THIRD DIVISION

[G.R. No. 227861. January 29, 2026]

BANK OF THE PHILIPPINE ISLANDS [FORMERLY FAR EAST BANK AND TRUST COMPANY], PETITIONER, VS. ANGELA CORDOBA,* SPS. ANASTACIO SAYSON AND GLORIA SAYSON, AND SPS. CRISPIN AND LOURDES DIZON, RESPONDENTS.

D E C I S I O N

DIMAAMPAO, J.:

Impugned in this Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court filed by petitioner Bank of the Philippine Islands (BPI) are the Decision[2] and the Resolution[3] of the Court of Appeals (CA) in CA G.R. CV No. 97891. Through the challenged rulings, the CA reversed and set aside the Decision[4] of Branch 125 of the Regional Trial Court of Caloocan City (RTC) and declared the real estate mortgage dated September 23, 1993[5] (1993 Mortgage) as null and void.

Antecedents

This case has its precursor in an action for declaration of nullity of real estate mortgage (Complaint) filed by Angela M. Cordoba (Angela) against Spouses Anastacio and Gloria Sayson (spouses Sayson).

In 1992, Angela was of advanced age, widowed, and in need of money.[6] She was later introduced by her daughter-in-law, Lourdes T. Dizon (Lourdes), to spouses Sayson, who represented themselves as capable of procuring a loan on her behalf with Far East Bank and Trust Company (FEBTC).[7]

Thereupon, Angela met with spouses Sayson at FEBTC's Harrison Plaza Branch. She brought with her Transfer Certificate of Title No. 16173, which covers her residential lot located in Barrio San Jose, Caloocan City. Meanwhile, spouses Sayson had prepared the requisite documents for her signature, among which was the Special Power of Attorney[8] (SPA), authorizing them to use Angela's residential lot as collateral for the loan.[9] The pertinent portions of the SPA are reproduced as follows:

> 1. To borrow money, apply for and secure any loan from the [FEBTC], whether it be at the head office or any of its branches, in such sum(s) as my

attorneys-in-fact may deem fit and proper, subject to the usual terms and conditions as may be imposed by the said bank.

2. To secure the payment of any loan, indebtedness or obligation which my said attorneys-in-fact may obtain or contract personally with the said [b]ank, its renewal, extension of payment of the whole or part thereof, my attorneys-in-fact are hereby empowered and authorized to lease, transfer or convey by way of mortgage in favor of FEBTC, the following real property with improvements, to wit:

TCT No. 16173

"A parcel of land situated in Bo. San Jose, Caloocan City, consisting of an area of [t]wo [h]undred [f]orty (240) square meters with a four (4) doors [sic] apartment built thereon."

3. To make, sign, execute and deliver any contract of mortgage and/or any other documents of whatever nature or kind, including the signing, indorsement, cashing, negotiation and execution of promissory notes, checks, money orders or other negotiable instruments which may be necessary in connection with the loan herein mentioned.[10]

Armed with the foregoing, spouses Sayson obtained a PHP 200,000.00 loan from FEBTC on September 15, 1992 (1992 Loan) and delivered the proceeds to Angela.[11] On September 17, 1992, a real estate mortgage[12] (1992 Mortgage) was executed and annotated on Angela's title as security,[13] thusly:

That for and in consideration of credit accommodations obtained from the MORTGAGEE, and to secure the payment of the same and those that may hereafter be obtained, the principal of all of which is hereby fixed at *TWO HUNDRED THOUSAND PESOS ONLY *** PESOS [sic] ([PHP] 200,000.00), Philippine currency[.][14]

Angela made periodic payments on the 1992 Loan and coursed it through Lourdes. In turn, Lourdes would transmit the payments to spouses Sayson for direct remittance to the bank. According to Angela, the 1992 Loan was fully settled in July 1993, thereby resulting in the cancellation of the 1992 Mortgage on September 24, 1993.[15]

