

[Acts No. 4122, December 09, 1933]

AN ACT TO AMEND THE CIVIL CODE BY INSERTING BETWEEN SECTIONS FOURTEEN HUNDRED AND FIFTY-FOUR AND FOURTEEN HUNDRED AND FIFTY-FIVE, THEREOF A NEW SECTION, TO BE KNOWN AS SECTION FOURTEEN HUNDRED AND FIFTY-FOUR-A.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. The Civil Code is hereby amended by inserting between sections fourteen hundred and fifty-four and fourteen hundred and fifty-five thereof a new section, to be known as section fourteen hundred and fifty-four-A, which shall read as follows:

"SEC. 1454-A. In a contract for the sale of personal property payable in installments, failure to pay two or more installments shall confer upon the vendor the right to cancel the sale or foreclose the mortgage if one has been given on the property, without reimbursement to the purchaser of the installments already paid, if there be an agreement to this effect.

"However, if the vendor has chosen to foreclose the mortgage he shall have no further action against the purchaser for the recovery of any unpaid balance owing by the same, and any agreement to the contrary shall be null and void.

"The same rule shall apply to leases of personal property with option to purchase, when the lessor has chosen to deprive the lessee of the enjoyment of such personal property."

SEC. 2. This Act shall take effect on its approval.

Approved, December 9, 1933.



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