LUISA GUANCO, ASSISTED BY HER HUSBAND, LEONARDO GUANCO, PETITIONER, VS. ISIDRO ANTOLO, RESPONDENT.

G.R. NO. 150852. July 31, 2006

Ponente: CALLEJO, SR., J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-150852/

CALLEJO, SR., J.:

This is a petition for review of the Decision[1] of the Court of Appeals (CA) in CA-G.R. CV No. 55863 reversing and setting aside the decision of the Regional Trial Court (RTC), Branch 11 of Antique, in Civil Case No. 2150, as well as the CA resolution denying the motion for reconsideration thereof.

Isidro Antolo, a resident of Funda, Hamtic, Antique, applied for a P600.00 loan from the Rural Bank of Sibalom (RBS) (Antique), Inc.[2] To secure payment thereof, Antolo executed a Real Estate Mortgage[3] on July 19, 1976 over a parcel of land covered by Transfer Certificate of Title (TCT) No. N-10216 located in San Jose, Antique. The deed was annotated at the dorsal portion of the title on the same date.[4] He likewise executed in favor of RBS a promissory note dated July 24, 1976, to be due and demandable on April 21, 1977.[5] Sometime thereafter, Antolo transferred his residence to North Baybay, Barangay Pahanocoy, Bacolod City, where he found work, without, however, leaving any forwarding address to RBS.[6]

On March 5, 1977, RBS, through its Manager, Manuelita C. Mañosa, sent a letter to Antolo reminding him that his loan was to mature on April 21, 1977, and that he was expected at the bank on said date.[7] As gleaned from the registry return receipt covering the letter, it was received by Mrs. Nelna Jaranilla.[8] However, Antolo did not go to the RBS or pay his loan on its maturity date.

In a letter[9] dated May 10, 1977, Mañosa again requested him to pay his account with RBS, otherwise the real estate mortgage would be foreclosed. Antolo failed to pay his loan account. The RBS, through counsel, then sent a letter dated June 21, 1977, declaring that unless Antolo paid his loan account including the accrued interest thereon within ten (10) days from notice thereof, appropriate legal action would be taken against him to protect its rights and interests.[10]

In a letter[11] dated December 7, 1983, Antolo inquired how much his loan account with the bank was, including accrued interests, to enable him to "redeem" his title. The bank replied via a letter[12] dated December 20, 1983, informing Antolo that his loan account had already been paid on August 29, 1977, as evidenced by Official Receipt No. 5280, and that consequently, the owner's duplicate of his title had already been released. In a letter[13] dated January 10, 1984, Antolo informed RBS that he had no knowledge that his loan account had been paid and the owner's duplicate of title over the mortgaged property released. Antolo furnished the Central Bank of the Philippines with a copy of his letter.

In a letter dated March 28, 1986, the Office of the Special Assistant to the Central Bank Governor informed Antolo that verification of the matter yielded the following: Antolo was granted a supervised credit loan of P600.00 on July 24, 1976, to mature on April 21, 1977; he failed to pay the loan upon maturity; the bank's legal counsel sent a collection letter on June 21, 1977, after which his account was transferred to Items in Litigation on

July 21, 1977; he paid his account on August 29, 1977 for which he was issued Official Receipt No. 5280 for P705.88, covering loan principal, interest and litigation expenses; and the collateral document had been released to him.

In a letter[14] to the Central Bank dated April 28, 1986, Antolo complained that RBS had released the owner's duplicate of his title to a third-party which he had not authorized. He made inquiries from the Register of Deeds and discovered that TCT No. N-10216 had been cancelled by a Certificate of Sale[15] executed by the Provincial Sheriff through Deputy Sheriff Bonifacio L. Alvior. It appears on the face of the said certificate that Antolo's property was sold at a public auction held at 10:00 a.m. on

August 19, 1977 at the Provincial Capitol, San Jose, Antique, in favor of one Luisa Guanco for P775.00, who was allegedly the sole bidder. The certificate of sale was annotated at the dorsal portion of his title on April 30, 1977, and a Final Deed of Sale[16] was executed in favor of Guanco on August 28, 1978 by Deputy Sheriff Alvior for P930.00; consequently, the deed was annotated at the dorsal copy of TCT No. N-10216 on September 5, 1978. On October 9, 1978, TCT No. N-10216 was cancelled by TCT No. 12131[17] under the name of Luisa Guanco. The latter declared the property in her name under Tax Declaration No. 6842[18] and paid the realty taxes thereon.[19]