Sometime in March or April 1994, a representative of FEBTC informed Cordoba's son, Luis C. Dizon, Jr. (Luis), that the bank intended to foreclose the subject property due to an unpaid loan. Upon further inquiry, Angela discovered that spouses Sayson had obtained another loan from FEBTC on June 28, 1993 (1993 Loan), which was secured by the 1993 Mortgage over the same property. The 1993 Loan was for the amount of PHP 1,000,000.00,[16] but was later adjusted to PHP 950,000.00 after the payment of interest was deducted.[17]

Angela denied ever executing the 1993 Mortgage or receiving any proceeds from the 1993 Loan. Consequently, she filed the Complaint to declare the 1993 Mortgage null and void, averring that her signature had been procured through forgery or fraud.[18]

In refutation, FEBTC denied any imputation of irregularity, asserting that the 1992 Loan had not been fully paid as it left an outstanding balance of PHP 125,000.00. To settle the remainder, spouses Sayson took out the 1993 Loan through a discounting line and applied part of its proceeds to the 1992 Loan. Eventually, the 1993 Loan itself remained unsettled and left an outstanding balance of PHP 852,147.09.[19] FEBTC further maintained that the 1993 Mortgage instrument had been duly signed by Angela and properly annotated on the title of her property.[20]

Spouses Sayson similarly affirmed the existence and validity of both the 1993 Loan and the 1993 Mortgage. They contended that the SPA executed in their favor by Angela authorized them to apply for "any loan" from FEBTC and to secure its payment with the subject property as collateral.[21] In addition, spouses Sayson filed a third-party complaint against Lourdes and her husband, Crispin Dizon (spouses Dizon), claiming that the 1993 Loan had been obtained at their behest and for their benefit. Thus, spouses Sayson prayed for the award of moral damages, given that their entanglement in the proceedings stemmed from the acts of spouses Dizon.[22]

Appalled by the above imputations, spouses Dizon disclaimed any role in obtaining the 1993 Loan or receiving any proceeds therefrom. They pointed out glaring irregularities in the receipt presented by spouses Dizon, noting for instance that Lourdes's signature appeared below her typewritten name. On this score, they recalled that, on a prior occasion, Gloria had asked them to sign on a blank sheet of paper purportedly to collect their specimen signatures.[23]

Ruling of the RTC

WHEREFORE, in view of all the foregoing, this Court rules that:

1. The real estate mortgage executed by [spouses Sayson] with [FEBTC] secured by [Angela]'s property located at No. 3 Buagan St., Brgy. San Jose, Caloocan City, and covered by Transfer Certificate of Title No. 67572/16173 of the Registry of Deeds of Caloocan City is declared valid;

2. Declaring defendants [FEBTC] and [spouses Sayson] not liable to plaintiff [Angela];

3. Ordering plaintiff [Angela] to pay defendants [FEBTC] and [spouses Sayson] attorney's fee[s] in the amount of [PHP] 50,000.00 each;

4. Ordering third party defendants [spouses Dizon] to pay third[]party plaintiffs and [spouses Sayson] attorney's fee[s] in the sum of [PHP]

20,000.00.

5. Dismissing the cross-claim filed by [FEBTC] against [spouses Sayson] for lack of merit; and

6. Dismissing the complaint.

SO ORDERED.[24]

In dismissing the Complaint, the RTC held that the SPA executed by Angela did not confine the authority of spouses Sayson to a single loan but expressly empowered them to obtain any loan from FEBTC. Accordingly, it deemed the 1993 Loan valid as it was obtained within the authority given to spouses Sayson. The RTC further observed that the 1993 Mortgage instrument even bore Angela's signature and that she failed to establish that it was forged.[25]

Ruling of the CA

WHEREFORE, premises considered, the assailed decision dated March 27, 2003 of the court *a quo* is hereby **REVERSED** and **SET ASIDE**, a new one entered as follows:

(1) The second real estate mortgage dated September 23, 1993, is hereby declared **NULL and VOID** and defendant [FEBTC], now [BPI] is ordered to release plaintiff-appellant's mortgaged title free from any liens and encumbrances.

