

SEVENTEENTH DIVISION

[CA-G.R. SP No. 134460, February 10, 2015]

JOSE M. MALATBALAT, PETITIONER, VS. GLENCELIETA M. CABILDO, RESPONDENT.

D E C I S I O N

GARCIA, R. R. J.:

Before Us is a Petition for Review^[1] under Rule 42 of the 1997 Rules of Civil Procedure assailing the Decision^[2] dated February 7, 2014 of the Regional Trial Court, Branch 81, Malolos City, Bulacan which affirmed the Decision^[3] dated August 15, 2013 of the Municipal Trial Court in Cities, Branch 1, San Jose Del Monte, Bulacan ordering herein petitioner Jose Malatbalat to pay respondent Glencelieta Cabildo the amount of P184,000.00 plus interests thereon and attorney's fees.

THE FACTS

Records show that on June 24, 2011, petitioner Jose Malatbalat obtained a loan from respondent Glencelieta Cabildo in the amount of P200,000.00 with stipulated interest of three percent (3%) per month payable within five (5) months and in equal monthly installments of P46,000.00 as evidenced by the Agreement^[4] of even date duly signed by petitioner and his wife Imelda Malatbalat.

In July 2011, petitioner initially paid P23,000.00 but defaulted in the subsequent months of August and September. In October 2011, petitioner paid another P23,000.00 to respondent, leaving a balance of P184,000.00 inclusive of interest. Respondent made several demands to pay but the same were unheeded by petitioner. Respondent then lodged a complaint before the barangay authorities but the parties failed to reach an amicable settlement.

On April 10, 2012, respondent filed a Complaint^[5] for Sum of Money against petitioner before the Municipal Trial Court of San Jose del Monte City, Bulacan. The complaint prayed that petitioner be ordered to pay respondent the outstanding obligation in the sum of P184,000.00 plus legal interest thereon; attorney's fees of P18,400.00 and P2,000.00 per court appearance; costs of suit; and litigation expenses.

In his Answer^[6], petitioner denied that he still owes respondent the amount of P184,000.00. He admitted having obtained a loan from respondent in the principal amount of P200,000.00 in June 2011 but insisted that he had already paid the whole amount of P230,000.00 inclusive of interest on July 25, 2011. Respondent even extended another loan to petitioner sometime in August 2011 in the amount of P50,000.00. Petitioner thus prayed that the complaint be dismissed.

Trial on the merits ensued thereafter.

In respondent's Judicial Affidavit^[7] which was adopted as her direct testimony, she stated that in June 2011, she lent money to petitioner in the amount of P200,000.00 with interest of three percent (3%) per month, payable within a period of five (5) months in five (5) equal installments of P46,000.00. The foregoing stipulations were contained in an Agreement executed by petitioner himself. Petitioner, however, only made partial payments of P23,000.00 each for the months of July and October, 2011 thereby leaving a balance of P184,000.00. Conciliation proceedings at the barangay level proved to be futile.

For his part, petitioner asserted in his Judicial Affidavit^[8] that he has already paid the whole amount of P230,000.00 on July 25, 2011. The payment was confirmed by the fact that respondent extended another loan to petitioner in the amount of P45,000.00 with an interest of P5,000.00 sometime in August 2011.

Petitioner also presented Alfonso Medina, Jr. as his witness. The latter narrated in his Judicial Affidavit^[9] that on July 25, 2011, he saw petitioner handing over a sum of money to respondent. When Medina asked petitioner what the money was for and how much money was involved, petitioner replied that it was worth P230,000.00 intended for the payment of his indebtedness to respondent. On cross-examination, however, Medina admitted that he was not able to actually count the money that was handed over by petitioner to respondent.^[10]

In a Decision^[11] dated August 15, 2013, the MTCC ruled in favor of respondent and ordered petitioner to pay respondent the amount of P184,000.00 plus interests and attorney's fees. Petitioner, being the debtor, failed to discharge the burden that he has already paid his loan obligation. Petitioner could have presented a receipt to show the fact of payment but failed to do so. It is beyond logic that petitioner did not insist for a receipt considering that the transaction involves an enormous amount of money. The fact alone that respondent granted a subsequent loan to petitioner does not itself establish that the previous loan has already been settled. It is not uncommon for a creditor to grant another loan despite the non-payment of a prior loan. Likewise, the testimony of witness Alfonso Medina, Jr. cannot be given credence as he acknowledged during cross-examination that he did not actually count the money that changed hands on July 25, 2011. The pertinent portions of the said decision are quoted:

In proving that he paid the sum of Php230,000.00, defendant presented Exhibit "1", which is an Agreement showing that defendant obtained a loan from plaintiff on August 7, 2011. It is defendant's stance that plaintiff would not have extended a subsequent loan to him had he not paid his previous loan of Php230,000.00.

