

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. _____

450

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

The Overseas Filipino Workers have time and again been referred to as the heroes of our generation. This is primarily due to the million and one sacrifices that they have to endure in the search for social and economic redemption they have failed to achieve at home.

It is but fitting to extend to the Pinoy OCW all the assistance that the government can give. This should include an exclusive credit assistance program as proposed under this measure.

The credit facilities under this bills starts even before the departure of the OFW. One who has a valid contract as certified by the POEA may avail of a Fifty Thousand Pesos loan from the OWWA to defray the living expenses of his family during the first few months of his absence as well as other expenses incurred in his pre-employment. The payment shall be through bank transactions with simple and easy loan terms.

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



JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

AN ACT
ESTABLISHING A CREDIT ASSISTANCE PROGRAM
FOR OVERSEAS WORKERS

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

SECTION 1. *Title.* This Act shall be known as the "*Overseas Workers Credit Assistance Act of 2010*".

SEC. 2. *Declaration of Policies.* It is hereby declared a policy of the state to protect the interest of the overseas workers by providing them access to credit facilities even before their departure.

SEC. 3. *Loans.* An overseas contract worker with a valid contract through/from an accredited employment agency of the POEA may avail of a loan of not more than Fifty Thousand pesos (P50,000.00) from the Overseas Worker and Welfare Administration (OWWA) to defray the living expenses of his family during the first months of absence as well as recruitment expenses including placement fees, documentation costs and plane tickets; Provided, That any one of the member of his family not otherwise disqualified by law shall participate in the loan as co-borrower, and execute necessary documentation to that effect; Provided further, That the loan shall be granted and released by the OWWA upon proper submission of the following documents, duly certified to in writing by the recruitment agency or direct hirer as to their authenticity and properly certified/verified by the POEA.

- (a) Employment contract
- (b) Plane ticket; and
- (c) Bank Account

The loan shall be entered into by and between the overseas workers and OWWA, with the next of kin as the guarantor. The loan shall be covered with loan redemption insurance from the Government Service Insurance system (GSIS), the premium of which shall be paid by the applicant overseas worker.

SEC. 4. *Establishment of Bank Account.* Overseas workers availing of the loan mentioned in the preceding section shall establish a bank account with any domestic or foreign banking institution duly authorized to do business in the Philippines, in the name of the overseas

worker himself/herself and/or member of his immediate family designated as co-borrower to the loan wherein the proceeds of the loan shall be released and credited, and where monthly remittances of salaries and wages abroad and payments on the loan shall be made. It shall be the obligation of the overseas worker-borrower to remit his earnings abroad only through the said bank account.

SEC. 5. *Payment of Loan.* The loan shall be paid in twelve (12) equal monthly installments at a preferred interest rate not to exceed six percent (6%) per annum through the bank account to be established under the immediately preceding section. For this purpose, applicant shall execute the necessary authority for the bank to withhold the monthly loan amortizations from his remittances.

SEC. 6. *Sanctions.* Failure to pay the loan and/or violations of the terms imposed herein shall be sufficient ground to bar the defaulting overseas worker-borrower from future overseas employment.

SEC. 7. *Implementing Rules.* The OWWA shall issue rules and regulations for the effective implementation of this Act.

SEC. 8. *Appropriation.* The amount needed to implement the provisions of this Act shall be appropriated out of the Overseas Welfare Fund.

SEC. 9. *Repealing Clause.* Any other provisions of law or rules and regulations inconsistent to the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 10. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,