



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **16 June 2021** which reads as follows:*

“G.R. No. 255217 (*Susana S. Mayor v. Bank of the Philippine Islands*). – The Court resolves to **DENY** the petition for review on *certiorari*¹ for failure to sufficiently show that the Court of Appeals committed reversible error in rendering its assailed Decision² dated June 5, 2020 and Resolution³ dated January 11, 2021 as to warrant the Court’s exercise of its discretionary appellate jurisdiction.

In petitions for review on *certiorari* under Rule 45 of the Rules of Court, the Court is narrowly confined to the review of legal issues. Hence, the Court will not take cognizance of the pure factual issue raised, let alone, calibrate anew the evidence which had already been thoroughly evaluated and considered thrice by the tribunals below.⁴

Whether Susana S. Mayor (petitioner) is liable to pay her outstanding obligation to Bank of the Philippine Islands (respondent) is essentially a factual issue which the Court will not take cognizance of *via* Rule 45.

Besides, petitioner here did not dispute that she has an outstanding obligation with respondent. She simply claims that the amount due lacks basis. Petitioner’s allegation, however, remains unsubstantiated by evidence. It is settled that one who alleges a fact has the burden of proving it and

¹ *Rollo*, pp. 11-24.

² Penned by Associate Justice Edwin D. Sorongon and concurred in by Associate Justices Gabriel T. Robeniol and Bonifacio S. Pascua, *id.* at 43-49.

³ *Id.* at 27-28.

⁴ See *Gatan v. Vinarao*, 820 Phil. 257, 266 (2017).

the proof should be clear, positive, and convincing. Mere allegation is not evidence.⁵

As for petitioner's claim that she was denied her right to due process, the same must fail. *Vivo v. PAGCOR*⁶ held:

Procedural due process simply means the opportunity to explain one's side or the opportunity to seek a reconsideration of the action or ruling complained of. "To be heard" does not mean only verbal arguments in court; one may be heard also thru pleadings. Where opportunity to be heard, either through oral arguments or pleadings, is accorded, there is no denial of procedural due process.⁷

Here, petitioner was afforded a fair and reasonable opportunity to explain her side through the various pleadings she filed before the court. This sufficiently complies with the requirements of due process.⁸

Absent any showing that certain facts or circumstances of weight and substance have been overlooked, misapprehended or misapplied, We accord the highest respect and finality to the factual findings of the trial courts especially when affirmed by the Court of Appeals, as in this case.⁹

Regarding interest, the imposition of iniquitous and unconscionable interest rate renders the same void. Since the stipulation on the interest rate is void, it is as if there was no express contract thereon, in which case, courts may reduce the interest rate as reason and equity demand.¹⁰

In view, however, of *Nacar v. Gallery Frames*,¹¹ the rate of legal interest imposed by the Court of Appeals must be modified.

Nacar decrees that in the absence of express stipulation regarding the interest rate, the twelve percent (12%) interest rate *per annum* stated in *Eastern Shipping Lines v. Mercantile Insurance Company, Inc.*¹² applies until June 30, 2013. From July 1, 2013, the new interest rate of six percent (6%) *per annum* shall apply, pursuant to *BSP-MB Circular No. 799*. Thus:

- I. When an obligation, regardless of its source, *i.e.*, law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages.

⁵ *Spouses Tan v. Dumlao*, G.R. No. 204042 (Notice), March 6, 2019.

⁶ 721 Phil. 34 (2013).

⁷ *Id.* at 43.

⁸ See *id.*

⁹ *Republic of the Philippines v. Malicse*, G.R. No. 241554 (Notice), June 22, 2020.

¹⁰ *Spouses Tan v. Dumlao*, *supra*.

¹¹ 716 Phil. 267 (2013).

¹² 304 Phil. 236 (1994)

- II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:
1. When the obligation is breached, and it consists in the payment of a sum of money, *i.e.*, a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 6% per annum to be computed from default, *i.e.*, from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.
 2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages, except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code), but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.
 3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 6% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.¹³

Applying *Nacar*, the amount of Three Hundred Ninety-Two Thousand Thirty-Five Pesos and Five Centavos (P392,035.05) representing petitioner's unpaid obligation shall earn legal interest of twelve percent (12%) *per annum* from judicial demand on March 26, 2008 to June 30, 2013; and thereafter, at six percent (6%) *per annum* from July 1, 2013 until finality of the Court's ruling. Further, the total monetary award due shall earn legal interest at six percent (6%) *per annum* from finality of this Resolution until fully paid.¹⁴

¹³ *Id.* at 252-254.

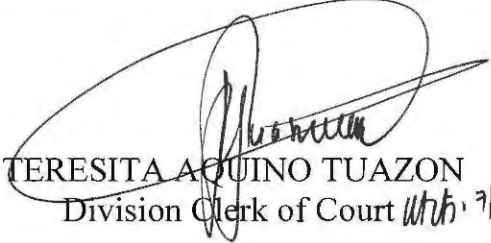
¹⁴ See *Total Petroleum Philippines Corp. v. Lim*, G.R. No. 203566, June 23, 2020.

WHEREFORE, the petition is **DENIED**. The assailed Decision dated June 5, 2020 and Resolution dated January 11, 2021 in CA-G.R. SP No. 156221 are **AFFIRMED with MODIFICATION** by directing petitioner Susana S. Mayor to pay respondent Bank of the Philippine Islands the following:

- 1) The principal amount of Three Hundred Ninety-Two Thousand Thirty-Five Pesos and Five Centavos (₱392,035.05);
- 2) Interest of 12% *per annum* from March 26, 2008 until June 30, 2013;
- 3) Interest of 6% *per annum* from July 1, 2013 until the finality of this Resolution; and
- 4) The total monetary award shall further earn 6% interest *per annum* from finality of this Resolution until fully paid.

SO ORDERED." (J. Lopez, J., designated additional member per Special Order No. 2822 dated April 7, 2021)

By authority of the Court:


 TERESITA AQUINO TUAZON
 Division Clerk of Court *Wh, 7/5*

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HON. PRESIDING JUDGE (reg)
 Regional Trial Court, Branch 133
 Makati City
 (Civil Case No. 95059-CV-R00-0)

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 Supreme Court, Manila

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 CA-G.R. CV No. 156221

(94)URES

*with copy of CA Decision dated 5 June 2020
Please notify the Court of any change in your address.
 GR255217. 06/16/2021(94)URES