

TENTH DIVISION

[CA-G.R. SP No. 134753, November 27, 2014]

MELBA S. REVIS, PETITIONER, VS. HOME GUARANTY CORPORATION AND GONZALO BENJAMIN A. BONGOLAN, RESPONDENTS.

D E C I S I O N

LANTION, J.A.C., J.:

This *Petition for Review*^[1] under Rule 43 of the Rules of Court seeks to annul and set aside the *Decision*^[2] dated 25 September 2013 of the Office of the President (OP) in O.P. Case No. 10-J-446 and its *Resolution*^[3] dated 13 March 2014 denying the *Motion for Reconsideration*^[4] thereof. The decretal portion of the OP's *Decision* dated 25 September 2013 reads:

"**WHEREFORE**, based on the foregoing, the Decision appealed from is hereby **AFFIRMED** *in toto*.

SO ORDERED."^[5]

THE FACTS (As culled from the Records)

In 1980, the Bliss Development Corporation (BDC) developed and constructed the Capitol Bliss Housing Project (Bliss Project) in Commonwealth Avenue, Quezon City. In 1983, the housing units in the Bliss Project were awarded to several government employees, including herein petitioner Melba Revis (hereafter petitioner). Petitioner was awarded a townhouse unit located at Block 7, Lot 15, New Capitol Estate I, Commonwealth Avenue (subject property).

The original agreement was for the awardees to apply for individual housing loans from the National Home Mortgage Finance Corporation (NHMFC) to pay for their respective housing units with the BDC, thus, each beneficiary of the Bliss Project (Bliss beneficiaries) executed Deed of Sale with Mortgage in favor of BDC. However, the NHMFC housing loan program did not push through due to lack of funds and various documentation deficiencies. The BDC informed the Bliss beneficiaries that it has "to review its position" and amend certain provisions in the Deed of Sale with Mortgage they executed with BDC because of the NHMFC's inability to provide the financing of the loans. However, such amendments to their original contracts were resisted by the Bliss beneficiaries.

Consequently, on 19 August 1987, the Bliss beneficiaries filed a letter-complaint against BDC before the Housing and Land Use Regulatory Board (HLURB) entitled "*Albert Lesaca, et., al., vs. Bliss Development Corporation*" docketed as HLURB Case No. REM 032588-3547 (Lesaca case) alleging, among others, that BDC coerced them to sign amended/modified contracts and failed to complete the development of the Bliss Project. The Bliss beneficiaries prayed that HLURB compel BDC to recognize the original contracts they executed as valid and binding.

On 23 February 1989, the HLURB Office of Appeals Adjudications & Legal Affairs (OAALA) rendered a Decision^[6] declaring, among others, the Deed of Sale with Mortgage executed by the beneficiaries and BDC to be valid and binding and ordering BDC to comply with all its obligations under the respective contract with the beneficiaries. The HLRUB-OAALA also ordered the beneficiaries to pay their monthly amortization based on the original contracts without interest and penalty within fifteen (15) days from the finality of its Decision.

BDC appealed the above Decision to the HLURB-Board of Commissioners (BOC). On 7 August 1990, the HLURB-BOC affirmed the Decision of the HLRUB-OAALA upholding the efficacy of the beneficiaries' contracts. BDC filed a motion for reconsideration, thus, on 16 January 1991, the HLURB-BOC issued a Resolution^[7] the decretal portion of which reads:

"WHEREFORE, the decision sought to be considered or set aside is hereby modified only as to the provision on consignation, to obviate any confusion that might arise from its implementation. Instead, respondent is ordered to accept payments from complainants, accrued monthly amortization commencing April 4, 1987, under the following conditions:

a. Respondent BDC to condone all penalties accruing to the accounts of complainants and all those similarly situated in the Capitol Bliss Project. In accordance with National Emergency Memorandum Order No. 32; Provided further, that penalties which have been previously paid shall be applied either to present or future amortization or to the principal balance of the purchase price at the option of the complainants/home buyers;

b. Consistent with such condonation, complainants and all Capitol Bliss Home buyers shall pay monthly amortizations commencing April 4, 1987;

c. Such accrued amortizations computed from April 4, 1987 should be paid in full within 60 days from finality of this decision in the office of respondent BDC or its designated representatives;

d. Complainants and similar buyers at Capitol Bliss who fail to pay in full accrued amortizations within 60 days from finality hereof shall be subject to penalties for failure to qualify under the program of NEMO 32;

e. Failure on the part of complainant and other Capitol Bliss buyers shall immediately entitle respondent BDC to a writ of execution ordering complainant and similar buyers to pay all accrued rentals and charges and immediately vacate the units purchased or occupied by them or their

agents.