On November 4, 1986, Antolo filed a complaint against Luisa Guanco and her husband Leonardo Guanco, Provincial Sheriff Alvior and the RBS, for annulment of the sheriff's sale, recovery of ownership with damages. Antolo alleged the following in his complaint:

> - That sometime on July 19, 1976, the plaintiff obtained a loan with the defendant, the Rural Bank of Sibalom (Antique) Inc. in the sum of P600.00 which loan was secured by a real estate mortgage executed in favor of the mortgagee bank as per Entry No. N-118359 dated July 19, 1976;
>
> - That after the execution of the real estate mortgage in favor of the Rural Bank of Sibalom (Antique) Inc., the plaintiff left for Bacolod where he stayed most of the time because his business and other transactions required his presence in said place;
>
> - That while the loan which the plaintiff has contracted with the defendant, the Rural Bank of Sibalom (Antique) Inc. was outstanding, the said defendant without due notice to the herein plaintiff foreclosed the real estate mortgage executed by the latter and on August 19, 1977, the defendant Provincial Sheriff of Antique through its former Deputy, Bonifacio Alvior made it appear that a public auction sale was conducted wherein Lot 6468 above described was allegedly sold in favor of the defendants Luisa Guanco and Leonardo Guanco for P775.00 as per Entry No. N-123729 dated August 30, 1977, x x x
>
> - That the plaintiff being unaware of the foreclosure proceedings, inquired from the defendant the Rural Bank of Sibalom (Antique) Inc. the status of his loan and offered to pay the amount of the loan but the Rural Bank of Sibalom (Antique) Inc. informed him that the amount of the loan was fully paid on August 29, 1977 as per Official Receipt No. 5280 and that the corresponding release of mortgage was executed by the defendant Rural Bank of Sibalom (Antique) Inc.;
>
> - That in spite of the admission of the defendant rural Bank of Sibalom (Antique) Inc. that the amount of the loan which the plaintiff obtained from the defendant Rural Bank of Sibalom (Antique) Inc. was fully paid on August 29, 1977, said bank and its co-defendants, Bonifacio Alvior and the Provincial Sheriff of Antique went on with the sale and on August 28, 1978, the defendant Provincial Sheriff of Antique thru then Deputy Sheriff, Bonifacio Alvior executed a final deed of sale in favor of defendants Luisa Guanco and Leonardo Guanco conveying in their favor the land described in paragraph 2 for the sum of P775.00 which sale was annotated in the Office of the Register of Deeds of Antique as Entry No. 128493 dated September 5, 1978, x x x
>
> - That as a consequence of the execution of the final deed of sale (Annex B), Transfer Certificate of Title No. N-10216 issued in the name of the herein plaintiff, was cancelled by Transfer Certificate of Title No. N-12131

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

in the name of defendants Luisa Guanco and Leonardo Guanco;

- That the certificate of sale and the final deed of sale (Annexes A & B) which Deputy Sheriff Bonifacio Alvior executed in favor of his co-defendants, Luisa Guanco and Leonardo Guanco are null and void ab initio, the same having been executed without the required notice prescribed by the Rules of Court and without the necessary petition for foreclosure filed by the mortgagee bank; aside from the fact that the loan has already been fully paid;

- That it was impossible for the mortgage to have been foreclosed without the mortgagee bank filing the proper petition for foreclosure of mortgage because on July 19, 1977 when the certificate of sale was allegedly executed the mortgage has not been foreclosed and that the title and other supporting papers were still with the mortgagee bank;

- That this fact is bolstered by the admission of the defendant Rural Bank of Sibalom (Antique) Inc. that on August 29, 1977 the amount of the loan was fully paid and it issued Official Receipt No. 5280;

- That in view of the aforementioned facts and circumstances, the execution of the certificate of sale and the subsequent final deed of sale are acts of falsification which are criminal acts therefore did not transfer any right or title in favor of the defendants Luisa Guanco and Leonardo Guanco;

