

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

First Regular Session

House Bill No. 1278

Introduced by REP. AUGUSTO BOBOY SYJUCO

EXPLANATORY NOTE

Our Overseas Filipino Workers (OFW) are dubbed as the "Bagong Bayani" for their unspoken heroic deeds in nation – building and their relentless hard works to cater the needs of their families left in the country. The State shall promote the welfare and interests of the migrant workers and their families. 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.

This bill seeks to establish and credit assistance program for the Overseas Filipino Workers (OFW) to be administered by the Overseas Workers and Welfare Administration (OWWA). An amount of a maximum of Fifty Thousand Pesos (P50,000.00) may be availed by the qualified overseas contract worker 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 ticket.

With the foregoing, approval of this bill is earnestly requested.


AUGUSTO BOBOY SYJUCO
2nd District, Province of Iloilo

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**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 Policy. – 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 of the Philippine Overseas Employment
Administration (POEA) may avail of a loan of not more than Fifty thousand pesos
(P50,000.00) from the Overseas Workers 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 members 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/her 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, the 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 and Regulations.* – The OWWA shall issue rules and regulations for the effective implementation of this Act.

SEC. 8. *Appropriations.* – 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 with 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,