

THE GOVERNMENT OF THE PHILIPPINE ISLANDS, PLAINTIFF AND APPELLEE, VS. CANDELARIO DE LAS CAJIGAS, DEFENDANT AND APPELLANT. JOSE CATOT, PURCHASER AND APPELLEE.*G. R. No. 33913. February 20, 1931*

Ponente: STREET, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-33913/>**STREET, J.:**

This action was brought by the Government of the Philippine Islands for the purpose of foreclosing a mortgage on real property located in the City of Manila, which mortgage was executed, with the approval of the court, by Candelario de las Cajigas, in his capacity as administrator of the estate of his deceased wife, Dolores G. Azaola de Cajigas, for the purpose of securing the repayment of P15,000 advanced in the form of a loan by the Philippine Postal Savings Bank. In the course of the proceedings judgment was entered directing that the amount of the mortgage debt should be paid into court within the period of ninety days, as prescribed by law, in default of which it was ordered that the mortgaged property should be sold for the satisfaction of the debt, with other dispositions appropriate to the case. The debt was not paid, and after a delay of some two years resulting from the indulgence of the creditor, the property was exposed to sale and was purchased by Jose Catot, for the sum of about P16,375. The confirmation of this sale was opposed by Candelario de las Cajigas, but the sale was, nevertheless confirmed, and Cajigas appealed. It should be stated that Jose Rodriguez Serra was at first named as a defendant, in the character of administrator of the testate estate of his wife, Encarnacion Serra, who held a subordinate lien on the personal interest of Candelario de las Cajigas; but this lien having been satisfied by Jose de las Cajigas, son of the defendant Candelario de las Cajigas, the court granted a motion asking that the estate of Encarnacion Serra be excluded as a defendant. In the same motion it was requested that Jose de las Cajigas, as successor to the right of Encarnacion Serra, should be included as a defendant but notwithstanding the granting of said motion by the court no answer was required from Jose de las Cajigas, and he was thereafter ignored. Also it should be noted that in the course of the proceedings the Philippine Trust Company was admitted as a defendant, and answer was interposed by this entity in the character of successor to Candelario de las Cajigas, administrator, upon it being made to appear that the latter had been removed from the office of administrator by the court having charge of the administration and that the Philippine Trust Company had been appointed as successor to the office of said administrator.

When the cause came on to trial on its merits, Candelario de las Cajigas did not appear to make any defense, and the Philippine Trust Company admitted the material allegations of the complaint. It was only after the foreclosure had reached the stage when the sale was about to be confirmed that Candelario de las Cajigas appeared and opposed the confirmation on the grounds hereinafter mentioned. We may add that it is not entirely clear that the appellant Candelario de las Cajigas really has any interest in the subject matter of this lawsuit which would entitle him to maintain this appeal; because he has been supplanted as administrator, and the personal interest which he had in the property has been alienated by him. But ignoring this point, and assuming that he has an interest in the property subject to this foreclosure which would entitle him to be heard, we are of the opinion that none of the

technical grounds upon which he seeks to defeat the proceeding are well taken.

