litigation is a parcel of land located in the barrio of Sagana, municipality of Laur, province of Nueva Ecija. Angel Baltazar filed therefor a homestead application which was approved by the Director of Lands on August 14, 1940. Subsequently, on or April 1, 1941, he mortgaged the present and future improvements on said land to Pastor Tolentino, for the sum of P1,500, with the understanding that if the same were not paid, with interest thereon at the rate of 12% a year, within six (6) years, Tolentino could elect, either to foreclose the mortgage or to compel the debtor to execute a deed of absolute sale of said improvements. After the death of Angel Baltazar in 1945, his widow and children conveyed to his son Basilio Baltazar their rights and interest in and to said land. Apparently relying upon this conveyance, on August 28, 1946, Basilio Baltazar filed with the Bureau of Lands a petition praying that the homestead application in his father's name be cancelled, and that, in lieu thereof, his own (Basilio's) application be admitted. This petition was soon granted. Subsequently, Homestead Patent No. V-8832 was issued to Basilio Baltazar, and upon the authority thereof, he secured, on October 23, 1951, Original Certificate of Title No. P-790 in his name.

On October 20, 1952, Tolentino instituted the present action against the estate of Angel Baltazar, deceased, his son Basilio Baltazar, and the Director of Lands, for the cancellation of said Original Certificate of Title No. P-790, upon the ground that Basilio Baltazar had secured it by fraud. The Director of Lands filed a cross-claim, joining Tolentino in praying for the aforementioned relief. Basilio Baltazar denied the allegation of fraud and maintained that Tolentino had no cause of action except against the deceased, Angel Baltazar, and that this is neither the proper action nor the proper court to settle Tolentino's claim.

Subsequently the complaint was amended by including Monica Marcelo, the widow of Angel Baltazar, and their children, Damiana, Mariano, Amando and John Doe, all surnamed Baltazar, as defendants. Mariano and Amando filed an answer admitting some allegations and denying other allegations of the amended complaint and setting up a counterclaim. Although Monica Marcelo submitted herself to the jurisdiction of the court by filing a motion to dismiss, which was eventually denied, neither she nor her other children (Damiana and John Doe Baltazar) appear to have answered the amended complaint.

In due course, the Court of First Instance of Nueva Ecija rendered a decision holding that Basilio Baltazar had not been guilty of fraud in securing the homestead patent and certificate of title in his name; that the Director of Lands was estopped from imputing fraud to Basilio Baltazar, it being the duty of said office to know that the land in question had been originally applied for, not by Basilio Baltazar, but by Angel Baltazar; that said land is no longer

part of the public domain, and, hence, beyond the jurisdiction and concern of said officer, a patent and a certificate of title having already been issued to Basilio Baltazar; that Tolentino has merely a money claim that should be filed against the estate of the deceased, Angel Baltazar, and does not warrant cancellation of Basilio Baltazar's patent and certificate of title and consequently, dismissing plaintiff's complaint, as well as the cross-claim of the Director of Lands, and sentencing Tolentino to pay P1,000.00 to Basilio Baltazar "as damages for attorney's fees", apart from the costs.

Tolentino appealed from, this decision. The Director of Lands, likewise, gave notice of his intent to appeal therefrom and then asked that Tolentino's record on appeal be considered as his (Director of Lands') own record on appeal. Although this request had not been officially approved by the court, the clerk thereof later notified the parties that said record on appeal had been forwarded to the Court of Appeals for purposes of the appeal taken by Tolentino and the Director of Lands. Subsequently, however, the Court of Appeals excused the Solicitor General from filing a brief on behalf of the Director of Lands, upon the ground that his appeal had not been duly perfected.

After appropriate proceedings, the Court of Appeals affirmed the decision of the Court of First Instance—except as to the P1,000.00 award of damages in favor of Basilio Baltazar—upon the ground that Tolentino has no personality to bring the present action, the same being, In effect, one for reversion under section 101 of Commonwealth Act No. 141, which may be initiated only by the Solicitor General, and the Director of Lands not having appealed from the decision of the court of first instance; that an action for cancellation of a title issued by virtue of a homestead patent should be instituted within one (1) year from he issuance thereof, which had elapsed prior to the commencement of this case; that section 105 of Commonwealth Act No. 141 does not prohibit the issuance of a patent in the name of one of the heirs of the applicant for Homestead patent who died prior thereto; that the instrument executed by Angel Baltazar in favor of Pastor Tolentino seems to partake of the nature of a chattel mortgage; that as such it is defective and cannot be registered owing to its failure, to describe properly the improvements sought to be encumbered thereby; that a homestead cannot become liable for the satisfaction of a debt contracted within five (5) years from and after the date of issuance of the corresponding patent; that the monetary obligation of Angel Baltazar in, favor of Pastor Tolentino was contracted within said period of time, and, hence, the homestead in question cannot be annotated on Basilio Baltazar's certificate of title, even if it had been issued in favor of the heirs of Angel Baltazar, for otherwise, said mortgage would be an encumbrance upon the very homestead, and would thus contravene the spirit of Commonwealth Act No. 141; that, although there is a valid and subsisting obligation in favor of Pastor Tolentino in the sum of P1,500,00, it is not proper to sentence the heirs of Angel Baltazar to pay said amount, for the court did not know whether the deceased had left sufficient properties to pay the aforementioned, debt; and that Tolentino had brought this action in good faith and, should not be sentenced, therefore to pay damages.

