

LEON BERNARDEZ AND ANICETA BERNARDEZ, PETITIONERS, VS. ARSENIO REYES, RESPONDENT.

G.R. No. 71832. September 24, 1991

Ponente: PARAS, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-71832/>

PARAS, J.:

This is a petition for review on certiorari seeking the annulment of the June 26, 1985 decision[*] of the then Intermediate Appellate Court in AC-G.R. CV No. 67344 entitled "Arsenio Reyes v. Leon Bernardez and Aniceta Bernardez" which affirmed the order[**] of the Court of First Instance of Rizal dated June 23, 1978 declaring that no valid tender of payment was made by petitioners who had lost their right to redeem the property and ordering the respondent to pay the petitioners the sum of P6,140,00.

The undisputed facts of the case are as follows:

Petitioner Leon Bernardez mortgaged a parcel of land to the Government Service Insurance System (GSIS for short) to secure a loan. The said land was, however, subsequently foreclosed upon. On April 17, 1962, it was sold at public auction to herein respondent Arsenio Reyes. Inscribed on the certificate of title was the date of the sale and the provision that the period of redemption expires one year after the date of the auction sale or on April 17, 1963. Thereafter, GSIS as attorney-in-fact of the Bernardez spouses, executed a Deed of Sale over the land in favor of Reyes on November 8, 1962. On April 18, 1963, both the certificate of foreclosure sale issued by the Provincial Sheriff and the said Deed of Sale were registered at the Office of the Register of Deeds of Rizal. On even date, a new Transfer Certificate of Title was likewise issued in the name of Arsenio Reyes. On October 26, 1963, believing that the period of redemption had already expired, Reyes filed an action in the Court of First Instance of Rizal praying that he be declared the owner of the land and asking the court to order the Bernardez spouses to pay the attorney's fees as well as the back rentals from April 17, 1962 to April 17, 1963. With leave of court, GSIS intervened as third-party defendant (Rollo, p. 33). On August 23, 1967, after a trial on the merits, the court ruled as follows:

"WHEREFORE, premises considered, judgment is hereby rendered in favor of the defendants and against the plaintiff and the third-party defendant Government Service Insurance System giving defendant Leon Bernardez 173 days from and after receipt of a copy of this decision within which to redeem the property from the plaintiff by paying P1,315.00, the balance of the redemption price to be furnished by third-party defendant Government Service Insurance System. However, defendant Leon Bernardez shall shoulder the legal interest of the redemption price from the date of registration of the Deed of Sale executed by the Provincial Sheriff, plus all the other expenses incidental to said redemption. The complaint is dismissed in so far as Ligaya Ramos and Dominador Vicente are concerned. The plaintiff is, likewise, ordered to pay the defendants Leon Bernardez and Aniceta Bernardez the sum of P5,000.00 representing moral damages due to anguish, anxiety, besmirched reputation caused the defendants by the filing of this case; to pay further sum of P1,000.00 as attorney's fees; and to pay the costs.

SO ORDERED."

(Rollo, pp. 27-28).

Reyes appealed to the Court of Appeals which, in turn, rendered its decision dated June 20, 1977, in this wise:

"WHEREFORE, the decision appealed from is affirmed in all respects with the modification that the third-party plaintiffs-appellees (Bernardez) should pay to appellant Arsenio Reyes as redemption price the amount of P6,510.00 with interest thereon at 1 per cent a month from the date of the auction sale on April 17, 1962 up to the time of redemption which the third-party plaintiffs-appellees should exercise within thirty (30) days from the time the present decision has become final and executory. The Government Service Insurance System must refund the amount of P704.99 to Bernardez which is the excess of the auction sale and the further amount of P851.46 which was the amount deducted from the salary of Bernardez after the foreclosure, with costs against the appellant, Arsenio Reyes.

SO ORDERED."

(Record on Appeal, pp. 27-28; Rollo, p. 33).

