



SENATE

S. No. 801

'19 JUL 29 AM 11:20

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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

¹ Results from the 2018 Survey on Overseas Filipinos, Retrieved from
"<https://psa.gov.ph/statistics/survey/labor-and-employment/survey-overseas-filipinos>"

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 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:

1 Section 1. *Short Title.* – This Act shall be known as the "Overseas Filipino
2 Workers Credit Assistance Act of 2019."

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

9 Sec. 3. *Loans.* – An overseas contract worker with a valid employment contract
10 as certified by the Philippine Overseas Employment Administration (POEA) may avail
11 of a loan of not more than Fifty Thousand Pesos (P50,000.00) from the Overseas
12 Worker and Welfare Administration (OWWA) to defray the living expenses of his family
13 during the first three months of absence as well as recruitment expenses including
14 placement fees, documentation costs and plane. Tickets. Provided, that any one of
15 the member of his family not otherwise disqualified by law shall participate in the loan
16 as co-borrower, and execute necessary documentation to that effect. Provided, further
17 that the loan shall be granted. And released by the OWWA upon proper submission of

18 the following documents, duly certified to in writing by the recruitment agency with
19 corresponding authentication and properly certified/verified by the POEA.

20 3.1 Employment Contract

21 3.2 Plane ticket; and

22 3.3 Bank account

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

26 *Sec. 5. Payment of Loan.* – The loan shall be paid in twelve (12) equal monthly
27 installments or more but no exceeding twenty four (24) months at a preferred interest
28 rate not to exceed six percent (6%) per annum through the bank account to be
29 established under the immediately preceding Section. For the purpose, the applicant
30 shall execute the necessary authority for the bank. To withhold the monthly loan
31 amortization from his remittances.

32 *Sec. 6. Implementing Rules.* – The OWWA, in consultation with organized labor
33 groups and the relevant sectors, shall issue rules. And regulations for the effective
34 implementation of this Act. The IRR shall include provisions that will address
35 nonpayment of loans provided by this Act and the corresponding penalties that may
36 be imposed, collection and administration of loans, and other issues of significance
37 relevant to this Act.

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

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

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

46

47 *Approved,*