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WHEREFORE, this case is dismissed for being moot and academic. No costs.

Barredo, Aquino, Concepcion Jr., Guerrero, Abad Santos, De Castro and *Escolin, JJ.*, concur.

SECOND DIVISION

[G.R. No. L-38318. June 29, 1982]

AURORA RAYMUNDO, petitioner, *vs.* PEOPLE'S HOMESITE and HOUSING CORPORATION, et al., respondents.

SYNOPSIS

In 1964, by virtue of a sworn application to purchase a lot, respondent People's Homesite and Housing Corporation (PHHC) awarded a parcel of land to petitioner. The award was made subject to the condition that petitioner should comply with PHHC's rules and regulations. When petitioner failed to comply with respondent's requirement to submit her income tax returns for 1966 and a sworn statement to the effect that neither she nor any member of her family is a lot owner in Manila, and when respondent found out that petitioner's income does qualify her to acquire the lot in question, respondent cancelled the award. In 1969, petitioner filed a complaint for specific performance to compel respondent to sell to her the lot. The lower court, based on the pleadings and stipulation of facts submitted by the parties, rendered judgment dismissing petitioner's complaint. Appealed to the Court of Appeals, the case was certified to the Supreme Court the issue involved being purely a question of law.

The Supreme Court held that a sworn application to purchase a lot is not a perfected contract of sale that would give a party a right of action to compel another to sell the lot in question in her favor; that merely an application to purchase it is subject to revocation in case the applicant is not found to possess the necessary qualifications or applicant fails to abide by the conditions thereof; and that the Supreme Court may take cognizance of cases involving decisions of the PHHC only in an action for certiorari where grave abuse of discretion or lack of jurisdiction is alleged.

Judgment affirmed.

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SYLLABUS

1. CIVIL LAW; CONTRACTS; SALES; APPLICATION TO PURCHASE, NOT A PERFECTED CONTRACT OF SALE.— The records disclosed that what was entered into between petitioner and respondent was a mere "Sworn Application to Purchase a Lot" and not a perfected contract of sale as would give the former a right of action to compel the latter to sell the lot in question in her favor. It was merely an application to purchase subject to revocation in case the applicant is found not to possess the qualifications necessary.

2. REMEDIAL LAW; SPECIAL CIVIL ACTIONS; CERTIORARI; REMEDY TO REVIEW ERRORS OR ABUSE OF POWER OF THE PHIL. HOMESITE AND HOUSING CORPORATION.— The power to dispose of the lands placed under the administration of the Philippine Homesite and Housing Corporation is lodged in said body. There is no provision of law authorizing courts to review decisions of respondent PHHC and to take cognizance of actions to annul awards of sale or any other action made by it pursuant to the authority granted it by law. If the courts are to take cognizance of cases involving errors or abuse of power exercised by the respondent PHHC, the remedy would be by means of an action for certiorari or prohibition to set aside the orders or decisions of the respondent, and not a direct action for specific performance as the one instituted in this case. But this special civil action would not lie unless there is an allegation of abuse of discretion or lack of jurisdiction.

APPEARANCES OF COUNSEL

Jose B. Barce and *Dominador L. Reyes* for petitioner.
Office of the Government Corporate Counsel for respondents.

DECISION

DE CASTRO, *J.*:

From a decision of the Court of First Instance of Rizal, Branch XVII in Civil Case No. Q-12709 dismissing petitioner's complaint for specific performance, an appeal was taken to the Court of Appeals which certified the case to Us as one involving purely a question of law, the decision having been made on the basis of the pleadings filed and the stipulation of facts entered into by the parties.

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The facts are as follows:

On December 3, 1964, Lot 2, Block E-122-D, located at Piñahan, Quezon City was awarded by the respondent, the defunct People's Homesite and Housing Corporation[1] (PHHC, for short), to petitioner Aurora Raymundo. As the said lot had not yet been appraised then, petitioner was required to pay a reservation deposit of ₱500.00, which she paid on December 7, 1964. On June 6, 1968, for failure of petitioner to comply with the requirements demanded of her by the respondent PHHC, the latter passed Resolution No. 1132 cancelling the award of the lot in question. On January 4, 1969, petitioner filed in the Court of First Instance of Rizal, Branch XVII a complaint for specific performance against herein respondent PHHC and its Board Director Fructuoso Suzara and PHHC employee Rodeo Pagdanganan to compel the PHHC to sell to her the lot in question with prayer for issuance of preliminary injunction to restrain respondent PHHC from selling the lot in question to another applicant. Respondents in their Answer interposed both affirmative and special defenses including a counterclaim for damages.

