

## TWELFTH DIVISION

[ CA-G.R. CV NO. 101023, November 28, 2014 ]

**CHARRY LISING, PLAINTIFF-APPELLANT, VS. SPS. BERNARDO MANANSALA, JR., AND OFELIA MANANSALA, DEFENDANTS-APPELLEES.**

### D E C I S I O N

**DIMAAMPAO, J.:**

Plaintiff-appellant Charry Lising (Lising) bewails the *Decision*<sup>[1]</sup> dated 25 January 2013 and *Order*<sup>[2]</sup> dated 4 March 2013 of the Regional Trial Court, Fourth Judicial Region, San Jose, Occidental Mindoro, Branch 46, nullifying the *Mortgage Agreement*<sup>[3]</sup> executed between her and defendants-appellees, the spouses Bernardo and Ofelia Manansala (spouses Manansala) and denying the *Motion for Reconsideration* thereof, respectively, in SP Proc. No. R-814.

This is a squabble among family relatives. The records unveil that Lising extended a loan in the amount of US \$23,600 to the spouses Manansala. Lising is the niece of appellee Ofelia Manansala (Ofelia). The obligation was secured by the contentious *Mortgage Agreement* whereby the spouses Manansala agreed to encumber two parcels of land covered by Transfer Certificate of Title (TCT) No. T-5694<sup>[4]</sup> and TCT No. T-4229.<sup>[5]</sup> Upon failure of the spouses Manansala to pay the balance of the loan amounting to US \$20,600, Lising sought to foreclose the mortgage insofar as TCT No. T-5694 was concerned as it appeared that TCT No. T-4229 was registered in the name of one Josefina Casao (Josefina), sister of Ofelia. Inevitably, Lising filed a *Complaint for Foreclosure of Real Estate Mortgage* before the court *a quo*.

The spouses Manansala did not take the grouse sitting down. They disclosed that Lising was no longer a Filipino citizen as she became an American citizen on account of her marriage to one Steven Desobich, an American citizen.<sup>[6]</sup> They theorized that Lising, an alien and a permanent resident of the United States of America, had no right to own land in the Philippines.

Further, the spouses Manansala narrated that they first obtained a loan of US \$15,000 from Lising.<sup>[7]</sup> This obligation was secured by TCT No. T-4229, the realty previously sold by Josefina to Ofelia. The title, however, remained registered in the name of Josefina. Due to financial difficulties, the spouses Manansala failed to pay the debt prompting them to request for another loan of US \$5,000. Lising agreed upon the condition that TCT No. T-5694 would be made as additional collateral. The obligation by then amounted to US \$23,600, inclusive of interests.

Through fraud and machination, Ofelia sold to Lising the land covered by TCT No. T-4229.<sup>[8]</sup> Lising was able to cause the issuance of TCT No. T-17217<sup>[9]</sup> in her own name. The spouses Manansala hypothesized that the transfer of the real estate to

Lising obliterated the obligation of US \$15,000. They claimed that they paid Lising US \$3,000. Thereafter, they consigned with the court *a quo* a check amounting to P58,000.00. They asserted that these payments fully paid the mortgage debt.<sup>[10]</sup>

In due course, the court *a quo* rendered the assailed Decision, disposing—

**"WHEREFORE,** premises considered, Judgment is hereby rendered as follows:

1. DECLARING the subject Deed of Mortgage as NULL and VOID for being contrary to law and public policy;
2. ORDERING the (appellant) to return the subject titles in the name of herein (appellees) to the latter;
3. ORDERING the (appellees) to return the amount of \$20,000.00 they borrowed from herein (appellant) based on Mortgage Agreement less the partial -payments made but with legal interest of 12% per annum from the time of filing of this instant case; and
4. TO PAY THE COST.

**SO ORDERED."**<sup>[11]</sup>

In decreeing this disposition, the court *a quo* ratiocinated that Lising, an American citizen, was disqualified to acquire the realty subject of the *Mortgage Agreement*, on account of the proscription against alien ownership of private lands in the Philippines.

Both parties then moved for reconsideration. The spouses Manansala lamented that the judgment of the court *a quo* must declare categorically that they had already paid the amount of US \$5,900, and that Lising must be made to shoulder the costs of suit.<sup>[12]</sup>

Upon the other hand, Lising argued that she was a Filipino citizen as evidenced by her *Citizenship Retention and Re-Acquisition*<sup>[13]</sup> dated 11 February 2005 as well as her passport<sup>[14]</sup> issued in November 2000.

Weighing the diverse contentions of the parties, the court *a quo* issued the challenged *Order*, thusly—

**"WHEREFORE,** Order is hereby issued denying the (appellant's) Motion for Reconsideration for lack of merit. The Decision dated January 25, 2013 is hereby modified to the following extent, viz:

1. ORDERING the Register of Deeds, San Jose, Occidental Mindoro to CANCEL TCT No. T-17217 and to REINSTATE TCT NO. T-4229 AND REGIS-TER it in the name of herein (appellees) upon full compliance with its pertinent rules and regulations and payment of fees as required by law;
2. ORDERING the herein (appellees) to RETURN the amount of \$20,000.00 to herein (appellant) LESS the amount of \$14,500.00 already paid to the latter with twelve percent (12%) interest from the time of filing this case until fully paid.

**SO ORDERED."**<sup>[15]</sup>

Undeterred, Lising (now, appellant) seeks recourse before Us anchored on the following assigned errors:

**I**

**THE LOWER COURT ERRED IN RULING THAT THE DEED OF MORTGAGE BETWEEN THE PARTIES IS NULL AND VOID.**

**II**

**THE LOWER COURT ERRED IN ORDERING THE REGIS-TER OF DEEDS OF SAN JOSE, OCCIDENTAL MINDORO TO CANCEL TCT NO. T-17217 AND TO REINSTATE TCT NO. T-4229 AND TO REGISTER THE SAME IN THE NAME OF THE SPS. MANANSALA.**

**III**

**THE LOWER COURT ERRED IN RULING THAT (SPS. MANANSALA) ONLY OWED (LISING) THE SUM OF US\$5,500.00 ARRIVED AT BY THE DEDUCTING US\$ 14,500 FROM US \$20,600.00 CLAIMED BY LISING.**

***The Appeal carries weight and conviction.***

The issues shall be resolved in one fell swoop. Apparently, the linchpin of this *Appeal* revolves around the issue of whether or not Lising (now, appellant), a former Filipino citizen who later re-acquired her Filipino citizenship, is allowed to own private lands in the Philippines.

We are not unmindful that the court *a quo* disqualified appellant from owning the land covered by TCT No. T- 17217, and from foreclosing the mortgage constituted on the property covered by TCT No. T-5694, upon the strength of **Sections 7 and 8, Article XII** of the **1987 Constitution** which provide—

"Sec 7. Save in cases of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations, or associations qualified to acquire or hold lands of the public domain.