EN BANC - ALBERTO LESACA, ET. AL. VS. BLISS DEVELOPMENT CORP.
HLRB CASE NO. REM-A-0550

SO ORDERED."^[8]

Undaunted, BDC elevated the matter to the Office of the President questioning, among others, the condonation of penalties on late payments and the date fixed (April 4, 1987) by the HLURB for the commencement of payment of the Bliss beneficiaries' monthly amortization under the Deed of Sale with Mortgage. On 26 May 1994, the OP issued a Decision, the dispositive portion of which reads:

"WHEREFORE, premises considered, the date for the commencement of all the payment of the monthly amortization by complainants and all Capitol Bliss Home buyers under their respective contracts pursuant to the appealed HLURB Resolution dated 16 January 1991, is hereby declared to be September 28, 1990, and the accrued amortizations to be paid under the appealed Resolution are accordingly hereby ordered to be computed from said date. The rest of the appealed Resolution dated January 16, 1991 is hereby **AFFIRMED**.

SO ORDERED."^[9]

The OP's Decision was appealed by the Bliss beneficiaries to the Supreme Court *via* petition for *certiorari*. On 1 March 1995, the Supreme Court issued a Resolution dismissing the said petition and affirmed the Decision of the OP.^[10] On 20 July 1995, the Supreme Court Decision became final and executory.

Meanwhile, all the Bliss Projects were assigned, transferred and conveyed by the defunct Ministry of Human Settlements to public respondent Home Guaranty Corporation (hereafter respondent HGC) and the latter informed all the beneficiaries to pay their respective amortizations directly to it. Respondent HGC then initiated collection of payments of overdue amortizations from the Bliss beneficiaries starting from 28 September 1990 in accordance with the 1 March 1995 Supreme Court Decision. Despite demands made by Respondent HGC, most of the Bliss beneficiaries, including petitioner, refused, ignored and failed to pay their obligations.

On 22 October 2001, respondent HGC secured a writ of execution from the HLURB to implement the said Supreme Court Decision against petitioner. However, the same was not enforced by respondent HGC against petitioner due to the latter's plea for humanitarian considerations because her salary, as a government employee is insufficient to cover her dues. She promised respondent HGC that she will pay her dues and pleaded for more time to secure the necessary funds.

On 6 June 2002, petitioner made her first partial payment of her obligations to

respondent HGC in the amount of Php200,000.00. In turn, respondent HGC applied the condonation of penalties on petitioner's account pursuant to the decision in the Lesaca case, thus her remaining outstanding balance, as of 6 June 2002, amounts to Php430,127.76.

On 6 March 2003, petitioner paid respondent HGC Php100,000.00. However, according to respondent HGC, petitioner's outstanding balance has accumulated to Php541,054.05 due to penalties and surcharges. Respondent HGC presented petitioner with several options to restructure and update her account but to no avail. Petitioner made no further payment and her obligations to respondent HGC amounted to Php1,384,592.67 as of 12 April 2005. Petitioner, in several correspondences to respondent HGC, pleaded that she be allowed to keep her home and promised to pay the amortization dues on installment basis.

On 10 November 2005, respondent HGC served petitioner a notice to vacate^[11] by virtue of the alias writ of execution.^[12] Petitioner again pleaded to respondent HGC not to take away her home and to allow her to pay her obligation in due time. Despite her promise, petitioner still did not pay her dues, thus, on 23 January 2006, respondent HGC issued another notice to vacate^[13] the subject property and that the same was going to be sold through public auction. Petitioner advised respondent HGC that she would participate in the public auction and that she would voluntarily vacate the subject property in favor of the winning bidder. Hence, respondent HGC again suspended the implementation of the writ.

On 17 March 2006, the public auction commenced and petitioner participated therein but her bid fell short and the subject property was awarded to the winning bidder.

Consequently, on 26 April 2006, another notice to vacate^[14] was served to petitioner because she refused to vacate the subject property despite her assurance that she would voluntarily leave the same.

On 2 May 2006, Petitioner filed an *Annulment of Foreclosure & Auction Sale*^[15] against respondent HGC before the HLURB docketed as HLURB Case No. REM-050206-13314. She complained that she was denied due process because respondent HGC failed to notify her that the subject property has been foreclosed. She alleged that her obligation with respondent HGC was Php670,570.59 as of 31 October 2001 and has paid initially Php300,000.00 but has not received an updated statement of her account. Petitioner alleged that she made several requests for respondent HGC to restructure her loan account but to her surprise she received several notices to vacate the subject property. She also claimed that the ruling in the Lesaca case does not apply to her because she was never a party in the case.

On 24 September 2007, the HLURB-Expanded National Capital Region Field Office (ENCRFO) rendered a Decision^[16] declaring the auction sale null and void and ordered respondent HGC to accept the amortization payment of petitioner for her account balance. However, petitioner was ordered to pay respondent HGC the amount of Php430,127.76 with legal interest of 6% per annum from the time of the formal demand on 6 June 2002, within a period of five (5) years.