Without petitioner's prayer for the issuance of a writ of preliminary injunction being first resolved, the parties through respective counsels agreed to submit the case for decision based on the pleadings thus filed and the following stipulation of facts agreed to by the parties during the pre-trial conference:[2]

"(a) That plaintiff failed to submit within ten (10) days, despite due notice, her income tax return for 1966 or a photostat copy thereof, and a sworn statement to the effect that neither the plaintiff nor any member of her family is a lot owner in Manila and Suburbs as required of her in writing on April 24, 1967 and June 2, 1967 by the Piñahan Committee, thru Director

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[1] The powers, functions, rights and choses in action of PHHC are now transferred to, vested in, and assumed by the National Housing Authority, pursuant to Presidential Decree No. 757.

[2] pp. 22-23, Record on Appeal; Appellant's Brief, pp. 5-7.

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Fructuoso Suzara Jr., one of the herein defendants; (Defendants' contention).

"(b) That plaintiff instead of submitting a copy of her income tax return for 1966 or a photostat copy thereof, submitted an affidavit showing her monthly income and another affidavit showing that she has no lot in Manila and Suburbs; (Plaintiff's contention).

"(c) That plaintiff is not qualified to acquire the lot in question because her stated income of ₱300.00 as appearing in her 'Sworn Application to Purchase a Lot' dated December 3, 1964 is below the minimum requirement for the lot in question. For under PHHC Board Resolution No. 558 dated April 16, 1962, the income of any applicant for a PHHC lot must not be less than five (5) times the installment for a particular residential lot. The monthly installment for the lot in question is ₱116.86; hence, the income of the plaintiff must be at least ₱584.30; (Defendants' contention).

"(d) That plaintiff as earlier pointed out submitted an affidavit in lieu of her income tax return for 1966 that she earns a monthly income of ₱1,000 realized from her poultry and piggery business and that long before the cancellation of her award she offered to pay in full the purchase price of the lot in question. (Plaintiff's contention).

On June 16, 1970, the trial court rendered judgment dismissing petitioner's complaint without pronouncement as to costs, on the ground that petitioner having failed to comply with her obligations under her application to purchase the lot in question, she has no right to compel respondent PHHC to maintain its award in her favor. A motion for reconsideration and/or new trial was denied on July 13, 1970. Not satisfied, petitioner appealed to the Court of Appeals, making the following assignment of errors:

"I. THE LOWER COURT ERRED IN HOLDING THAT PLAINTIFF-APPELLANT DOES NOT HAVE THE QUALIFICATIONS TO PURCHASE THE LOT IN QUESTION.

"II. THE LOWER COURT ERRED IN RESORTING TO A STRICT AND LITERAL INTERPRETATION OF THE PHHC RULES AND REGULATIONS IN THE AWARDING OF LOTS.

"III. THE LOWER COURT ERRED IN NOT AWARDING DAMAGES IN FAVOR OF THE PLAINTIFF-APPELLANT.

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"IV. THE LOWER COURT ERRED IN DISMISSING THE COMPLAINT."

As stated in the beginning of this opinion, the Court of Appeals certified the appeal to this Court.

Petitioner's action for specific performance was based on the assumption that her non-submission of her 1966 income tax return did never disqualify her to purchase the lot in question nor served as a valid basis for the cancellation of the award made previously in her favor for she was qualified to buy the lot more than anyone else for the reason that she had the money and was willing to pay the entire price of the lot in one full payment.