- That the defendant, Bonifacio Alvior committed an act of falsification when he executed the certificate of sale on August 19, 1977 and the final deed of sale on August 28, 1978 for the reason that the execution of said documents had no basis in fact and in law, hence, both documents are null and void and without any effect whatsoever;[20]

Antolo prayed that judgment be rendered in his favor, as follows:

- Declaring the certificate of sale and the final deed of sale x x x to be null and void from the very beginning and ineffective as against the herein plaintiff;

- Ordering the defendants Luisa Guanco and Leonardo Guanco to execute a deed of reconveyance in plaintiff's favor and to vacate the premises of the parcel of land which is more particularly described in paragraph 2 of this complaint and to return its possession to the herein plaintiffs;

- Ordering the defendants to pay jointly and severally the plaintiff moral damages, exemplary damages, attorney's fees and such other amounts which the plaintiff may be able to prove during the trial.

The plaintiff further prays that the defendants be jointly and severally ordered to pay the cost of this suit.[21]

In their answer to the complaint, the defendant spouses averred that Luisa Guanco was a purchaser in good faith. Moreover, Antolo was estopped from assailing the extrajudicial foreclosure of his property and the sale thereof at public auction because he had tarried for years before filing his complaint.

For its part, RBS alleged that as far as its records were concerned, Antolo's loan, which was secured by a mortgage over Lot No. 6468 of the San Jose Cadastre, was fully paid and, consequently, the title was released. The RBS Manager could not clearly remember whether the payment was effected before or after the auction sale, but it alleged that all the requirements for the foreclosure of the mortgage had been complied with. Based on the RBS file, the payment of the loan, the corresponding foreclosure and the subsequent payment to the bank of the amount of the loan were all valid and legal. It alleged that no falsification or criminal act was committed by any of its officials.[22]

Antolo testified that he had inherited the subject property from his aunt, Maria Combong. He executed an affidavit of self-adjudication as her sole heir, and on June 22, 1976, the Register of Deeds issued TCT No. N-10216[23] covering the property in his name. In August 1975, he signed an acknowledgment receipt for an

additional amount for and in behalf of his aunt, acknowledging receipt of P200.00 under the contract of sale with right to repurchase in favor of Luisa Guanco executed in 1974.[24] He insisted that he never received any notice from the Provincial Sheriff relative to the extrajudicial foreclosure of the real estate mortgage he executed in favor of RBS and the sale thereof at public auction.[25] The deputy sheriff was his close friend.[26] He was not able to pay his loan account to RBS because he was in financial straits.[27]

Luisa Guanco testified, on direct examination, that on August 6, 1974, Maria Combong executed in her favor a contract of sale, with right to repurchase within five (5) years from execution, for P650.00.[28] Prior thereto, she had a house constructed on the property in 1972, and another in 1974.[29] In August 1975, Maria Combong, through her nephew, Isidro Antolo, received P200.00 from her as additional consideration for the sale of the property under the contract of sale with right to repurchase. Combong had agreed to extend the period to repurchase the property to August 1980. This is evidenced by an acknowledgment receipt[30] of the additional amount of P200.00 signed by Antolo.

Luisa Guanco further testified that sometime in July 1977, Florencia Jordan, Antolo's wife, handed to her the demand letter of RBS, in which it demanded payment of Antolo's loan account within 10 days.[31] Jordan suggested that Guanco purchase the property directly from RBS.[32] She went to see Deputy Sheriff Alvior who advised her to buy the property directly from RBS before it was sold at public auction the following month.[33]

On cross-examination, Luisa Guanco declared that she never filed a petition for consolidation of her title over the property.[34] She went to RBS and was informed that the property was mortgaged by Antolo as security for a loan. She then decided to purchase the property, since it had already been sold to her by Maria Combong.[35] She paid the P930.00 to RBS which was the price of the property at the auction sale.[36] However, she was not issued any receipt by the RBS for the amount.[37]

RBS adduced evidence that Antolo failed to redeem the property within one (1) year from the date of registration of the certificate of sale.[38] RBS had no record of its petition for extrajudicial foreclosure of the real estate mortgage,[39] nor a copy of the certificate of sale executed by the deputy sheriff in favor of Guanco. Neither did the RBS execute a deed of release of mortgage. It only had a machine copy of the final deed of sale.[40] Based on the ledger of the RBS, the amount covered by Official Receipt No. 5280 is P705.88 which was issued after the foreclosure of the real estate mortgage.

