

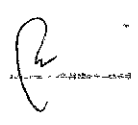
ORIGINAL FILED

FIFTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
*First Regular Session* )

SEP 4 1985

**SENATE**

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S. No. 2473

Introduced by Senator Manuel "Lito" M. Lapid

**EXPLANATORY NOTE**

The provisions of Article XIII, Section 3 of the 1987 Constitution provides that the State shall afford full protection of labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

All over the world, the hard-earned dollars of our Overseas Filipino Workers (OFWs) play a vital role in pump-priming our economy to levels that have allowed us to achieve growth as a nation, and industrialization along with modernization as a country.

As such, this proposed measure seeks to provide credit facilities to OFWs which may be availed even before the departure of the OFW. Any OFW who has a valid contract, as certified by the POEA, may avail of a loan in the amount not exceeding One Hundred Thousand Pesos (Php100,000.00) from the OWWA to defray the living expenses of his/her family during the first few months of his/her absence as well as other expenses incurred in his/her pre-employment. The payment of said loan shall be through bank transactions with simple and easy terms.

This intervention in the form of credit assistance to our OFWs is being proposed in order to provide safety nets to the millions of OFWs who venture to other countries to support their families.

Considering its beneficial implication and the need to alleviate the poor plight of OFWs, the immediate passage of this measure is earnestly sought.

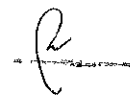


**MANUEL "LITO" M. LAPID**  
Senator

**SENATE**

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**AN ACT**  
**ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR OVERSEAS**  
**FILIPINO WORKERS AND FOR OTHER PURPOSES**

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

**SECTION 1. Short Title.** – This Act shall be known as the “**Overseas Workers Credit Assistance Act of 2010**”.

**SEC. 2. Declaration of Policy.** – It is hereby declared a policy of the State to protect the interest of the overseas workers by providing them access to credit facilities even before their departure.

**SEC. 3. Loans.** – An overseas contract worker with a valid contract through/from an accredited employment of the Philippine Overseas Employment Administration (POEA) may avail of a loan in the amount not exceeding One Hundred Thousand pesos (Php100,000.00) from the Overseas Workers and Welfare Administration (OWWA) to defray the living expenses of his/her family during the first months of absence as well as recruitment expenses including placement fees, documentation costs and plane tickets: *Provided*, That any one of the members of his/her family not otherwise disqualified by law shall participate in the 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 submission of the following documents, duly certified to in writing by the recruitment agency or direct hirer as to their authenticity and properly certified/verified by the POEA:

- (a) Employment contract;
- (b) Plane ticket; and
- (c) Bank Account.

The loan shall be entered into by and between the overseas workers and OWWA, with the next-of-kin as the guarantor. The loan shall be covered with loan redemption insurance from the Government Service Insurance System (GSIS), the premium of which shall be paid by the applicant overseas worker.

**SEC. 4. *Establishment of Bank Account.*** – Overseas workers availing of the loan mentioned in the preceding section shall establish a bank account with any domestic or foreign banking institution duly authorized to do business in the Philippines, in the name of the overseas worker himself/herself and/or member of his/her immediate family designated as co-borrower to the loan wherein the proceeds of the loan shall be released and credited, and where monthly remittances of salaries and wages abroad and payments on the loan shall be made. It shall be the obligation of the overseas worker-borrower to remit his earnings abroad only through the said bank account.

**SEC. 5. *Payment of Loan.*** – The loan shall be paid in twelve (12) equal monthly installments at a preferred interest rate not to exceed six percent (6%) per annum through the bank account to be established under the immediately preceding section. For this purpose, the applicant shall execute the necessary authority for the bank to withhold the monthly loan amortizations from his remittances.

**SEC. 6. *Sanctions.*** – Failure to pay the loan and/or violations of the terms imposed herein shall be sufficient ground to bar the defaulting overseas worker-borrower from future overseas employment.

**SEC. 7. *Implementing Rules and Regulations.*** – The OWWA shall issue rules and regulations for the effective implementation of this Act.

**SEC. 8. *Appropriations.*** – The amount needed to implement the provisions of this Act shall be appropriated out of the Overseas Welfare Fund.

**SEC. 9. *Separability Clause*** - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

**SEC. 10. *Repealing Clause.*** – Any other provisions of law or rules and regulations inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

**SEC. 11. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

***Approved,***