

SPECIAL SECOND DIVISION

[G.R. No. 174103, December 23, 2008]

**DEVELOPMENT BANK OF THE PHILIPPINES, PETITIONER, VS.
WEST NEGROS COLLEGE, INC., RESPONDENT.**

R E S O L U T I O N

TINGA, J.:

This treats of the Motion for Reconsideration^[1] dated October 17, 2008, filed by the Development Bank of the Philippines (DBP) seeking the reconsideration of the Court's Resolution^[2] dated September 16, 2008 in G.R. No. 174103. It should be recalled that the question submitted for the Court's resolution was whether the Court of Appeals was correct in ruling that the computation of the redemption price for the property subject of this case should be reckoned as of the date of the public auction on August 24, 1989 and that after this date, DBP can no longer collect interest from respondent West Negros College, Inc. (WNC). In our Resolution dated September 16, 2008, we held that the appellate court's ruling was consistent with the Decision of the Court in G.R. No. 152359 (which spawned the present case) and the present DBP charter, Executive Order No. 81 (E.O. No. 81).

WNC filed an Opposition to the Motion for Reconsideration of Petitioner, dated November 12, 1998, asserting that DBP's motion is *pro forma* as it reiterates the arguments already passed upon by the Court. It further argues that the October 28, 2002 Decision and May 21, 2004 Resolution are already final and executory and may no longer be disturbed.

After a closer scrutiny of its charter, we find that DBP's Motion for Reconsideration is meritorious and that it is entitled to collect accrued interest even after the foreclosure sale. The pertinent provision of E.O. No. 81 provides:

Sec. 16. *Right of Redemption.*--Any mortgagor of the Bank whose real property has been extrajudicially sold at public auction shall, within one (1) year counted from the date of registration of the certificate of sale, have the right to redeem the real property by paying to the Bank all of the latter's claims against him, as determined by the Bank.

The Bank may take possession of the foreclosed property during the redemption period. **When the Bank takes possession during such period, it shall be entitled to the fruits of the property with no obligation to account for them, the same being considered compensation for the interest that would otherwise accrue on the account.** Neither shall the Bank be obliged to post a bond for the purpose of such possession. (Emphasis supplied)