

NATIONAL ONION GROWERS COOPERATIVE MARKETING ASSOCIATION, INCORPORATED, PETITIONER, VS. THE HONORABLE COURT OF APPEALS (NINTH DIVISION), VICENTE F. GOQUIOLAY, AND SALUD CHONG, R...

G.R. No. 57576. June 06, 1989

Ponente: MELENCIO-HERRERA, J.

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MELENCIO-HERRERA, J.:

This Petition for Review on Certiorari challenges the Decision of respondent Court of Appeals[1] in CA-G.R. No. 57290-R, affirming the Decision of the then Court of First Instance of Rizal, Branch XIV, at Caloocan City[2] in Civil Case No. C-2407.

The undisputed facts follow:

On 2 October 1969, petitioner, National Onion Grower Cooperative Marketing Association, Inc. (NOGROCOMA) obtained a loan of P300,000.00 from private respondent, Vicente Goquiolay, payable within one (1) year, with interest at twelve (12%) per annum, payable in advance.

As security for the loan, petitioner executed in Goquiolay's favor a real estate mortgage on its two (2) parcels of land located in Malabon, Rizal, together with the improvements thereon. The mortgage was registered with the Register of Deeds on 3 October 1969.

On 2 December 1970, the loan having been unpaid on maturity date, Goquiolay demanded payment in writing from Petitioner. As the latter failed to pay, Goquiolay proceeded to foreclose the mortgage extrajudicially.

On 24 February 1971, Petitioner filed suit before the Court of First Instance of Rizal, at Caloocan City, seeking to: (a) declare the mortgage contract void ab initio for being usurious; (b) recover from Goquiolay the usurious interest on the loan; and (c) obtain a Writ of Preliminary Injunction to enjoin foreclosure and sale at public auction.

The Trial Court had earlier granted the prayer for Preliminary Injunction but since, in Goquiolay's Answer, he had abandoned the extrajudicial foreclosure and had, instead, claimed for judicial foreclosure, the restraint was rendered moot and academic.

The crucial issue is whether or not Petitioner had, in fact, received the total consideration of P300,000.00 as stipulated in the loan document. Petitioner maintains that of the said amount it had received only the sum of P195,000.00 inasmuch as P105,000.00 thereof was withheld as advance payment of interest, or actually 35% of the loan, which is clearly usurious for being beyond the maximum allowed by the Usury Law.

On the other hand, Goquiolay asserts that Petitioner received the entire proceeds of the loan of P300,000.00 except for the amount of P36,000.00, which was applied to the payment of interest at twelve (12%) percent.

Both the Trial Court and the Court of Appeals found, as established fact, that the different amounts released to Petitioner (Exhibits "3", "4", "5", "6" and "7") aggregated P300,000.00, or the full amount of the loan proceeds.

As the Trial Court had observed, in Petitioner's reply to Goquiolay's letter of demand, dated 4 December 1970, "it had promised to pay within 15 days the amount of P300,000.00 with the corresponding interest" (Exhibit "11"), no mention whatsoever having been made of any usurious charges. Thus, the disposition of the case by the Trial Court as follows:

"WHEREFORE, the instant action is hereby dismissed and the plaintiff, the National Onion Growers Cooperative Marketing Association, Inc. is hereby ordered to pay the defendant Vicente F. Goquiolay, the sum of P300,000.00 with 12% interest per annum from October 2, 1970, within a period of ninety (90) days from receipt hereof, and in default of such payment the mortgaged properties shall be sold at public auction in accordance with the law and proceeds thereof applied to the satisfaction of this judgment.

"There is no pronouncement as to the payment of other interests, as well as damages" (p. 52, Record on Appeal).

The Court of Appeals also found "no clear, positive and convincing evidence to prove appellant's (petitioner's) allegations of usury," and fully affirmed the aforequoted judgment.

Upon examination of the evidence, we agree with the express conclusions arrived at, apart from the consideration that the findings of fact made by lower Courts are generally entitled to great respect if not conclusive on this Court. We need only invoke what has been reiterated in a long line of decisions, the exceptions to which do not obtain in this case.

"This court cannot set aside the express finding of the Court of Appeals. Time and again we have ruled that it is not the function of the Supreme Court to analyze or weigh such evidence all over again, its jurisdiction being limited to reviewing errors of law that might have been committed by the lower Court" (Tiongco v. de la Merced, L-24426, July 25, 1974, 58 SCRA 89; Corona v. CA, L-62482, April 28, 1983, 121 SCRA 865; Baniqued vs. CA, L-47531, February 20, 1984, 127 SCRA 596).

"It has been well-settled that the jurisdiction of the Supreme Court in cases brought to it from the Court of Appeals is limited to reviewing and revising the errors of law imputed to it, its findings of fact being conclusive" (Chan vs. CA, L-27488, June 30, 1970, 33 SCRA 737; Knecht v. CA, L-65114, February 23, 1988, 158 SCRA 80).

The full amount of the loan of P300,000.00 having been proven to have been received by Petitioner, the Usury Law finds no application in this case besides the fact that it is no longer in force.

"For sometime now, usury has been legally non-existent. Interest can now be charged as lender and borrower may agree upon. The rules of Court in regard to allegations of usury, procedural in nature, should be considered repealed with retroactive effect" (Liam Law v. Olympic Sawmill Co., L-30771, May 28, 1984, 129 SCRA 439).

WHEREFORE, the Petition is DENIED and the judgment of respondent Court of Appeals sought to be reviewed is hereby AFFIRMED. Cost against petitioner.

SO ORDERED.

Paras, Padilla, and Regalado, JJ., concur.
Sarmiento, J., on leave.

[1] Per Justice Elias B. Asuncion, concurred in by Justice Porfirio V. Sison and Juan A. Sison.

[2] Judge Serafin Salvador, presiding.

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