The first assignment of error raises the question whether the foreclosure proceeding was conducted against all of the indispensable parties, and particularly it is insisted that the heirs of Dolores G. Azaola de Cajigas should have been impleaded. It will be noted, however, that the property in question is covered by a Torrens title, and the mortgage was executed by the administrator, with the approval of the court, after the death of Dolores G. Azaola de Cajigas, the original owner. Under section 89 of the Land Registration Act (No. 496) real estate registered under the Torrens system passes upon the death of the owner to the executor or administrator of the deceased, whether such owner dies testate or intestate. There can be, therefore, no question as to the validity of the mortgage, and inasmuch as the legal title was vested in the administrator when the mortgage was executed, such administrator was the only indispensable party defendant in the foreclosure proceeding. The interest of the heirs of the original owner was derivative and contingent, and for the purposes of foreclosure they were represented by the administrator who was the true party in interest; and even supposing that the heirs might have been proper parties in interest within the meaning of section 255 of the Code of Civil Procedure, a valid foreclosure could be effected although they were not impleaded. As was pointed out in *Sun Life Assurance Co. of Canada vs. Gonzalez Diez* (52 Phil., 271), the effect of the failure to make a subordinate lien-holder a party to a foreclosure proceeding is, not that the foreclosure is void as between the parties to the proceeding, but that the foreclosure is ineffective as against such subordinate lien-holder, with the consequence that there remains in him an unenclosed equity of redemption. The same reasoning holds with respect to Jose de las Cajigas in his character as transferee of the subordinate lien originally vested in Encarnacion Serra. The failure to implead him formally as a party, in lieu of the administrator of Encarnacion Serra, when the transfer was made known to the court, did not invalidate the foreclosure, but at most might have left in him a right of redemption, upon the existence of which right it is not necessary here to pass an opinion. While the subordinate lien-holder is a proper party defendant in order to make a decree of foreclosure completely binding on all interests, he is not an absolutely indispensable party in the foreclosure proceeding.

The second assignment of error directs attention to the fact that the appellant Candelario de las Cajigas was not notified of the motion which was presented by the plaintiff in order to procure the execution of the judgment of foreclosure. Upon this point it appears that after the judgment of foreclosure had been entered the mortgage creditor indulged the debtor with a long period of delay, amounting to some two years, without asking for execution of the judgment. During this period payments were made from time to time on the mortgage debt to keep down the interest, but in the end the debtor defaulted and the creditor applied to the court for an order of sale. It is insisted that the sale could not be effected without notification to the debtor party of the motion for the execution of the judgment. This view is, in our opinion, untenable. The judgment of foreclosure had become final, and the motion asking for execution was a motion which in its very nature was grantable as of course; and the failure to give notice of the motion is no ground for nullifying the sale.

In the third assignment of error it is contended that the sale was invalid because, in the published advertisement announcing the sale, the indebtedness constituting a lien upon the property was overstated by about P5,000. We find, however, that the debt was advertised in the amount fixed by the court in its judgment as the amount of the mortgage debt, with interest. This amount had, however, been reduced by payments made by the judgment debtor to the amount, approximately, which was bid for the property at the sale. Upon these facts we are of the opinion that the error in stating the amount of the debt in the notice of sale does not affect the validity of the mortgage. A mortgage debtor has a right to satisfy the indebtedness or any part of it, at any time, and it would be dangerous doctrine to make the efficacy of the foreclosure sale depend upon the precise correctness of the statement of the amount of the mortgage debt. Under the provisions relating to the foreclosure of mortgages contained in our present Code of Civil Procedure, no upset price is fixed, and every person desirous of purchasing at a foreclosure

sale knows that the property will be sold for the highest amount which is bid for it at the sale, regardless of the amount of the indebtedness fixed in the judgment. No person having a bona fide desire to purchase the mortgaged property would be in the least concerned over the amount of the indebtedness. It results that the error in the overstatement of the indebtedness could not materially affect the rights of anybody concerned in the sale.

Finally, it is contended that the sale should be set aside for the manifest injustice involved in the fact that the property was sold for much less than it was worth. But the property was assessed at less than P20,000 and at the foreclosure sale brought more than P16,000, and we see nothing in these figures that would justify interfering with the effects of the sale. Nor would the court be justified in non-confirming the sale on this ground even if the value of the property were as much as P40,000, as suggested in the brief of the appellant.

In the course of the appellant's brief other considerations are advanced in aid of the contention that the sale was invalid. The contentions thus made appear to us to be overrefined and to have no substantial merit. We are therefore of the opinion that the sale was valid and that the trial court committed no error in confirming it.

The judgment will therefore be affirmed, and it is so ordered, with costs against the appellant.

Avanceña, C. J., Johnson, Malcolm, Villamor, Johns, Romualdez, and Villa-Real, 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.