

## PHILIPPINE NATIONAL BANK, PETITIONER, VS. BERNARDO P. LANDETA AND COURT OF APPEALS, RESPONDENTS.

*G.R. No. 20657. September 30, 1966*

Ponente: DIZON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-20657/>

---

### DIZON, J.:

Appeal by certiorari taken by the Philippine National Bank - hereinafter referred to simply as the Bank - from the decision of the Court of Appeals of October 31, 1962 in C.A.-G.R. No. 24335-R entitled "Bernardo P. Landeta vs. Philippine National Bank and Doroteo Yabes", as amended by its resolution of November 29 of the same year.

Bernardo P. Landeta, owner of a parcel of agricultural land situated in barrio Jurisdiction, municipality of Lallo, Cagayan, which he had acquired as a homestead (Original Certificate of Title No. 3291), mortgaged it to the Bank to secure payment of a loan of P600.00 on March 19, 1948. Due to his failure to pay the loan at maturity, the Bank foreclosed the mortgage and acquired the property at the corresponding foreclosure sale on July 22, 1952. It was only on June 17, 1954, however, that title to the property was issued in favor of the Bank, upon previous cancellation of Landeta's title.

On September 27, 1954, the Bank sent Landeta a letter giving him a last opportunity to repurchase the property within ten days from receipt, as otherwise, the Bank would entertain an offer of another to buy the same for not less than P1,200.00. In his letter of October 3, 1954, Landeta informed the Bank of his desire to repurchase the property but requested that he be given until May 1955 to do it. This notwithstanding, the Bank informed Landeta subsequently that it had sold all its rights, title and interest in the property to Doroteo Yabes for P3,000.00 on January 6, 1955, and that he could exercise his right to redeem the property from Yabes within five years. As a result of this sale, the Bank's title was cancelled and in lieu thereof Transfer Certificate of Title No. 2305 was issued in the name of Yabes. It also appears that on March 3, 1955, in a tax delinquency sale of the said property, Yabes paid P199.54 as delinquent taxes due on the property.

On November 7, 1956, Landeta commenced an action in the Court of First Instance of Cagayan (Civil Case No. 857-A) against the Bank and Yabes to enforce his right to repurchase under the provisions of Section 119 of the Public Land Act (Commonwealth Act No. 141, as amended) and to recover from them attorney's fees and the costs of suit.

The Bank alleged in its answer to the complaint that it did not know that the property was originally a homestead grant to Landeta, and therefore, had acted in good faith when it sold the property to Yabes, and that, at any rate, Landeta was not divested of his right to repurchase the same from Yabes.

For his part, Yabes claimed that he was a purchaser of the property in good faith, first, from the Bank and, subsequently, from the provincial treasurer of Cagayan in the aforementioned realty estate tax delinquency sale. He also presented a counterclaim against plaintiff Landeta for recovery of possession of the land in question and damages, and a cross-claim against co-defendant Philippine National Bank for reimbursement of all expenses in the event that judgment be rendered against him in favor of the plaintiff.

After trial, the court rendered the following judgment:

"WHEREFORE, judgment is hereby rendered:

'(a) Sentencing the defendant Doroteo Yabes to resell the property in question to the plaintiff Bernardo P. Landeta for the sum of P3,414.03;

'(b) In the event that the defendant Doroteo Yabes fails to resell the land in controversy within fifteen (15) days from the time the decision becomes final, the Deputy Clerk of Court is hereby ordered to execute the corresponding deed of sale in favor of the plaintiff pursuant to the provisions of Section 10 of Rule 39 of the Rules of Court;

'(c) Dismissing the complaint against the defendant Philippine National Bank; and

'(d) Without pronouncement as to costs.'"

Upon appeal taken by Landeta the Court of Appeals rendered judgment reversing that of the lower court as follows:

"WHEREFORE, the decision appealed from is hereby reversed, and in its stead judgment is rendered -

"Annulling the sale made by the defendant-appellee Philippine National Bank of the property subject matter of the present litigation to and in favor of defendant Doroteo Yabes as well as the entry of said sale in the records of the Register of Deeds of Cagayan;

"Ordering said defendant-appellee Philippine National Bank to allow plaintiff-appellant to repurchase the property aforesaid for such amount as may correspond to the principal obligation and the accumulated interests up to and including July 22, 1952, when the property was sold to Yabes; and

"Insofar as the cross-claim of defendant-appellee Doroteo Yabes is concerned, sentencing the Philippine National Bank to return to said Doroteo Yabes the purchase price of the land in question including all the expenses incident thereto.

"On the counterclaim of defendant-appellee Doroteo Yabes, the plaintiff-appellant is hereby ordered to pay to defendant-appellee Doroteo Yabes the sum of P247.32 representing the total delinquency realty estate taxes on the subject property which the latter had paid, with interest at the legal rate from March 3, 1955, the date when Yabes made such payments to the provincial treasurer of Cagayan, until the whole amount is fully paid.

"No findings as to damages and attorney's fees;-and costs in both instances to be paid in equal shares by both defendants-appellees, the Philippine National Bank and Doroteo Yabes."

The above decision was amended by the Court's resolution of November 29, 1962, as follows:

"x x x insofar as the repurchase price is concerned, the disposito that the same should be for such amount as may correspond to the principal obligation and the accumulated interests up to and including the time of actual repurchase; in all respects, the judgment hereinbefore rendered remains.ive portion of the decision is hereby amended, "

There is no question that Landeta, within the period of five years from the time of the foreclosure sale of his property, offered to repurchase it from the Bank. Indeed, the latter does not deny Landeta's right, for even after conveying its rights and interests in the property to Yabes it advised Landeta that he could redeem the property from the latter.

The real issue to be determined in this case, considering the assignment of errors made in petitioner's brief, is whether Landeta should repurchase his property from the Bank or from Yabes because the amount to be paid by

him as consideration for the repurchase would depend upon whether he should repurchase from the former or from the latter. Upon this question the Court of Appeals held that Landeta is entitled to repurchase his property from the Bank and that the consideration therefore should be only "such amount as may correspond to the principal obligation and the accumulated interests up to and including the time of actual repurchase". We find this to be correct for, otherwise, it would be easy for the Bank in this case and in similar cases to render nugatory the right of repurchase granted by law to the owner who acquired the property under the Public Land Act, by making conveyances of the property for amounts beyond the capacity of said owner to pay.

It must be noted further that the sale by the Bank in favor of Yabes was made before the expiration of the period of five years within which Landeta was entitled to repurchase the property, and it has been held that this right of repurchase may be exercised irrespective of whether or not the Bank had subsequently conveyed the property to some other party (*Villaflor vs. Barreto*, G. R. No. L-5045, November 26, 1952; 48 O. G. p. 4825).

WHEREFORE, the decision appealed from is affirmed, with costs.

Concepcion, C.J., Reyes, J.B.L., Regala, Makalintal, Bengzon, J.P., Zaldivar, Sanchez, and Ruiz Castro, JJ., concur.

Barrera, J., no part.

**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.