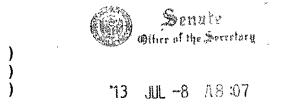
SIXTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session



SENATE 507 BECEIVED B Senate Bill No.

Introduced by Senator Cynthia Villar

EXPLANATORY NOTE

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

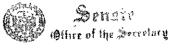
It is but fitting to extend to our OFWs all the assistance that the government can give, including an exclusive credit assistance program as proposed under this measure.

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

SIXTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session



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SENATE

RECEIVED BY:

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Senate Bill No. 507

Introduced by Senator Cynthia Villar

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:

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

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

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

- 3.1. Employment Contract
- 3.2. Plane ticket: and
- 3.3. Bank account

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

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

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

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.

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

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.

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Approved,