On January 31, 1978, the Bernardez spouses offered the sum of P18,000.00 to Reyes apparently to redeem the property, but the latter refused (Petition, Rollo, p. 11). Such prompted the spouses to consign the sum to the same lower court which ruled in their favor and at the same time, they filed a manifestation and a motion for modification of judgment praying that the court fix the redemption price including interest in the amount of P18,944.10 and to allow deduction therefrom of the sum of P6,114.00 representing the award of damages due them by Reyes and finally to order Reyes to accept the balance of P12,831.00 (Rollo, pp. 55, 13). Reyes accordingly filed an opposition and a motion for clarification thereto. The court a quo on June 23, 1978, laid down the following verdict, presently in dispute:

"WHEREFORE, in view of the foregoing, the court declares that there was no valid tender of payment on the part of the defendants who had lost their right to redeem the property upon the failure to exercise such right within the period provided in the Decision of the Court of Appeals. The plaintiff, on the other hand, is liable to the defendants in the amount of P6,140.00 as decided by this Court and affirmed by the Court of Appeals.

SO ORDERED."

(Record on Appeal, pp. 49-50; Rollo, p. 33).

The Bernardez spouses moved to reconsider but the motion was denied by the court in its order dated November 3, 1978 (Rollo, p. 33). The case was then elevated to the Intermediate Appellate Court (now renamed Court of Appeals) which simply affirmed the decision of the lower court in all respects. Hence, this petition.

The issue in this case is whether or not the right of redemption was exercised in time.

The petition is devoid of merit.

Well-settled is the rule that where a mortgage is foreclosed extrajudicially, Act 3135 grants to the mortgagor the right of redemption within one (1) year from the registration of the sheriff's certificate of foreclosure sale (Eastman Chemical Industries, Inc. v. Court of Appeals, G.R. No. 76733, June 30, 1989, 174 SCRA 619; Gregorio Limpin v. Intermediate Appellate Court, et al., G.R. No. -70987, September 29, 1988, 166 SCRA 87; Philippine National Bank v. Court of Appeals, G.R. Nos. L-30831 & L-31176, November 21, 1979, 94 SCRA 357; Matilde Gorospe v. Dolores Santos, G.R. No. L-30079, January 30, 1976, 69 SCRA 191; Ernesto Salazar v. Flor de Lis Meneses, G.R. No. L-15378, July 31, 1963, 8 SCRA 495; Leon Santos v. Rehabilitation Finance Corporation, et al., G.R. No. L-9796, July 31, 1957, 101 Phil. 980). Considering then that in the case at bar, the certificate of foreclosure sale issued by the Sheriff was registered on April 18, 1963, the right of redemption may be exercised only until April 18, 1964. The Bernardez spouses have clearly lost their right to redeem the property

beyond the said date. Their much belated attempt to do so, notwithstanding their offer of considerable interest added to the redemption price, can no longer revive such right rendered inutile more than fourteen years before. The statutory period of redemption counted from the registration of the Certificate of Sale remains fixed at one year from the date of registration of the certificate of foreclosure sale (*Eastman Chemical Industries, Inc. v. Court of Appeals*, *supra*). Even the thirty-day 'grace period' to redeem the property granted by the Court of Appeals from the time its decision has become final and executory has no basis in law. In fact, this Court has ruled that if no redemption is made within the said period, the purchaser has the absolute right to a writ of possession which is the final process to carry out or consummate the extrajudicial foreclosure. Henceforth the debtors lose their right over the property (*Malonzo, et al. v. Mariano*, G.R. No. 53998, May 31, 1989, 173 SCRA 667).

Turning now to respondent Reyes' claim for back rentals covering the period of redemption, Section 34, Rule 39 of the Rules of Court explicitly provides that a purchaser, from the time of the sale until a redemption is made, is entitled to receive the rents of the property if such property is in the possession of a tenant (*Quintin v. Espe*, G.R. No. L-16777, April 20, 1961, 1 SCRA 1004) (*Italics supplied*). The Bernardez spouses, being judgment debtors and not tenants, may then possess the property without having to pay rents for the use thereof (*Velasco v. Rosenberg's Inc.*, 32 Phil. 72 [1915]). Reyes, therefore, cannot claim back rentals from the spouses during the period of redemption.

PREMISES CONSIDERED, the decision appealed from is AFFIRMED with the modification that there was no valid tender of payment as the period of redemption had lapsed on April 18, 1964 as provided by law, and not because of the 30-day period given by the respondent Court of Appeals.

SO ORDERED.

Melencio-Herrera, (Chairman), Padilla, Sarmiento, and Regalado, JJ., concur.

[*] Penned by Associate Justice Bienvenido Ejercito and concurred in by Associate Justices Jorge R. Coquia, Mariano A. Zosa and Floreliaana Castro Bartolome.

[**] Rendered by Judge Eficio B. Acosta.

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.