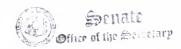
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NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session



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SENATE

s. No. 265



Introduced by SENATOR RAMON BONG REVILLA, JR.

AN ACT ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR OVERSEAS FILIPINO WORKERS

EXPLANATORY NOTE

An Overseas Filipino Worker (OFW) is a person of Filipino origin who lives and works outside the Philippines. As of 2018, there are approximately 2.3 million Overseas Filipino Workers according to the latest survey done by the Philippine Statistic Authority¹. According to the same data from the survey made by the Philippine Statistic Authority, the total remittance sent by OFWs during April to September 2018 was estimated at 235.9 billion pesos. These remittances included cash sent home (169.4 billion pesos), cash brought home (55.2 billion pesos) and remittances in kind (11.2 billion pesos).

Considering the sacrifices our OFWs have to endure as well as the contributions they bring to the economy, it is the duty of the State to provide assistance and care to them.

This bill, therefore, seeks to create a credit assistance program for our modern day heroes. 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 (P50,000) loan from the Overseas Worker Welfare Administration (OWWA) to defray the living expenses of his family during the first

¹ Results from the 2018 Survey on Overseas Filipinos, Retrieved from

[&]quot;https://psa.gov.ph/statistics/survey/labor-and-employment/survey-overseas-filipinos"

few months of his absence as well as other expenses incurred during pre-employment.

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

RAMON BONG REVILLA, JR.

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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 Filipino Workers Credit Assistance Act of 2022".

Sec. 2. *Declaration of Policy.* – 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.

Sec. 3. *Loans.* – An overseas contract worker with a valid employment contract as certified by the Philippine Overseas Employment Administration (POEA) may avail of a loan of not more than Fifty Thousand Pesos (P50,000.00) from the 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 including placement fees, documentation costs and plane. Tickets. Provided that any one of the members of his 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 with corresponding authentication and properly certified/verified by the POEA.
 - 3.1 Employment Contract
 - 3.2 Plane ticket; and
 - 3.3 Bank account

- Sec. 4. *Establishment of a Bank Account.* Overseas workers availing of the credit assistance under this Act shall open a bank account in which payments for the loan shall be made.
 - Sec. 5. *Payment of Loan.* The loan shall be paid in twelve (12) equal monthly installments or more but no exceeding twenty four (24) months 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 the purpose, the applicant shall execute the necessary authority for the bank. To withhold the monthly loan amortization from his remittances.
 - Sec. 6. *Implementing Rules.* The OWWA, in consultation with organized labor groups and the relevant sectors, shall issue rules. And regulations for the effective implementation of this Act. The IRR shall include provisions that will address nonpayment of loans provided by this Act and the corresponding penalties that may be imposed, collection and administration of loans, and other issues of significance relevant to this Act.
- Sec. 7. *Appropriation.* The amount needed to implement the provisions of this
 Act shall be appropriated out of the Overseas Workers Welfare Fund.
 - Sec. 8. *Repealing Clause.* Any other provisions of law or rules and regulations inconsistent to the provisions of this Act are hereby repealed, amended or modified accordingly.
 - Sec. 9. *Effectivity* This Act shall take effect fifteen (15 days after its complete publication in the Official Gazette or in at least two (2) newspapers general circulation, whichever comes earlier.

Approved,