On July 15, 1996, the RTC rendered judgment in favor of the defendants. The fallo of the decision reads:

> WHEREFORE, in view of the foregoing pronouncements, judgment is hereby rendered dismissing the plaintiff Isidro Antolo's COMPLAINT; declaring the foreclosure sale of Lot No. 6468 of the Cadastral Survey of San Jose, the CERTIFICATE OF SALE dated August 19, 1978 and the FINAL DEED OF SALE dated August 28, 1978 valid; and upholding the ownership of the defendants Luisa Guanco and Leonardo Guanco over the subject parcel of land.
>
> SO ORDERED.[41]

It declared that, notwithstanding the absence of the notice of sale at public auction and the posting thereof as required by law, the sale at public auction on August 19, 1977 was valid, given the fact that the plaintiff received the March 5, 1977 demand letter from the defendant bank. The RTC also ruled that Antolo's action as plaintiff was barred by laches.[42]

Antolo appealed the decision to the CA in which he alleged the following:

> I
>
> THE HONORABLE COURT A QUO ERRED IN DISMISSING THE COMPLAINT AND UPHOLDING

> THE VALIDITY OF THE FORECLOSURE SALE OF LOT 6468 OF THE CADASTRAL SURVEY OF SAN JOSE.
>
> II
>
> THE HONORABLE COURT A QUO COMMITTED AN ERROR WHEN IT DID NOT TAKE INTO ACCOUNT THE FACT THAT THE NOTICE OF FORECLOSURE SALE WAS NOT PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE PROVINCE OR MUNICIPALITY UNDER ACT 3135 AS AMENDED BY ACT NO. 4118, SECTION 3.
>
> III
>
> THE HONORABLE COURT A QUO ERRED IN DECLARING AS VALID THE CERTIFICATE OF SALE DATED 19 AUGUST 1977.
>
> IV
>
> THE HONORABLE COURT A QUO ERRED IN DECLARING AS VALID THE FINAL DEED OF SALE DATED 28 AUGUST 1978.[43]

On June 7, 2001, the CA rendered judgment reversing the decision of the RTC. The fallo of the decision reads:

> IN VIEW OF ALL THE FOREGOING, the appealed decision is hereby REVERSED and SET ASIDE. Judgment is hereby rendered -
>
> - declaring as null and void the certificate of sale dated August 19, 1977 as well as the final deed of sale dated August 28, 1978;
>
> - ordering defendants-appellees spouses Luisa and Leonardo Guanco to reconvey the lot involved to plaintiff-appellant Isidro Antolo upon payment by the latter to the former of the sum of P930.00 without interest which Luisa Guanco paid to the RBS for Antolo's overdue loan.
>
> - No pronouncement as to costs.
>
> SO ORDERED.[44]

The Guanco spouses filed a motion for reconsideration of the decision, which the appellate court denied for lack of merit.[45]

The said spouses, now petitioners, filed the instant petition for review on certiorari, praying for the reversal of the appellate court's rulings on the following grounds:

> - THE HONORABLE COURT OF APPEALS ERRED IN DECLARING AS NULL AND VOID THE CERTIFICATE OF SALE DATED AUGUST 19, 1977 AS WELL AS THE FINAL DEED OF SALE DATED AUGUST 28, 1978.
>
> - THE HONORABLE COURT OF APPEALS ERRED IN ORDERING SPOUSES LUISA AND LEONARDO GUANCO TO RECONVEY THE LOT INVOLVED (LOT NO. 6468) TO ISIDRO ANTOLO.[46]

Petitioners insist that the Real Estate Mortgage was extrajudicially foreclosed and the property covered by said deed was sold at public auction on August 19, 1977; petitioner Luisa Guanco paid the loan account on August 29, 1977 as evidenced by Official Receipt No. 5280; and respondent failed to prove that he was not notified of the foreclosure and the sale of the property at public auction. Petitioners claim that the deputy sheriff is presumed to have performed his duties in accordance with law. Moreover, respondent is estopped from assailing the validity of the foreclosure proceedings, the certificate of sale, the final certificate of sale and TCT No. 12131 issued on

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

October 9, 1978, because he filed his complaint only on November 4, 1986.

