

EIGHTH DIVISION

[CA G.R. SP NO. 90493, August 25, 2006]

SPS. ARTURO J. UY AND LEONCIA O. UY, CAMALIG ART CENTER, INC. AND OBANDO-UY DEVELOPMENT CORPORATION, PETITIONERS, VS. THE HONORABLE PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF LIPA CITY, BRANCH 13, HON. JANE AURORA C. LANTION AND KEPPEL BANK PHILIPPINES, INC., RESPONDENTS.

DECISION

CARANDANG, J.:

This is a petition for certiorari under Rule 65 seeking a review and a reversal of the respondent trial court's order dated 26 April 2005, denying petitioners' prayer for preliminary injunction, as well as its order of 6 July 2005, denying petitioners' subsequent motion for reconsideration.

On 6 September 1999 and 3 May 2000, petitioners obtained loans from private respondent Keppel Bank Philippines, Inc. (KEPPEL) in the total amount of Twenty Million pesos (P20,000,000.00). For this, petitioner Leoncia Uy executed a mortgage agreement over three parcels of land covered by TCT Nos. T-110170, T-110171 and T-110172 all registered in Lipa City. After almost a year of paying the monthly amortization due on the loans, petitioners started to default from their amortizations as these fell due. Despite this, petitioners were able to have their loans restructured. However, after a few payments, the petitioners again failed to meet their obligations. As a result, KEPPEL demanded payment otherwise foreclosure proceedings would be initiated.^[1] Thereafter, and upon KEPPEL's notice as to the status of their loan, petitioners' once again sought concessions.^[2] A series of offers and counter offers ensued between the parties regarding a proposed memorandum of agreement and a *dacion en pago* but without success.^[3] The petitioners, this time through counsel, sent another proposal to KEPPEL but the same was denied. On 10 December 2003, KEPPEL filed an application for extra-judicial foreclosure of the mortgaged properties before the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court of Lipa City. On 29 January 2004, petitioners through their other counsel sent another proposal to KEPPEL and further requested the deferment of the foreclosure sale set for 11 February 2004 but the same was again denied. The sale pushed through and KEPPEL, as the highest bidder, was awarded the Certificate of Sale dated 14 April 2004.^[4]

With this, petitioners filed a complaint for Annulment of Mortgage and Foreclosure with Prayer for Temporary Restraining Order and/or Injunction against KEPPEL. And on 26 April 2005, the trial court issued the first assailed order denying petitioners' prayer for preliminary injunction. Petitioners then moved for reconsideration but the same was likewise denied by the trial court in its second assailed order of 6 July