

THIRD DIVISION

[G.R. No. 162473, October 12, 2009]

**SPOUSES SANTIAGO E. IBASCO AND MILAGROS IBASCO AND
PRIME FEEDS, INC., PETITIONERS, VS. PRIVATE DEVELOPMENT
CORPORATION OF THE PHILIPPINES, PROVINCIAL SHERIFF OF
CAMARINES NORTE, AND THE COURT OF APPEALS,
RESPONDENTS.**

RESOLUTION

CARPIO, J.:

This resolves the petition for review^[1] of the Decision,^[2] dated 23 December 2003, and the Resolution, dated 12 March 2004, of the Court of Appeals. The Decision affirmed the dismissal of petitioners' complaint for an injunctive writ to stop foreclosure proceedings while the Resolution denied reconsideration.

In 1980, petitioner Santiago E. Ibasco (Ibasco) obtained a P600,000 loan from respondent Private Development Corporation of the Philippines (PDCP) to fund his business. The loan was secured by four parcels of land^[3] located in Camarines Norte which Ibasco mortgaged to PDCP.^[4] Ibasco defaulted in his loan payments, which, by November 1984, had ballooned to P1,077,515.58. To collect on the security, PDCP, on 23 November 1984, filed with respondent Camarines Norte Provincial Sheriff a petition for extrajudicial foreclosure of mortgage.

To enjoin the foreclosure proceedings and collect damages against PDCP, Ibasco, joined by his wife, Milagros Ibasco, and an assignee of one of the mortgaged lands (covered by TCT No. T-14584), petitioner Prime Feeds, Inc. (petitioners), sued PDCP in the Regional Trial Court of Daet, Camarines Norte, Branch 38 (trial court) for injunction and damages.^[5] Petitioners anchored their cause of action on the contention that PDCP delayed the release of the loan, triggering a series of events causing Ibasco's business to flounder.

In its Answer, PDCP defended the validity of the mortgage contract and insisted on its right to collect on the security to satisfy Ibasco's debt.

After initially issuing a temporary restraining order halting the foreclosure proceedings, the trial court, in its Decision dated 27 April 1994, dismissed the complaint for lack of merit. The trial court found that PDCP released the loan on time and rejected as baseless petitioners' claim for damages.

Petitioners appealed to the Court of Appeals, which, however, affirmed the trial court's ruling in its Decision dated 23 December 2003. Petitioners' motion for reconsideration was denied in the Resolution of 12 March 2004.

Hence, this petition.