Petitioner Luisa Guanco further insists that she is a purchaser in good faith. There is no evidence on record that she had knowledge of any flaw or defect in the auction sale. It is unfair and unjust for respondent to retrieve the property, considering that he had already received P850.00 under the deed of sale with right to repurchase, including the proceeds of a loan from RBS. She points out that in this wise, respondent benefited twice from the property.

In his Comment on the petition, respondent averred that the decision and the resolution of the CA are in accord with the law and the evidence on record.

The petition is bereft of merit.

First. Under Section 5 of Republic Act No. 720, as amended by Rep. Act No. 7939, the provincial sheriff is mandated to post a notice of the foreclosure of the real estate mortgage in at least three of the most conspicuous public places not only in the municipality but also in the barrio where the land mortgaged is situated during the 60-day period immediately preceding the public auction:

> The foreclosure of mortgages covering loans granted by rural banks shall be exempt from the publication in newspapers now required by law where the total amount of the loan, including interests due and unpaid, does not exceed three thousand pesos. It shall be sufficient publication in such cases if the notices of foreclosure are posted in at least three of the most conspicuous public places in the municipality and barrio where the land mortgaged is situated during the period of sixty days immediately preceding the public auction. Proof of publication as required herein shall be accomplished by affidavit of the sheriff or officer conducting the foreclosure sale and shall be attached with the records of the case: Provided, That when a homestead or free patent land is foreclosed, the homesteader or free patent holder, as well as their heirs shall have the right to redeem the same within two years from the date of foreclosure in case of a land not covered by a Torrens title or two years from the date of the registration of the foreclosure in the case of a land covered by a Torrens title: Provided, finally, That in case of borrowers who are mere tenants the produce corresponding to their share may be accepted as security. (Emphasis supplied)

In this case, the provincial sheriff failed to comply with the law. It appears on the face of the Final Deed of Sale executed by Deputy Sheriff Alvior that the petition for extrajudicial foreclosure of the real estate mortgage purportedly filed with the said office was dated July 21, 1977. The deputy sheriff set the public auction sale on August 19, 1977, or less than a month after the filing of the said petition, short of the 60 day-period under Section 5 of Rep. Act No. 720, as amended. The trial court in its decision declared that the deputy sheriff failed to comply with the requisite notice:

> - The plaintiff Isidro Antolo's claim that the foreclosure of his real estate mortgage as well as the execution of the instruments pursuant thereto, are null and void, on the ground of lack of notice would appear, at first blush, as meritorious. For, indeed, Section 5 of Republic Act 720 as amended by Republic Act No. 5939, in conjunction with Section 3 of Act No. 3135 as amended by Act No. 4118, governing extrajudicial foreclosure of real estate mortgages by a rural bank, require the posting of notice of foreclosure sale. Thus, as early as Jalandoni vs. Ledesma, 64 Phil. 1058, it has been held that a deviation from the statutory requirements for such notice renders the foreclosure sale at least voidable. The absence of such notice has been held as sufficient cause to invalidate the foreclosure and auction sale as pronounced in Tambunting vs. Court of Appeals, 167 SCRA 16, 23-24. This doctrine was reiterated more recently in Roxas vs. Court of Appeals, 222 SCRA 729, 733-734 where it was held that failure to publish notice of auction sale as required by the statute constitutes a jurisdictional defect which invalidates the sale.[47]

Second. Deputy Sheriff Bonifacio Alvior made it appear in the Certificate of Sale that he sold the property to

petitioner Luisa Guanco, allegedly the lone bidder for P775.00.[48] Moreover, the deputy sheriff certified in the Final Deed of Sale dated August 28, 1977 that he sold the property to petitioner Luisa Guanco on August 19, 1977 not only for P775.00 but also for P930.00:

