

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

'22 JUL -7 P5 :54

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SENATE
S. No. 223

Introduced by Senator MARK A. VILLAR

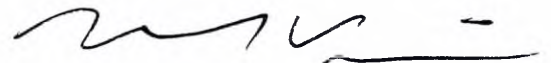
AN ACT
ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR
OVERSEASEAS FILIPINO WORKERS

EXPLANATORY NOTE

We cannot emphasize enough the importance of Overseas Filipino Workers (OFW) to our country. They are modern-day heroes who immensely contribute to the economic development of our country.

The number of OFWs being deployed abroad has been constantly increasing the past few decades.

In recognition of their valuable contribution and to help and support them, this bill creating a credit assistance program for OFWs is proposed. Under this proposal, a prospective OFW with a valid employment may avail of a loan of not more than P50,000.00 from the Overseas Worker and Welfare Administration, to defray the living expenses of his family during the first few months of absence, as well as other expenses incurred during pre-employment.



MARK A. VILLAR
Senator



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**AN ACT
ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR OVERSEAS
FILIPINO WORKERS**

*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 2022.*"

3 Sec 2. *Declaration of Policies.* – 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
13 family during the first three months of absence, as well as recruitment expenses,
14 including placement fees, documentation costs, and plane tickets. Provided, that

1 anyone of the member of his family not otherwise disqualified by law shall participate
2 in the loan as co-borrower, and execute necessary documentation to that effect.
3 Provided, further, that the loan shall be granted and released by the OWWA upon
4 proper submission of the following documents, duly certified to in writing by the
5 recruitment agency with corresponding authentication and properly certified/verified
6 by the POEA:

7 3.1. Employment Contract;

8 3.2. Plane ticket; and

9 3.3. Bank account.

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

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

19 *Sec 6. Implementing Rules and Regulations.* – The OWWA, in consultation with
20 organized labor groups and the relevant sectors, shall issue Implementing Rules and
21 Regulations (IRR) for the effective implementation of this Act, within ninety (90) days
22 after its effectivity. The IRR shall include provisions that will address non-payment of
23 loans provided under this Act and the corresponding penalties that may be imposed,
24 collection and administration of loans, and other issues of significance relevant to this
25 Act.

1 *Sec 7. Appropriations.* – The amount necessary to implement the provisions of
2 this Act shall be appropriated out of the Overseas Workers Welfare Fund.

3 *Sec 8. Separability Clause.* – If any portion or provision of this Act is declared
4 unconstitutional, the remainder of this Act or any provision not affected thereby
5 shall remain in force and effect.

6 *Sec 9. Repealing Clause.* – Any law, presidential decree or issuance,
7 executive order, letter of instruction, rule or regulation inconsistent with the
8 provisions of this Act is hereby repealed or modified accordingly.

9 *SEC 10. Effectivity.* – This Act shall take effect fifteen (15) days following its
10 complete publication in a newspaper of general circulation.

Approved,