



SENATE
S. No. 317

'19 JUL 10 A9:44

Introduced by Senator Grace Poe

RECEIVED BY: _____

**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), personal remittances by OFWs "amounted to US\$2.56 Billion in February 2019, higher by 1.2 percent from US\$2.53 in February 2018. This brought the cumulative remittances for the first two months of the year to US\$5.30 Billion, representing a 2.3 percent year-on-year growth."¹

According to the "2016 Survey on Overseas Filipinos"² prepared by the Philippine Statistics Authority, the number of OFWs who worked abroad at any time during the period from April to September 2016 was estimated at 2.2 million. Based on the aforementioned survey, 34.5% of said OFWs were employed in "elementary occupations", 19% worked as service and sales workers, 12.8% worked in plants and as machine operators and assemblers, and 11.6% are craft and trades workers. The survey likewise revealed that a total of 1.9 million OFWs sent cash remittances to their families from April to September 2016 – of this number, only 36.9% were able to set aside savings from said cash remittances.

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

¹ <http://www.bsp.gov.ph/publications/media.asp?id=4998>

² <https://psa.gov.ph/sites/default/files/2016%20Survey%20on%20Overseas%20Filipinos.pdf>

incurred during his pre-employment, with the end goal of assisting OFWs in saving their hard-earned salaries for a brighter future for their respective families.

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


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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 2019.*"

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

9 Sec. 3. *Loans.* – An overseas contract worker with a valid employment
10 contract as certified by the Philippine Overseas Employment Administration (POEA)
11 may avail of a loan of not more than Fifty Thousand Pesos (Php50,000.00) from the
12 Overseas Worker and Welfare Administration (OWWA) to defray the living expenses
13 of his family during the first three months of absence as well as recruitment
14 expenses including placement fees, documentation costs and plane tickets. Provided,
15 that any one of the member of his family not otherwise disqualified by law shall
16 participate in the loan as co-borrower, and execute necessary documentation to that
17 effect. Provided, further, that the loan shall be granted and released by the OWWA
18 upon proper submission of the following documents, duly certified to in writing by

1 the recruitment agency with corresponding authentication and properly
2 certified/verified by the POEA:

- 3 (a) Employment Contract
- 4 (b) Plane ticket; and
- 5 (c) Bank account

6 *Sec. 4. Establishment of Bank Account.* – Overseas workers availing of the
7 credit assistance under this Act shall open a bank account in which payments for the
8 loan shall be made.

9 *Sec. 5. Payment of Loan.* – The loan shall be paid in twelve (12) equal
10 monthly installments or more but not exceeding twenty four (24) months at a
11 preferred interest rate not to exceed six percent (6%) per annum through the bank
12 account to be established under the immediately preceding Section. For the purpose,
13 the applicant shall execute the necessary authority for the bank to withhold the
14 monthly loan amortization from his remittances.

15 *Sec. 6. Implementing Rules.* – The OWWA, in consultation with organized
16 labor groups and the relevant sectors, shall issue rules and regulations for the
17 effective implementation of this Act. The Implementing Rules and Regulations shall
18 include provisions that will address non-payment of loans provided under this Act
19 and the corresponding penalties that may be imposed, collection and administration
20 of loans, and other issues of significance relevant to this Act.

21 *Sec. 7. Appropriation.* – The amount needed to implement the provisions of
22 this Act shall be appropriated out of the Overseas Workers Welfare Fund.

23 *Sec. 8. Repealing Clause.* – Any other provisions of law or rules and
24 regulations inconsistent to the provisions of this Act are hereby repealed, amended
25 or modified accordingly.

26 *Sec. 9. Effectivity.* – This Act shall take effect fifteen (15) days after its
27 complete publication in the Official Gazette or in at least two (2) newspapers general
28 circulation, whichever comes earlier.

Approved,