

[LTO MEMORANDUM CIRCULAR NO. 96-239, July 22, 1996]

**GUIDELINES TO BE OBSERVED IN THE REGISTRATION OF
MOTOR VEHICLES ACQUIRED THRU EXTRA-JUDICIAL
FORECLOSURE OF MORTGAGE**

Pursuant to Section 4 (d-1) of R.A. 4136, otherwise known as the Land Transportation and Traffic Code of the Philippines, as amended, in relation to the provisions of Act 1508, otherwise known as the Chattel Mortgage Law, and Articles 2112 and 2141 of the New Civil Code of the Philippines, hereunder is the procedure to be observed in the registration of motor vehicles acquired thru Extra-Judicial Foreclosure of Chattel Mortgage, for the guidance and compliance of all concerned.

SECTION 1. Objective -These regulations are being promulgated in order to have uniformity in the procedure to be observed by all District Offices in the registration of motor vehicles acquired thru Extra-Judicial Foreclosure of Chattel Mortgage,

SECTION 2. Legal Bases -

- * Section 5 (e) of R.A. 4136, as amended;
- * Section 14 of Act 1508;
- * Articles 2112 and 2141 of the New Civil Code of the Philippines

SECTION 3. Who may Conduct the Sale at Public Auction -

1. The Sheriff
2. The Mortgagee, who may proceed with the sale before a Notary Public pursuant to Article 2112 in relation to Article 2141 of the New Civil Code of the Philippines, only in cases where:
 - a. The Sheriff is not available, or
 - b. The municipality where the sale is to take place is far from where the sheriff performs his official duties.

SECTION 4. Documentary Requirements - A. When public auction is conducted by the Sheriff:

- a. Original copy of the Certificate of Registration Encumbered (CRE);
- b. Original copy of the latest official receipt of payment of registration fees;