

SIXTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
First Regular Session



Senate  
Office of the Secretary

13 JUL -8 18:07

SENATE  
Senate Bill No. 507

RECEIVED BY: *ji*

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Introduced by Senator Cynthia Villar

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#### EXPLANATORY NOTE

Overseas Filipino Workers (OFWs) have time and again been referred to and honored as our modern day heroes.

It is but fitting to extend to our OFWs all the assistance that the government can give, including an exclusive credit assistance program as proposed under this measure.

The credit facilities envisioned under this legislation is expansive. Under this bill, a prospective OFW who has a valid contract as certified by the Philippine Overseas Employment Administration (POEA) may avail of a fifty thousand peso loan from the Overseas Worker Welfare Administration to defray the living expenses of his family during the first few months of his absence as well as other expenses incurred during his pre-employment.

In view of the foregoing, the approval of this bill is earnestly sought.

  
CYNTHIA VILLAR



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**AN ACT  
ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR OVERSEAS  
WORKERS**

*Be it enacted by the Senate and the House of Representatives of the Republic of the Philippines in Congress assembled:*

1 SECTION 1. Title - This Act shall be known as the "Overseas Workers Credit  
2 Assistance Act."  
3

4 SECTION 2. Declaration of Policies - Consistent with the State policy that the  
5 State affirms labor as a primary economic force and that it shall protect the rights of  
6 workers and promote their welfare, it is hereby declared that the government and its  
7 instrumentalities must promote and carry out programs geared towards advancing the  
8 interest of the Overseas Filipino Workers (OFWs) by providing them access to credit  
9 facilities even before their departure.  
10

11 SECTION 3. Loans - An overseas contract worker with a valid employment  
12 contract as certified by the Philippine Overseas Employment Administration (POEA)  
13 may avail of a loan of not more than Fifty Thousand Pesos (P50, 000.00) from the  
14 Overseas Worker and Welfare Administration (OWWA) to defray the living expenses of  
15 his family during the first three months of absence as well as recruitment expenses  
16 including placement fees, documentation costs and plane tickets. Provided, that any  
17 one of the member of his family not otherwise disqualified by law shall participate in the  
18 loan as co-borrower, and execute necessary documentation to that effect. Provided,  
19 further, that the loan shall be granted and released by the OWWA upon proper  
20 submission of the following documents, duly certified to in writing by the recruitment  
21 agency with corresponding authentication and properly certified/verified by the POEA.  
22

- 23 3.1. Employment Contract  
24 3.2. Plane ticket; and  
25 3.3. Bank account  
26

27 SECTION 4. Establishment of Bank Account - Overseas workers availing of the  
28 released and credited, and where monthly remittances of salaries and wages abroad  
29 payments on the loan shall be made. It shall be the obligation of the overseas worker-  
30 borrower to remit his earnings abroad only through the said bank account.  
31

32 SECTION 5. Payment of Loan - The loan shall be paid in twelve (12) equal  
33 monthly installments or more but not exceeding twenty four (24) months at a preferred  
34 interest rate not to exceed six percent (6%) per annum through the bank account to be  
35 established under the immediately preceding Section. For the purpose, the applicant

1 shall execute the necessary authority for the bank to withhold the monthly loan  
2 amortization from his remittances.

3  
4 SECTION 6. Implementing Rules - The OWWA, in consultation with organized  
5 labor groups and the relevant sectors, shall issue rules and regulations for the effective  
6 implementation of this Act. The IRR shall include provisions that will address  
7 nonpayment of loans provided under this Act and the corresponding penalties that may  
8 be imposed, collection and administration of loans, and other issues of significance  
9 relevant to this Act.

10  
11 SECTION 7. Appropriation - The amount needed to implement the provisions of  
12 this Act shall be appropriated out of the Overseas Welfare Fund.

13  
14 SECTION 8. Repealing Clause. - Any other provisions of law or rules and  
15 regulations inconsistent to the provisions of this Act are hereby repealed, amended or  
16 modified accordingly.

17  
18 SECTION 9. Effectivity - This Act shall take effect fifteen (15) days after its  
19 complete publication in the Official Gazette or in at least two (2) newspapers general  
20 circulation.

21  
22  
23 Approved,