

SPECIAL ELEVENTH DIVISION

[CA-G.R. SP. No. 136713, November 28, 2014]

HOME DEVELOPMENT MUTUAL FUND, PETITIONER, VS. JENNY C. PALIVINO AND ALL PERSONS CLAIMING RIGHTS UNDER HER, RESPONDENTS.

D E C I S I O N

DICDICAN, J.:

Before this Court is a Petition for Review^[1] filed pursuant to Rule 42 of the Revised Rules of Court seeking a review of the Decision^[2] rendered by Branch 25 of the Regional Trial Court in Biñan, Laguna, Fourth Judicial Region in Civil Case No. B-9246 dated May 6, 2014 which affirmed the Decision^[3] of the Municipal Trial Court in Cities, Cabuyao, Laguna ("MTC") dated September 19, 2013 dismissing the complaint for ejectment filed by petitioner Home Development Mutual Fund, herein after referred to as Pag-IBIG Fund, against respondents Jenny C. Palivino ("Palivino") and all persons claiming rights under her.

The material and relevant facts, as culled from the record, are as follows:

Petitioner Pag-IBIG Fund is a government financial institution duly organized and existing under and by virtue of Republic Act No. 9679, otherwise known as the Home Development Mutual Fund Law of 2009.

On August 3, 1998, respondent Palivino entered into a Contract to Sell with Extra Ordinary Development Corporation ("EDC") involving a parcel of land located at Block 25, Lot 24, Mabuhay City Subdivision, Barrio Mamatid, Cabuyao, Laguna ("subject property").

To fully pay the balance of her obligation under the Contract to Sell, Palivino applied for and was granted by herein petitioner, Pag-IBIG Fund, a housing loan in the amount of One Hundred Eighty Five Thousand Eight Hundred Fifty Seven and Thirty Five Centavos (P185,857.35).

EDC then assigned its rights and interests over the said contract to petitioner Pag-IBIG Fund.

Respondent Palivino, after making initial payments, started to occupy the subject property. Thereafter, respondent Palivino defaulted in the payment of her monthly installments for more than three (3) months which caused the cancellation of the aforementioned Contract to Sell on January 31, 2003. On February 12, 2003, Palivino was notified of the said cancellation.

In view of the cancellation of the Contract to Sell, a formal Letter of Demand/Notice to Vacate was sent to Palivino dated July 30, 2003 wherein she was given a period

of five (5) days from receipt thereof to vacate the property and pay reasonable monthly rentals thereon from the time that she occupied the subject property up to the time that she finally vacates the premises.

Despite the foregoing demand, Palivino refused and continue to refuse to vacate the property nor pay the corresponding reasonable monthly rentals to Pag-IBIG Fund accruing from her occupation thereof.

Due to the unauthorized and illegal use and enjoyment by respondent Palivino of the subject premises, petitioner Pag-IBIG Fund filed before the MTC a complaint for unlawful detainer against the former and all other persons claiming rights under her which was docketed as Civil Case No. 1504.

In the complaint, petitioner Pag-IBIG Fund asserted that, since the contract to sell had already been cancelled, the respondents must vacate the subject property and surrender possession thereof to it. Moreover, petitioner Pag-IBIG Fund alleged that the respondents must be held liable for the payment of the accrued monthly rentals, exemplary damages and litigation expenses.

Instead of an Answer, the respondents filed a Motion to Dismiss which was however denied by the MTC through an Order^[4] dated July 25, 2005.

On March 3, 2006, petitioner Pag-IBIG Fund filed a Motion to Render Summary Judgment.

Subsequently, another Motion to Dismiss was filed by the respondents on June 21, 2006 raising as ground for such dismissal the Housing and Land Use Regulatory Board ("HLURB") Decision dated June 6, 2006 which invalidated the cancellation of the Contract to Sell involving the subject property.

The MTC again denied the respondents' second motion to dismiss in an Order^[5] dated June 21, 2007.

On March 20, 2012, the MTC issued an Order granting the petitioner's motion for summary judgment.

Consequently, on September 19, 2013, Judge Michelle C. Manaig-Calumpong of the MTC rendered a Decision, the dispositive portion of which read:

"In view thereof, the instant Complaint is hereby Dismissed for being moot and academic.

"SO ORDERED."