(2) Defendants-Third Party Plaintiffs-Appellees [spouses Sayson] are ordered to pay the plaintiff-appellant the sums of: a) ONE HUNDRED THOUSAND PESOS ([PHP] 100,000.00) as moral damages; b) ONE HUNDRED THOUSAND PESOS ([PHP] 100,000.00) as exemplary damages; and FIFTY THOUSAND PESOS ([PHP] 50,000.00) as attorney's fees.

(3) The cross-claim of [FEBTC], now [BPI] against the [spouses Sayson] is dismissed for lack of merit.

(4) The third-party complaint of [spouses Sayson] against [spouses Dizon] is dismissed for lack of merit.

SO ORDERED.[26] (Emphasis in the original)

Arriving at a contrary appreciation of the evidence, the CA determined that spouses Sayson contracted not only two, but six separate successive loan transactions with FEBTC. These loans were summarized as follows:

1. **Loan Acct[.] No. 2-028-920280 in the amount of [PHP] 200,000.00, released on 09/15/92, matures on 9/10/93, and paid on 6/28/93;**

2. Loan Acct. No. 2-028-930191 in the amount of [PHP] 1,000,000.00, released on 06/28/93, matures on 9/27/93, and paid on 08/04/93;

3. **Loan Acct No. 2-028-930240 in the amount of [PHP] 950,000.00, released on 08/04/93, matures on 11/03/93, and paid on 11/04/93;**

4. Loan Acct No.[ ]2-028-930463 in the amount of [PHP] 875,000.00, released on 11/04/93, matures on 02/03/94 and paid on 03/17/94;

5. Loan Acct No.[ ]2-028-940079 in the amount of [PHP] 852,147.93, released on 3/17/94, matures on 06/16/94 and paid on 6/17/94;

6. Loan Acct No.[ ]2-028-940204 the amount of [PHP] 852,147.93, released on 6/17/94, matures on 9/16/94 and went past due on 09/17/94[.][27] (Emphasis in the original)

The CA found that the 1993 Mortgage secured Loan Account No. 2-028-930240 in the amount of PHP 950,000.00. As borne out by FEBTC's own records, the account was fully settled on November 4, 1993. With the principal obligation having been extinguished, the 1993 Mortgage, which was merely accessory thereto, necessarily ceased to exist.[28]

At any rate, the CA declared the 1993 Mortgage as void given that the SPA authorized spouses Sayson to secure only one loan transaction for Angela's exclusive benefit.[29] Such authority was exhausted when spouses Sayson obtained the 1992 Loan, which was fully settled on June 28, 1993.[30] With the limited purpose of the SPA having been realized, the agency between Angela and spouses Sayson was therefore extinguished.[31]

FEBTC sought the CA's reconsideration, but the same was brushed aside in the impugned Resolution.[32]

Present Petition

FEBTC, which has since merged with BPI, the latter being the surviving corporation, now seeks recourse before this Court through the present Petition, advancing the following arguments:

First. The 1992 Mortgage instrument incorporated a valid dragnet clause, which secures all indebtedness that spouses Sayson may owe at any time to FEBTC. In effect, the 1992 Mortgage effectively secures both the 1992 and 1993 Loans.[33]

Second. The CA's ruling stands in conflict with the plain language of the SPA, which

authorized spouses Sayson to obtain any loan from FEBTC.[34]

Third. The 1992 Loan remained partially unpaid, as its remaining balance was settled only by applying the proceeds of the 1993 Loan.[35] Hence, the mortgage securing the 1992 Loan necessarily extended to cover the 1993 Loan.[36]

At the interstice, the Court directed Angela, spouses Sayson, and spouses Dizon to file their respective comments to the instant Petition.[37] However, all the respondents failed to comply.[38]

Issue

Submitted for the Court's resolution is whether the CA erred in declaring the 1993 Mortgage null and void.

