

2. *When the affidavit of consolidation of ownership or affidavit of non-redemption of the property has been annotated on the title.*

C. *The Creditor is considered a lien-holder and/or mortgagee if as of the date the land transfer claim was received by the Land Bank of the Philippines (LBP) from the Department of Agrarian Reform (DAR):*

1. *The mortgage on the property is still existing; or*
2. *The mortgage on the property has been foreclosed and the period of redemption has not yet expired; or*
3. *When there is as yet no consolidation of title of the mortgaged property even if the redemption has expired.*

x x x x x

x x x x x

x x x x x

- A creditor is considered as the landowner for failure of debtor to exercise his right of redemption and the former has successfully consolidated in its name the title over the property. The creditor, having gained absolute ownership of the property is entitled to the land compensation.

DAR Opinion No. 07, s. 2007

February 07, 2007

#### **JUST COMPENSATION; RECKONING DATE**

- Anent your 6<sup>th</sup> query, the reckoning date in the computation of land compensation of the land shall be from the time of taking of the subject property. This was enunciated in the case of *Fernando Gabatin, et al. vs. LBP (G.R. No. 148223, Nov. 25, 2004)*, where the Supreme Court ruled that in determining the value of the land for the payment of just compensation, the time of the taking should be the basis. The Gross Selling Price (GSP) should be pegged at the time of taking of the properties.

DAR Opinion No. 32, s. 2007

November 16, 2007

#### **LANDOWNERS RIGHT TO ENTER INTO AN AGREEMENT UNDER THE CIVIL CODE**

- The landowners relationship with the barangay-based association finds no legal anchor in the CARL but may be allowed based on the meeting of the minds/mutual consent of the parties.
- It is noteworthy to quote the pertinent provisions of the New Civil Code of the Philippines, to wit:

*“Art. 1306. The contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order, or public policy.*

*Art. 1308. The contracts must bind both contracting parties, its validity or compliance cannot be left to the will of one of them.”*  
(underscoring ours)