> That in compliance with the said petition and in accordance with Act 3135, as amended in relation to Section 18, Rule 39 of the Rules of Court, the Ex-Oficio Provincial Sheriff of Antique thru the undersigned deputy after a public notice were posted in three (3) public and conspicuous places within the municipality of Hamtic, Antique, on the 19th day of August, 1977, sold and adjudicated in favor of the highest bidder Mrs. Luisa Guanco, in the amount of P775.00 pesos, Philippine Currency, the above-described mortgaged real property subject to redemption within the period of one (1) year from the date of sale.
>
> That the period of one (1) year (from August 19, 1977 to August 19, 1978) had already elapsed and to this date, the mortgagor, Isidro Antolo, failed to redeem the above-described parcel of land despite due notice to him.
>
> WHEREFORE, for and in consideration of the sum of Nine Hundred Thirty (P930.00) Pesos, Philippine Currency, the Provincial Sheriff of Antique CONVEY, unto the said Luisa Guanco married to Leonardo Guanco and residents of Guintas, Hamtic, Antique, her heirs and assigns the above-described parcel of land definitely and forever.[49]

However, the entries made by Deputy Sheriff Alvior in the Certificate of Sale and Final Deed of Sale were belied by no less than petitioner Luisa Guanco herself, and also by Manuelita Mañosa, the President and Manager of RBS. Petitioner Luisa Guanco testified that she paid the loan account of respondent, amounting to P930.00, to RBS in July 1977. Petitioner Luisa Guanco did not claim that she paid P775.00 or even P930.00 to Deputy Sheriff Bonifacio Alvior on August 19, 1977. Thus:

> Q And since Bonifacio Alvior told you to go to the Rural Bank to pay because the property will be sold on public auction the following month, so it was in July when you met Bonifacio Alvior and he told you to go to the Rural Bank:
>
> ATTY. SIRUELO:
>
> That was already answered.
>
> COURT:
>
> What was the answer? Let the witness answer.
>
> A It was in July.
>
> Q Let us make this clear. It was in the month of July when you paid P930.00 to the bank?
> A Yes, sir.
>
> Q And it was in the month of August when the auction sale was allegedly held?
> A Yes, sir.
>
> Q And you will not change your answer that you paid P930.00 to the bank?
> A What I paid the bank was for the value in the auction sale.
>
> Q If you will be required to produce the receipt issued by the Rural Bank of Sibalom which was issued in July 1977, will you be able to produce the same?
> A There is none. I have no receipt for that but it is in the document.[50]

Third. What happened was that the petitioner Luisa Guanco arrived at the Office of the RBS, on August 29, 1977, paid respondent's loan account of P775.00 and was issued Official Receipt No. 5280. Since respondent's loan

account had been paid, there was no more need for the extrajudicial foreclosure of the real estate mortgage. The RBS released the real estate mortgage, as well as the owner's duplicate of TCT No. N-10216, to petitioner Luisa Guanco without respondent's authorization. The foregoing is buttressed by Mañosa's letter to respondent dated December 20, 1983 stating that, per bank records, his loan account had been paid on August 29, 1977 per Official Receipt No. 5280 and that his owner's duplicate of TCT No. N-10216 "was also redeemed and released."[51] This was confirmed by the letter dated March 28, 1984 of the Special Assistant to the Governor of the Central Bank to respondent that based on the records of the RBS:

> "You paid your account on August 29, 1977 and you were issued Official Receipt No. 5280 for P705.88 covering loan principal, interest and litigation expenses. The Manager alleged that the collateral document had been released to you. She expressed surprise why after having paid the loan in 1977, it was only on December 7, 1983 that you wrote your letter-complaint to the bank."[52]

Fourth. The RBS had no copy of any petition for the extrajudicial foreclosure of the real estate mortgage filed with the Office of the Provincial Sheriff.[53] The RBS did not, in fact, file any because the loan account of respondent had already been paid. However, petitioner Luisa Guanco and the deputy sheriff made it appear that a public auction sale took place on August 19, 1977, that she purchased the property for P775.00 on said date, that respondent failed to redeem the property within the requisite period, and, consequently, a final deed of sale was executed on August 28, 1977.