1. The records disclose and it is not disputed that what was entered into between petitioner herein and respondent PHHC was a mere "Sworn Application to Purchase a Lot," and not a perfected contract of sale as would give the former a right of action to compel the latter to sell the lot in question in her favor. In fact, not even a contract to sell was executed by petitioner and respondent PHHC.[3] Thus, in Galvez *vs.* Vda. de Kangleon,[4] this Court made the following observations:

"If in the Alvarez case, *supra,* the controverted deed of sale which embodied all the essential elements of a contract of sale by installment was considered by this Court merely as an application to buy the land, and not a perfected contract of sale, there is more cogent reason to conclude that the sales memorandum sent to Kangleon in the instant case has not ripen into that juridical relation. *In fact, not even a contract to sell the lot was executed by Kangleon and the Rural Progress Administration. Hence, neither party could compel the other to go through with the transaction because the same is not binding upon them. Indeed, under this premise, the Rural Progress Administration could not have compelled Kangleon to purchase the property through an action for specific performance simply because the latter had gone twice to the office of the former offering to pay the price of the lot, in the same manner that Kangleon could not compel the Rural Progress Administration, as he now seeks in the instant case to sell the lot*

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[3] See p. 10, Brief for Defendants-Appellees.

[4] 6 SCRA 162.

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to him simply because a sales memorandum containing the pertinent data relative to the lot in dispute was forwarded to him." (Italics supplied).

Furthermore, inasmuch as what was executed between petitioner and respondent PHHC was merely an application to purchase, then it is subject to revocation in case the applicant (petitioner herein) is found not to possess the qualifications necessary.[5] Respondent PHHC found that petitioner is not qualified to acquire the lot because her stated income of ₱300.00 appearing in the "Sworn Application to Purchase a Lot," dated December 3, 1964 is below the minimum monthly income requirement for the lot in question.

2. Respondent PHHC sent two (2) notices to petitioner, dated April 24, 1967 and June 2, 1967, requiring her to submit her income tax return for 1966 or a photostat copy thereof. Petitioner failed to submit, despite due notice, such requirement, which led respondent to cancel the award of the lot in her favor. It appears that the award made to petitioner was subject to the condition that she will comply with PHHC's rules and regulation. Thus, it was stated in her "Sworn Application to Purchase a Lot":

"I hereby apply for the purchase of the above lot in accordance with the Rules and Regulations of the People's Homesite and Housing Corporation regarding sales, which I hereby undertake to comply with faithfully."[6]

Petitioner, however, by failing to comply with the specific requirement as required of her, violated such rules and regulations. And the fact that she offered to pay in full the purchase price of the lot will not obliterate the violation committed by her. Respondent PHHC, therefore, was justified in cancelling the award made in petitioner's favor.

3. The power to dispose of the lands placed under the administration of the Philippine Homesite and Housing Corporation is lodged in said body. There is no provision of law

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[5] Alvarez *vs.* Board of Liquidators, 4 SCRA 195.

[6] p. 34, Record on Appeal.

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authorizing courts to review decisions of respondent PHHC and to take cognizance of actions to annul awards of sale of any other action made by it pursuant to the authority granted it by law. If the courts are to take cognizance of cases involving errors or abuse of power exercised by the respondent PHHC, the remedy would be by means of an action for certiorari or prohibition to set aside the orders or decisions of the respondent, and not a direct action for specific performance as the one instituted in this case. But this special civil action would not lie unless there is an allegation of abuse of discretion for lack of jurisdiction.[7]

In the case at bar, it is not claimed that respondent PHHC lacked jurisdiction or that there has been an abuse of discretion by it in the exercise of its powers resulting in the cancellation of the award of the lot in favor of the petitioner. In the absence of error or abuse of power or lack of jurisdiction or grave abuse of discretion, the action of respondent PHHC would not be disturbed by the judicial department.[8] Courts of justice will not generally interfere with purely administrative matters which are addressed to the sound discretion of government agencies unless there is a clear showing that they have gone beyond their statutory authority, exercised unconstitutional powers or acted arbitrarily as with grave abuse of discretion, or when they have acted in a capricious and whimsical manner such that their action may amount to an excess or lack of jurisdiction.[9]

IN VIEW OF THE FOREGOING, the decision appealed from is hereby AFFIRMED. Costs against petitioner.

SO ORDERED.

Barredo (Chairman), Aquino, Concepcion Jr., Guerrero, Abad Santos, Escolin, JJ., concur.

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[7] Alvarez *vs.* Board of Liquidators, *supra;* Sichangco *vs.* Board of Commissioners of Immigration, 94 SCRA 61.

[8] Guardiano *vs.* Encarnacion, 29 SCRA 326.

[9] Ganitano *vs.* Secretary of Agriculture and Natural Resources, 16 SCRA 543; Espinosa *vs.* Makalintal, 45 O.G. 712; Iman Sahim *vs.* Montejo, 8 SCRA 333.