

**[OWWA MEMORANDUM OF INSTRUCTIONS NO.
095, August 20, 1990]**

**ADDENDUM TO MEMORANDUM OF INSTRUCTION NO. 57
PRESCRIBING THE POLICY GUIDELINES ON FORECLOSURE OF
MORTGAGED PROPERTIES**

On Real Estate Mortgages

1. The EDD/Regional Units shall send first a demand letter to the delinquent clients for settlement of their obligation;
2. If the above fails, the Legal Counsel shall send a final demand letter for final settlement of their accounts;
3. If the delinquent client fails and continues to ignore the demand, the Legal Counsel shall file extra-judicial foreclosure with the Sheriff's Office, pursuant to the provisions of Act 3135 as amended by RA 4118;
4. Since this involves extra-judicial foreclosure in real estate mortgage, notice to mortgagor is imperative;
5. If mortgagor fails to reply, a foreclosure proceedings is in order;
6. After filing, a notice shall be sent to mortgagor, informing the latter that the foreclosure proceedings has already been filed against him/her;
7. A client properly notified cannot later on seek relief from the court alleging non-notification or assailing the procedure taken;
8. Publication of the extra-judicial sale shall be contemplated in a newspaper of general circulation for three (3) consecutive weeks;
9. REDEMPTION shall take effect one (1) year from the date of registration of the Certificate of Sale with the Registry of Deeds;
10. After one (1) year, the highest bidder shall petition the sheriff who conducted the auction sale to issue the final deed of sale.

On Chattel Mortgages

1. The EDD/Regional Units shall first send a demand letter to the delinquent clients for settlement of their outstanding obligation;
2. If the above fails, the Legal Counsel shall send a final demand letter for final settlement of their accounts;
3. If the delinquent client fails and continues to ignore the demand, then the Legal Counsel shall file extra-judicial foreclosure with the Sheriff's Office pursuant to