The case is now before us on plaintiff's petition for review by certiorari.

Section 118 of Commonwealth Act No. 141 reads:

"Except in favor of the Government or any of its branches, units, or institutions, or legally constituted banking corporations, lands acquired under the free patent or homestead provisions shall not be subject to encumbrance or alienation from the date of the approval of the application and for a term of five years from and after the late of issuance of the patent or grant, nor shall they become liable to the satisfaction of any debt contracted prior to the expiration of said period; but the improvements or crops on the land may be mortgaged or pledged to qualified persons, associations, or corporations."

Pursuant to this provision a land acquired by homestead patent may neither be encumbered or alienated from the date of the approval of the corresponding homestead application and for a period of five (5) years liter the issuance of the patent, nor be held liable for any debt contracted within such period of time. However, said section

118 explicitly permits the encumbrance, by mortgage or pledge, of the improvements and crops on the land, without any limitation in point of time. Although the parties to a contract may treat certain improvements and crops as chattels, insofar as they are concerned, it is now settled in this jurisdiction that, in general, and insofar as the public are concerned, such improvements, if falling under the provisions of Article 415 of the Civil Code of the Philippines, are immovable property (*Evangelista vs. Alto Surety & Insurance Co., Inc.*, 103 Phil., 401; 55 Off. Gaz., [20] 3672; *Manarag vs. Ofilada*, 52 Off. Gaz., 3954; *Republic vs. Ceniza, et al.*, 90 Phil., 5445; *Leung Yee vs. Strong Machinery Co.*, 37 Phil., 644). As a consequence, a mortgage constituted on said improvements must be susceptible of registration as a real estate mortgage and of annotation on the certificate of title to the land of which they form part, although the land itself may not be subject to said encumbrance, if the debt guaranteed thereby was contracted within the period stated in said section 118 of Commonwealth Act No. 141. Otherwise, the provision authorizing the mortgage of the improvements would be defeated.

The Court of Appeals held that Tolentino had no personality to bring this action, and that it could not order the cancellation of the certificate of title of Basilio Baltazar because the only person who could apply for such relief, the Director of Lands, had abandoned his appeal from the decision of the court of first instance. However, the legal provision granting said right exclusively to the Director of Lands affects plaintiff's cause of action, not his personality to institute the present case. Moreover, the Director of Lands did not abandon his appeal. The record shows that he gave notice of his intention to appeal and asked that plaintiff's record on appeal be considered as his own record on appeal. It is true that this petition was not officially approved by the court. However, it would appear that the Director of Lands had been led to believe the contrary, for the clerk of court of Nueva Ecija notified the parties that the record on appeal had been forwarded to the Court of Appeals for purposes of the appeal taken by the plaintiff and the Director of Lands. Although such belief was erroneous, and the appeal of such officer had not been duly perfected, this condition was the result, evidently, not of intent to abandon the appeal, but of error or negligence of the officer called upon to take the steps necessary therefor.

At any rate, even if Basilio Baltazar had not been guilty of fraud in securing the homestead patent and the certificate of title in his favor, it has been established that when plaintiff saw the children of Angel Baltazar shortly after his death, they promised to pay his debt in favor of Pastor Tolentino. In other words, Basilio Baltazar knew, before he got said patent and the certificate of title, that the present and future improvements of the land were subject to a valid and subsisting mortgage in favor of Pastor Tolentino and acknowledged the same. Hence, he must be deemed to have secured such patent and title subject to a subsisting trust, insofar as plaintiff's mortgage is concerned, and, under plaintiff's prayer for such relief as may be deemed just and equitable, this action may be considered as one to compel the defendant to execute the instrument necessary for the registration of said mortgage and its annotation on plaintiff's certificate of title.

Wherefore, the decision appealed from is hereby reversed, and another one shall be entered sentencing defendant Basilio Baltazar to execute, within one (1) month from the date on which this decision shall have become final, the corresponding deed of mortgage of said improvements in favor of plaintiff Pastor Tolentino and, should Basilio Baltazar fail to execute said deed of mortgage within the aforementioned period, authorizing the Clerk of Court of the Court of First Instance of Nueva Ecija to execute said deed on behalf of Basilio Baltazar, with the same force and effect as if he had personally signed it. Upon demand by the Register of Deeds of Nueva Ecija, Basilio Baltazar shall moreover, surrender to him the owner's duplicate of Original Certificate of Title No. P-790, for annotation thereon of the mortgage thus constituted. Costs against defendant Basilio Baltazar. It is so ordered.

Bengzon, Acting C. J., Padilla, Bautista Angelo, Labrador, Reyes, J. B. L., Barrera, Paredes, and Dizon, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.