

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

SENATE

S. No. **2105**

Introduced by Senator FRANCIS G. ESCUDERO

EXPLANATORY NOTE

Many, if not all, graduates of various courses offered by the Technical Education and Skills Development Authority (TESDA) and other learning institutions lose opportunities in foreign countries as Overseas Filipino Workers due to the inability to raise the funds necessary to defer placement fees or travel expenses therefore.

In that score, this bill proposes a special loan for graduates of TESDA and other educational institutions duly accredited by the Commission on Higher Education with approved overseas jobs contract. It is proposed that with the necessary credit facilities these graduates will be able to defray the cost of securing employment in foreign countries.

Hence, the approval of this bill is earnestly sought.



FRANCIS G. ESCUDERO

FIFTEENTH CONGRESS OF THE)
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SENATE

S. B. No. **2105**

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AN ACT
PROVIDING A SYSTEM OF EXTENDING NO-COLLATERAL, LOW-
INTEREST LOANS TO GRADUATES OF ANY COURSES OFFERED BY
THE TECHNICAL EDUCATION AND SKILLS AUTHORITY OR DULY
ACCREDITED LEARNING INSTITUTIONS WITH APPROVED
OVERSEAS JOB CONTRACTS

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

1 *Section 1.* All government and private banking and financial
2 institutions are hereby mandated to make the necessary provisions for
3 extending no-collateral, low interest loans to graduates of any courses offered
4 by the Technical Education and Skills Authority (TESDA) or any accredited
5 learning institutions: *Provided,* That loans extended under this Act shall be
6 used exclusively for meeting the credit needs of such graduates with
7 approved overseas job contracts only: *Provided further,* That in the case of
8 private banking and financial institutions, the provision of such loans shall in
9 no way operate to prejudice their core banking functions: *Provided finally,* That
10 the term accredited learning institutions shall refer to such educational
11 institutions recognized and supervised by the Commission on Higher
12 Education (CHED).

13 *Section 2.* Each Loan shall be payable within a period not to exceed
14 five (5) years and shall be in an amount not to exceed One Hundred
15 Thousand Pesos (PhP 100,000) at the option of the graduate concerned:

1 *Provided*, That such extension of loans shall be consistent with safe and sound
2 banking practices as provided under Republic Act No.8791, otherwise known
3 as, "The General Banking Law of 2000."

4 *Section 3.* The Director-General of TESDA or the Chairperson of
5 CHED, whichever the case may be, is hereby directed to enter into the
6 necessary Memoranda of Agreement with the appropriate government and
7 private banking and financial institutions to provide the terms and conditions
8 under which the loans referred to in this Act shall be extended to its intended
9 beneficiaries.

10 *Section 4.* The Monetary Board shall prescribe the interest rate on the
11 loans to be granted under this Act: *Provided*, That the said interest rates shall
12 be based on the lowest rate of interest for similar credit accommodations
13 prevailing at the time.

14 *Section 5.* All government and private banking and financial
15 institutions which shall extend the loans specified in this Act shall be granted
16 development assistance incentives provided by the Bangko Sentral ng
17 Pilipinas under Section 46 of Republic Act No. 8791.

18 *Section 6.* The Director General of TESDA and the Chairperson of
19 CHED, in coordination with the Administrators of the Philippine Overseas
20 Employment Administration and Overseas Workers Welfare Administration
21 and the Governor of the Bangko Sentral ng Pilipinas, shall promulgate the
22 necessary rules and regulations for the effective implementation of this Act.

1 *Section 7. Separability Clause.* – If any provision of this Act is declared
2 invalid or unconstitutional, the provisions not affected thereby shall continue
3 to be in full force and effect.

4 *Section 8. Repealing Clause.* – All laws, decrees or rules inconsistent
5 with the provisions of this Act are hereby repealed or modified accordingly.

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7 *Section 9. Effectivity Clause* – This Act shall take effect fifteen (15) days
8 after the completion of its publication in the Official Gazette or at least two (2)
9 national newspapers of general circulation.

Approved,