In the MTC Decision, the said court emphasized that it had no jurisdiction over the complaint for ejectment filed by Pag-IBIG Fund. It ruled that the prior case filed by herein respondents, together with other subdivision buyers, against herein petitioner Pag-IBIG Fund and Extra-Ordinary Development Corporation, which sought for the reversal of the cancellation of their contracts to sell with the latter, had vested jurisdiction over the subject matter with the HLURB or the Housing and Land Use

Regulatory Board. Verily, the MTC continued that, in accordance with the principle that an administrative agency conferred with quasi-judicial functions shall have jurisdiction over all controversies relating to the subject matter pertaining to its specialization, issues involving the subject lot herein shall be within the ambit of the powers of the HLURB since split jurisdiction is not favored.

The MTC also cited the case of the Court of Appeals entitled *Spouses Doydora v. Home Development Mutual Fund*^[6] dated January 31, 2012, which upheld the jurisdiction of the HLURB. Interestingly, the above-mentioned case involved herein petitioner, claims and defenses as it covered properties likewise located in Mabuhay City Subdivision in Cabuyao, Laguna. The spouses Doydora were also the respondents' co-plaintiffs in the prior suit for revocation of the cancellation of the contracts to sell which was filed with the HLURB.

Aggrieved, the petitioner appealed the decision of the MTC to the RTC which was however denied in the assailed Decision dated May 6, 2014, pertinent portions of which reads, to wit:

"While it is true that the lower court, the Municipal Trial Court of Cabuyao, Laguna has jurisdiction to act in this case for ejectment, it should also be taken into account that to arrive at a sound and good decision, the court will receive evidence from the parties to support their respective claims. In the case at bar, the defendant-appellee has presented sufficient justification to negate the allegations advanced by the plaintiff-appellant in its complaint. Prior to the filing of the complaint before the lower court on 09 December 2008, the defendant-appellee had already filed ahead a complaint against herein plaintiff-appellant along members of Mamatid, Cabuyao, Laguna Homeowners Association, Buyers, Petitioner of Mabuhay City Subd., under HLURB Case No. R-W6-060403.

"Prior to the filing of the complaint before the lower court on 25 November 2003, a similar case was filed along with members of Mamatid, Cabuyao, Laguna Homeowners Association, Buyers, Petitioner of Mabuhay City Subd., which was decided upon by the Housing and Land Use Regulatory Board (HLURB) on June 6, 2006, the decretal portion of the dispositive portion of which states:

'WHEREFORE, premises considered, judgment is hereby rendered declaring as invalid the Cancellation of Contracts and the complainants are hereby ordered to update their payments in accordance with the contract within sixty (60) days from finality of this Decision; failure of which entitles the respondent to rescind the same in accordance with the provisions of R.A. 6552. In the event that the contracts are rescinded pursuant to R.A. 6552, complainants are hereby ordered to pay P1,000.00 as monthly rental reckoned from the time they actually took possession of their respective units until they vacate the said properties.'

"By virtue of such decision, the plaintiff-appellant cannot bring this action for Ejectment in the Municipal Trial Court unless the former can show convincing evidence that such decision did not bind them. Plaintiff-appellant Home Development Mutual Fund failed to discharge the burden of proving its case under the circumstances. Although it was Extraordinary Development Corporation who was the original respondent party in that case, plaintiff-appellant stepped into the shoes of Extraordinary Development Corporation.

"xxx xxx xxx

"Also, in the case of *Francel Realty Corporation vs. CA* (G.R. No.117051, January 22, 1996), it was held by the Honorable Supreme Court that:

"xxx xxx xxx

'Petitioner's complaint is for unlawful detainer. While generally speaking such action falls within the original and exclusive jurisdiction of the MTC, the determination of the ground for ejectment requires a consideration of the rights of a buyer on installment basis of real property. Indeed, private respondent claims that he has a right under P.D. no. 957, Section 23 to stop paying monthly amortizations after giving due notice to the owner or developer of his decision to do so because of petitioner's alleged failure to develop the subdivision or condominium project according to the approved plans and within the time for complying with the same. The case thus involves a determination of the rights and obligations of parties in a sale of real estate under P.D. No. 957, Private respondent has in fact filed a complaint against petitioner for unsound real estate business practice with the HLURB.

'This is, therefore, not a simple case for unlawful detainer arising from the failure of the lessee to pay the rents, comply with the conditions of the lease agreement or vacate the premises after the expiration of the lease. Since the determinative question is exclusively cognizable by the HLURB, the question of the right of petitioner must be determined by the agency.'

"xxx xxx xxx

"**WHEREFORE**, in light of the foregoing, the said decision of the Municipal Trial Court of Cabuyao, Laguna is hereby AFFIRMED. Appeal is hereby DISMISSED.

"**SO ORDERED.**"

Unstirred by the foregoing disposition of the RTC, petitioner Pag-IBIG Fund filed the