

Cura v. Salvador, 11 ROP 221 (2004)
ROSAURO CURA,
Appellant,

v.

MASAO SALVADOR,
Appellee.

CIVIL APPEAL NO. 04-018
Small Claims No. 04-026

Supreme Court, Appellate Division
Republic of Palau

Decided: September 14, 2004¹

Counsel for Appellant: Pro se

Counsel for Appellee: Pro se

BEFORE: LARRY W. MILLER, Associate Justice; R. BARRIE MICHELSEN, Associate Justice; KATHLEEN M. SALII, Associate Justice.

Appeal from the Court of Common Pleas, the Honorable LOURDES F. MATERNE, Senior Judge, presiding.

MICHELSEN, Justice:

This appeal follows a judgment of the Court of Common Pleas that Appellant Rosauro Cura owes Appellee Masao Salvador \$800 for an outstanding loan balance. Cura had counterclaimed, alleging that Salvador **1.222** charged a usurious interest rate on a previous loan. On appeal, Cura asserts that the lower court erred when awarding interest on Salvador's judgment and in failing to rule in his favor on the counterclaim. Because the lower court did not make findings specific enough for appellate review, we remand this case for further consideration.

BACKGROUND

Salvador's complaint asserted that he had loaned Cura \$1000, to be paid in three months with a 20% interest charge (equivalent to an 80% annual interest rate), and that Cura failed to fulfill that agreement. At trial, Cura conceded that he had in fact borrowed a total of \$1000, but he also raised a counterclaim concerning a previous loan of \$700 from Salvador with an identical three-month term and 20% interest charge. According to Cura's counterclaim and the receipts

¹The Court has determined that oral argument would not materially assist in the resolution of this appeal. See ROP R. App. Pro. 34(a).

Cura v. Salvador, 11 ROP 221 (2004)

submitted to the Court regarding the prior loan, Cura paid to Salvador a total of \$850, representing the \$700 principal payment, \$140 in interest, and a \$10 penalty, though the basis for that penalty is unclear. Cura argued that the 20% interest rate per quarter Salvador charged on that previous loan exceeded the allowable 18% per annum rate and that Cura was therefore statutorily entitled to recover twice the amount of interest paid.

After trial, the Court issued judgment in favor of Salvador for \$800, finding that Cura had paid \$200 toward the \$1000 loan. Court costs were awarded. The Court also noted that interest would be computed at 9% per annum. On appeal, Cura argues that because Salvador charged a usurious interest rate on the outstanding loan, no post-judgment interest should be assessed. He also maintains that the judge erroneously failed to address his counterclaim.

DISCUSSION

This Court employs the *de novo* standard in evaluating the lower court's conclusions of law. *Temaungil v. Ulechong*, 9 ROP 31, 33 (2001). Factual findings are reviewed using the clearly erroneous standard. *Id.* Under this standard, the findings of the lower court will only be set aside if they lack evidentiary support in the record such that no reasonable trier of fact could have reached that conclusion. *Dilubech Clan v. Ngeremlengui State Pub. Lands Auth.*, 9 ROP 162, 164 (2002). In reviewing the factual findings, this Court will not substitute its own judgment of the credibility of witnesses or the weight of the evidence. *Ngeribongel v. Gulibert*, 8 ROP Intrm. 68, 70 (1999); *Tmol v. Ngirchoimei*, 5 ROP Intrm. 264, 265 (1996).

1. Interest on Judgment

Cura asserts that because Salvador charged a usurious interest rate (20% for three months), Cura should not be required to pay any interest on the judgment amount. In support of this claim, Cura relies on 11 PNC § 306(a), which provides that a creditor who charges a usurious interest rate forfeits the interest.² Believing that this provision also **1223** affects awards of post-judgment interest, Cura asserts that the 9% interest rate imposed by the Court is erroneous.

We disagree with Cura's interpretation of the statute. Section 306(a) requires forfeiture of the interest "which has been agreed to be paid on the credit extended." In contrast, 14 PNC § 2001 provides for 9% interest on "[e]very judgment for the payment of money." Post-judgment interest is designed to compensate the judgment creditor for any delay in payment from the time judgment is entered until it is satisfied. *Overbeck v. Heinbecker*, 101 F.3d 1225, 1228 (7th Cir. 1996). This statutory objective applies in all cases, including matters brought pursuant

²This section reads:

The taking, receiving, reserving or charging of interest at an annual percentage rate greater than is allowed under section 305 of this chapter shall be deemed a forfeiture of the entire interest which has been agreed to be paid on the credit extended. If the greater rate of interest has been paid, the debtor, or his legal representatives, may recover back, from the creditor in an action in the nature of an action of debt twice the amount of the interest thus paid along with reasonable attorney's fees; provided that, such action is commenced within three years from the time the usurious transactions occurred.

Cura v. Salvador, 11 ROP 221 (2004)

to 11 PNC § 306(a). Thus, the trial court's award of post-judgment interest was correct.

2. Counterclaim

With respect to Cura's counterclaim, the Court made no findings of fact; the Court's order simply identified the amount to be paid on Salvador's complaint. Although neither party requested a transcript of the hearing, a review of the tape recording of that proceeding reveals that the merits of the counterclaim were not addressed by the Court at trial.

Without findings by the Court, this Court lacks an adequate basis to review what was, in effect, the denial of relief on the counterclaim. Although a trial judge need not recite every factual contention in order to permit a meaningful appeal because the entire record is available to facilitate our review, *Ngerukebid Lineage v. KSPLA*, 9 ROP 180, 183 n.3 (2002), the court must "find the facts specifically," ROP R. Civ. P. 52(a)³, and must provide a decision that "reveal[s] an understanding analysis of the evidence, a resolution of the material issues of 'fact' that penetrate beneath the generality of conclusions, and an application of the law to the facts," *Fritz v. Blailes*, 6 ROP Intrm. 152, 153 (1997) (quoting 5A James Wm. Moore *et al.*, *Moore's Federal Practice* ¶ 52.05[1] (1984)). Neither the written order nor the tape recording of the hearing satisfies those requirements in a way that permits review of the disposition of Cura's Counterclaim.

CONCLUSION

For this reason, we remand the case to the Court of Common Pleas for further proceedings.

³The Rules of Civil Procedure apply to cases in the Court of Common Pleas to the extent not inconsistent with Small Claims Rules. ROP R. Civ. P. 1(a). Nothing in the Small Claims Rules is incompatible with the requirements of Rule 52(a).