The only conclusion is that Deputy Sheriff Alvior made it appear in the certificate of sale that a sale at public auction was conducted on August 19, 1977, and that respondent failed to redeem the property within one year from registration of the sale. This was clearly done to enable petitioner Luisa Guanco to secure a torrens title over the property in her name. Unless it was made to appear that a sale at public auction was conducted and that the requisite redemption period had lapsed, no torrens title over the property can be issued by the Register of Deeds to and under the name of petitioner. All these are patent from no less than petitioner's answer to the complaint below:

> - That defendant Luisa Guanco came to know about the auction sale when she saw the notice of sale posted at the Municipal building of Hamtic, Antique hence she verified from the plaintiff, but because the plaintiff could not redeem the property and because of the fact also that the land was sold a-retro to the defendant spouses, the latter made a deposit with the bank for the payment of the loan hence the property was released;
>
> - That because the defendants spouses are not the mortgagor of the land subject of this case the release of the property would not result to the transfer of the property in their names, hence the foreclosure proceeded and the defendants-spouses were the sole and only bidder and the money deposited with the bank was considered as the purchase price of the land, and the defendants spouses become (sic) the owner of the land by buying it twice;[54]

IN LIGHT OF ALL THE FOREGOING, the petition is DENIED. Costs against petitioners.
SO ORDERED.

Panganiban, (Chairperson), Ynares-Santiago, Austria-Martinez, and Chico-Nazario, JJ., concur.

---

[1] Penned by Associate Justice Rodrigo V. Cosico, with Associate Justices Ramon A. Barcelona and Alicia L. Santos, concurring; rollo, p. 49.

[2] Exhibits "1"-RBSI and "2" (Guanco and Alvior), records, p. 186.

[3] Exhibit "3" (RBS), id. at 187.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[4] Exhibits "A" to "A-3," id. at 188.

[5] Exhibit "2" (RBSI), Exhibit "3"(Guanco and Alvior), id. at 84.

[6] TSN, June 27, 1988, p. 10.

[7] Exhibit "10" (RBS), id. at 199-201.

[8] Id.

[9] Exhibit "10-B" (RBS), id. at 200.

[10] Exhibit "5" (RBS), id. at 191.

[11] Exhibit "4" (RBS), id. at 189.

[12] Exhibit "4-B" (RBS), id. at 190.

[13] Exhibit "C," id. at 86.

[14] Exhibit "F," id. at 91.

[15] Exhibit "D," id. at 87.

[16] Exhibit "E," id. at 89.

[17] Exhibit "A4" (Guanco), id. at 84.

[18] Exhibit "F" (Guanco), id. at 186.

[19] Exhibit "8" to Exhibit "8-G" (Guanco), id. at 153-160.

[20] Records, pp. 2-3.

[21] Id. at 5.

[22] Id. at 27.

[23] Exhibit "A," records, p. 84.

[24] TSN, June 27, 1989, pp. 7-8.

[25] TSN, October 15, 1987, p. 20.

[26] TSN, June 27, 1989, pp. 13-18.

[27] Id. at 26.

[28] Exhibit "1-B" (Guanco), records, p. 146.

[29] TSN, December 6, 1990, p. 15

[30] Exhibit "1" (Guanco), records, p. 146.

[31] Exhibit "5" (Guanco), id. at. 150; TSN, December 6, 1990, p. 9.

[32] TSN, December 6, 1990, p. 10.

[33] Id. at 8.

[34] Id. at 17.

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

[35] Id. at 31.

[36] Id. at 22, 27.

[37] Id.

[38] TSN, January 15, 1996, p. 16.

[39] Id. at 21.

[40] Id. at 22.

[41] Records, p. 219.

[42] Id. at 208-219.

[43] CA rollo, pp. 69-70

[44] Rollo, p. 49.

[45] Id. at 59-60.

[46] Id. at 9.

[47] Id. at 21.

[48] Exhibit "D," records, p. 87.

[49] Exhibit "E." and "E-1," records, p. 89 (Emphasis supplied).

[50] TSN, December 6, 1990, p. 27.

[51] Exhibit "B," records, p. 85.

[52] Exhibit "G," id. at 92.

[53] TSN, January 15, 1996, p. 26.

[54] Emphasis supplied.

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

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.