Ruling of the Court

The Petition is devoid of merit.

To recall, Angela maintained that the 1993 Mortgage was void, denying that she had ever signed the instrument and claiming that the signatures affixed thereto were either forged or obtained through fraud. However, the lower courts framed the issue as one of *authority* and examined instead whether spouses Sayson were empowered under the SPA to execute the mortgage.

As the records show, the 1993 Mortgage instrument was executed in the name of Angela and bore signatures purported to be hers. Nothing on the face of the document suggests that it was executed by spouses Sayson, either in their own right or in their capacity as Angela's agents. Therefore, what is being assailed is not an act of an agent on behalf of a principal, but a *document purportedly executed by the principal herself*.

Ergo, any inquiry into the scope of authority conferred upon spouses Sayson under the SPA is no longer material. The decisive question is whether Angela herself voluntarily entered into the 1993 Mortgage. While this issue is factual in nature and ordinarily beyond the province of a petition for review, the conflicting findings of the RTC and the CA warrant an exception.[39]

After careful examination of the 1993 Mortgage instrument, the Court finds discrepancies consistent with Angela's claim of forgery.

Forgery, as a rule, cannot be presumed and must be proved by the party asserting it through clear, positive, and convincing evidence.[40] Handwriting experts are usually helpful in the examination of forged documents but resort to their expertise is not mandatory or indispensable to the examination or the comparison of handwriting.[41]

Significantly, Rule 132, Section 22 of the Revised Rules of Court explicitly authorizes the courts to make a comparison of the disputed handwriting with writings admitted or treated as genuine by the party against whom the evidence is offered, or proved to be genuine to the satisfaction of the judge.[42]

In the case at bench, Angela's signatures in question appear on the second page and on the notarial portion of the 1993 Mortgage instrument.

After an independent assessment and juxtaposition of Angela's signature on the second page of the 1993 Mortgage Instrument vis-à-vis her undisputed signature affixed to the 1992 Mortgage instrument, the Court finds marked differences sufficient to support the conclusion that forgery was committed. The differences between the two signatures are unmistakably discernible within sight, viz.—

Signature of Angela in the 1992 Mortgage instrument:[43]

(image supposed to be here)

Signature of Angela on the second page
of the 1993 Mortgage instrument:[44]

(image supposed to be here)

The signature appearing on the 1992 Mortgage instrument is characterized by rounded and fluid strokes, in contrast to the sharp and jagged lines as may be seen in the signature on the second page of the 1993 Mortgage instrument. The difference is most apparent in the curves of the letters "l", "C", the first "o", and "r", which appear round and smooth in the 1992 Mortgage instrument. In addition, the loops in the letters "l", second "a", and the first "o" in the 1992 Mortgage instrument are relatively slender, whereas their counterparts in the 1993 Mortgage instrument are fuller and more pronounced. Most notably, the letter "g" in the 1992 Mortgage instrument does not form a closed loop, while in the 1993 Mortgage, it is fully enclosed and bears a distinct tail.

Angela's signature on the notarial portion of the 1993 Mortgage instrument likewise exhibits some of these discrepancies.

Signature of Angela in the 1992 Mortgage instrument:

(image supposed to be here)

Signature of Angela on the notarial portion
of the 1993 Mortgage instrument:[45]

(image supposed to be here)

Evidently, the signature on the notarial portion of the 1993 Mortgage instrument again displays sharper edges, as apparent in the curves and loops of the first letter "A", "g", and "C". The letter "g" is marked by a different tail, and the letter "d" is formed with a slender loop than found in the earlier mortgage instrument.

Against this backdrop, the Court cannot accept the signatures in the 1993 Mortgage instrument as Angela's own, and finds them to be forgeries. Thence, the 1993 Mortgage is deemed an absolutely simulated contract which, pursuant to Article 1346 of the Civil Code,[46] is considered *null and void*.[47]

As a void contract, the 1993 Mortgage is equivalent to nothing; it produces no civil effect; and it does not create, modify or extinguish a juridical relation.[48] Consequently, the 1993 Mortgage could not have validly secured the loans in question, nor may it serve as a source of any claim or right in favor of BPI against Cordoba.