The court is not persuaded.

It must be pointed out that Exhibit "1", is nothing more than an evidence of a subsequent loan that he obtained from the plaintiff. It does not prove or even raise the presumption, disputable or otherwise, that he had already paid his previous obligation of Php230,000.00. For it is neither uncommon nor impossible for a debtor to obtain or a creditor to

grant a subsequent loan to the former despite the non-payment of a previous loan. What will prove the fact of payment is a receipt, which is a written and signed acknowledgment that money has or goods have been delivered. In this case, no such receipt or acknowledgment nor proof of full payment was shown to the satisfaction of the court.

In the same vein, the testimony of Alfonso Medina cannot be safely relied upon to prove the fact of payment of the whole Php230,000.00 by defendant. Said witness testified that he saw defendant handed money to plaintiff on July 25, 2011. However, he admitted that he was not able to count the money handed over to plaintiff by defendant and that he only came to know of the amount from the lips of the latter xxx

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Further, if defendant had actually paid plaintiff, logically, defendant would have asked for a receipt evidencing his payment. This is especially true if the transaction involves a hefty amount like Php230,000.00. But here, defendant did not do so. He claimed that plaintiff's policy was based on trust that is why he was not prompted to ask for any receipt. The court finds this claim hard to believe for if their transaction was really based on trust, there should not have been any need to put his loan obligation in writing. In any case, assuming, *ex gratia argumenti* that their transaction is based on trust, it is highly improbable for defendant to part with such substantial amount of money without asking for a receipt, or at least, for the return of the agreement evidencing his loan obligation xxx. With these, the claim of payment by defendant must necessarily fail.

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The contention of defendant that the claim of plaintiff is premature as there was no demand to pay made by plaintiff before the instant action was filed is also puerile. It must be pointed out that when plaintiff went to the barangay to seek the help of the barangay staff to collect from defendant his loan obligation is already considered a prior demand to pay. xxx

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xxx since the obligation in this case involves a loan and there appears on the face of the Agreement no stipulation as to the interest due, the rate of interest shall be 12% per annum computed from the date of extrajudicial demand, which in this case is November 25, 2011 until fully paid. After the judgment becomes final and executory until the obligation is satisfied, the amount due shall earn an interest at 12% per year, the interim period being deemed equivalent to a forbearance of credit.

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WHEREFORE, premises considered, defendant is ordered to pay plaintiff the sum of One Hundred Eighty Four Thousand Pesos (Php184,000.00)

plus twelve percent (12%) interest per year from November 25, 2011 until its satisfaction. After this decision becomes final and executory, interest at 12% per year shall be additionally imposed on the total obligation until full payment. Further, defendant is ordered to pay P15,000.00 as reasonable attorney's fees.

Costs de officio.

SO ORDERED.^[12]

Unsatisfied, petitioner appealed to the Regional Trial Court, Branch 81, Malolos City which, in a Decision^[13] dated February 7, 2014, affirmed *in toto* the decision of the MTCC. The dispositive portion of the said decision is quoted:

WHEREFORE, premises considered, the decision dated August 15, 2013 rendered by the Municipal Trial Court in Cities of San Jose del Monte City, Bulacan in Civil Case No. 006-SJ-2012 is hereby affirmed *in toto*.

SO ORDERED.^[14]

Hence, the instant petition for review raising the lone issue^[15], to wit:

WHETHER THE COURT A *QUO* GRAVELY ERRED IN AFFIRMING THE DECISION OF THE MTCC ORDERING PETITIONER TO PAY RESPONDENT THE AMOUNT OF PHP184,000.00 PLUS INTERESTS AND ATTORNEY'S FEES.

THE ISSUE

The pivotal issue to be resolved is whether or not the court a quo erred in affirming the MTCC's ruling ordering petitioner to pay respondent the amount of P184,000.00 plus interests thereon and attorney's fees.

THE RULING

Petitioner contends that the lower courts erred in ordering him to pay respondent the sum of P184,000.00 considering that the said indebtedness has already been paid on July 25, 2011 as witnessed by Alfonso Medina. As a matter of fact, respondent extended another loan to petitioner on August 7, 2011 in the amount of P50,000.00 inclusive of interest. Had petitioner failed to settle his previous obligation, respondent would not have granted him a new loan.

We do not agree.

At the outset, it must be pointed out that the existence of petitioner's loan obligation in the amount of P230,000.00 inclusive of interest to respondent is undisputed. What remains in question is the fact of alleged payment of the said obligation.

Jurisprudence is replete with rulings that in civil cases, the party who alleges a fact has the burden of proving it. Burden of proof is the duty of a party to present evidence of the facts in issue necessary to prove the truth of his claim or defense by