

## FIRST DIVISION

[ G.R. NO. 126108, February 28, 2007 ]

**CARLOS M. BENEDICTO AND ELIZA BENEDICTO AND ANTONIO V. BENEDICTO AND PACIENCIA BENEDICTO,<sup>[1]</sup> PETITIONERS, VS. PHILIPPINE NATIONAL BANK,<sup>[2]</sup> RESPONDENT.**

### D E C I S I O N

#### **CORONA, J.:**

In this petition for review on certiorari under Rule 45 of the Rules of Court, petitioners raise this question of law: whether or not RA 7202<sup>[3]</sup> and its Implementing Rules and Regulations (IRR) are applicable to the case at bar.

The findings of fact of the trial court<sup>[4]</sup> and the Court of Appeals<sup>[5]</sup> follow.

On various dates,<sup>[6]</sup> petitioners Carlos Benedicto, Eliza Benedicto, Antonio Benedicto and Paciencia Benedicto, jointly and severally, obtained from respondent Philippine National Bank several loans amounting to P251,908.65<sup>[7]</sup> secured by real estate mortgage over properties covered by TCT Nos. T-6971, T-2055 and T-273.

For petitioners' failure to settle their obligation, the total indebtedness soared to P450,334.05.<sup>[8]</sup> To satisfy this liability, respondent foreclosed on the mortgaged properties. At the public auction held on September 29, 1981, respondent was adjudged the highest bidder and a certificate of sale was issued to it. After deducting the proceeds of the auction sale from petitioners' outstanding obligation, there remained a deficiency in the amount of P283,409.05, including accrued interest and annual service charges. Despite respondent's repeated demands, petitioners refused to pay. Consequently, an action for recovery of the deficiency was filed by respondent against petitioners.

On July 30, 1986, the trial court ordered petitioners to pay, jointly and severally, the amount of P283,409.05 plus attorney's fees and costs of suit.<sup>[9]</sup>

On appeal, the Court of Appeals affirmed the findings of the trial court *in toto*.<sup>[10]</sup> According to the Court of Appeals, "a simple reading of all the promissory notes will readily reveal identical stipulations that the obligation is joint and several. No amount of rhetoric can alter this fact."<sup>[11]</sup>

The motion for reconsideration was denied.<sup>[12]</sup> Hence, this petition.

RA 7202 aimed to restitute the losses suffered by sugar producers due to actions taken by government agencies in order to revive the economy in the sugar-producing areas of the country.