ACCORDINGLY, the Petition for Review on *Certiorari* is **DENIED**. The Real Estate Mortgage dated September 23, 1993 is **DECLARED NULL** and **VOID**.

SO ORDERED.

Caguioa (Chairperson), Inting, Gaerlan, and *Singh, JJ.*, concur.

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* Also referred to as Angela Cordova in some parts of the *rollo*.

[1] *Rollo*, pp. 10-40.

[2] *Id.* at 42-59. The December 11, 2015 Decision was penned by Associate Justice Edwin D. Sorongon, with the concurrence of Associate Justices Ramon A. Cruz and Renato C. Francisco of the Special Sixteenth Division, Court of Appeals, Manila.

[3] *Id.* at 60-62. Dated October 14, 2016.

[4] *Id.* at 108-123. The March 27, 2003 Decision in Civil Case No. C-17014 was penned by Judge Modesto C. Juanson.

[5] *Id.* at 78-81.

[6] *Id.* at 110.

[7] *Id.* at 43, 109-110.

[8] *Id.* at 73-74. Dated August 20, 1992.

[9] *Id.* at 43, 109.

[10] *Id.* at 73.

[11] *Id.* at 49.

[12] *Id.* at 75-77.

[13] *Id.* at 43.

[14] *Id.* at 75.

[15] *Id.* at 43, 48-49, 110.

[16] *Id.* at 43-44.

[17] *Id.* at 31, 114.

[18] *Id.* at 44.

[19] *Id.* at 114.

[20] *Id.* at 44.

[21] *Id.* at 44-45.

[22] *Id.* at 45, 116.

[23] *Id.* at 46.

[24] *Id.* at 122-123.

[25] *Id.* at 120-121.

[26] *Id.* at 57-58.

[27] *Id.* at 48-49.

[28] *Id.* at 50.

[29] *Id.* at 52.

[30] *Id.* at 49.

[31] *Id.* at 52.

[32] *Id.* at 62.

[33] *Id.* at 20-22.

[34] *Id.* at 23-29.

[35] *Id.* at 30-31.

[36] *Id.* at 33.

[37] *Id.* at 227. *See* Court Second Division's Resolution dated January 23, 2017.

[38] **N.B.** Atty. Benjamin A. Moraleda, Jr. filed a Comment on behalf of spouses Dizon solely in compliance with the Court's directive, insofar as to clarify that his engagement as their counsel had already ceased upon the rendition of the RTC Decision. As the Comment lacked the conformity of spouses Dizon, the Court shall disregard it (*see rollo*, pp. 272-275, Compliance with Manifestation; 276-283, Comment/Opposition to the Petition for Review on *Certiorari*).

[39] *See* **International Exchange Bank v. Lee**, 924 Phil. 525, 537 (2022) [Per J. Leonen, Second Division]. (Citations omitted)

[40] *See* **Requina, Sr. v. Erasmo**, 932 Phil. 304, 332 (2022) [Per J. Lazaro-Javier, Second Division].

[41] *See id.* at 337. (Citation omitted)

[42] *See id.* at 337-338.

[43] *Rollo*, p. 77.

[44] *Id.* at 79.

[45] *Id.* at 81.

[46] Art. 1346. An absolutely simulated or fictitious contract is void. A relative

simulation, when it does not prejudice a third person and is not intended for any purpose contrary to law, morals, good customs, public order or public policy binds the parties to their real agreement.

[47] *See* **Valenzuela v. Sps. Pabilani**, 932 Phil. 52, 67 (2022) [Per C.J. Gesmundo, First Division]. (Citations omitted)

[48] **Son, et al. v. University of Santo Tomas, et al.**, 830 Phil. 243, 260 (2018) [Per J. Del Castillo, First Division].

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