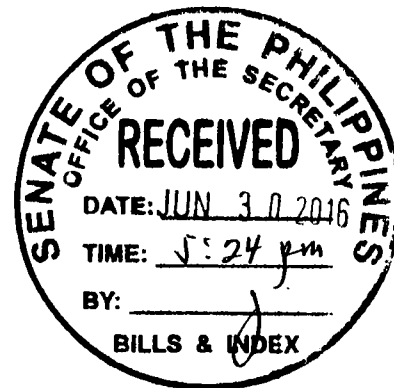


SEVENTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*First Regular Session*



SENATE  
S. B. 167

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Introduced by Senator Poe

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AN ACT  
ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR  
OVERSEAS FILIPINO WORKERS

*Explanatory Note*

More than being referred to as modern-day heroes, the Overseas Filipino Workers (OFWs) are considered as a vital partner of Philippine development. According to Bangko Sentral ng Pilipinas (BSP) Governor Amando Tetangco, personal remittances by OFWs grew by 3.2% year-on-year in January 2016 to reach \$2.2 Billion.<sup>1</sup> Furthermore, the BSP reported that cash remittances from OFWs reached \$16.21 Billion (Php764 Billion) from January to August in 2015.<sup>2</sup>

According to the Philippine Overseas Employment Administration (POEA), there were a total of 1,832,668 OFWs in 2014 – 1,430,842 land-based and 401,826 sea-based.<sup>3</sup> Four out of five OFWs choose to stay within the Asian continent, with the Middle East serving as top destination (44%) followed by Singapore and Hong Kong. The largest segment of OFWs, 32.7%, comprise of laborers and unskilled workers, with household service workers topping the list of occupations. The second largest group of OFWs are in the nursing profession<sup>4</sup>.

In recognition of the valuable contributions of OFWs, this bill is submitted. It creates 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 loan from the Overseas Worker Welfare Administration (OWWA) 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.

  
GRACE POE

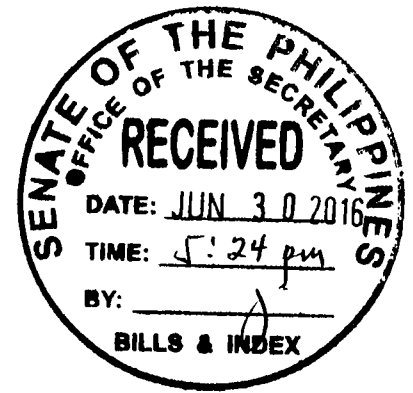
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<sup>1</sup> <http://www.rappler.com/business/economy-watch/125934-ofw-remittances-january-2016>

<sup>2</sup> <http://www.rappler.com/newsbreak/iq/114549-overseas-filipino-workers-facts-figures>

<sup>3</sup> *Ibid.*

<sup>4</sup> [www.positivelyfilipino.com](http://www.positivelyfilipino.com), latest (2013)



SENATE  
S.B. 167

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Introduced by Senator Poe

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**AN ACT  
ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR  
OVERSEAS FILIPINO 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 Filipino Workers*  
2 *Credit Assistance Act of 2016.*"  
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 one  
17 of the member of his family not otherwise disqualified by law shall participate in the loan  
18 as co-borrower, and execute necessary documentation to that effect. Provided, further,  
19 that the loan shall be granted and released by the OWWA upon proper submission of the  
20 following documents, duly certified to in writing by the recruitment agency with  
21 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 credit assistance under this Act shall open a bank account in which payments for the loan  
29 shall be made.  
30

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

1  
2 SECTION 6. Implementing Rules - The OWWA, in consultation with organized  
3 labor groups and the relevant sectors, shall issue rules and regulations for the effective  
4 implementation of this Act. The IRR shall include provisions that will address  
5 nonpayment of loans provided under this Act and the corresponding penalties that may be  
6 imposed, collection and administration of loans, and other issues of significance relevant  
7 to this Act.

8  
9 SECTION 7. Appropriation - The amount needed to implement the provisions of  
10 this Act shall be appropriated out of the Overseas Workers Welfare Fund.

11  
12 SECTION 8. Repealing Clause. - Any other provisions of law or rules and  
13 regulations inconsistent to the provisions of this Act are hereby repealed, amended or  
14 modified accordingly.

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

19  
20  
21 Approved,