

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

FIFTEENTH CONGRESS  
First Regular Session

HOUSE BILL No. 2082

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Introduced by HON. IGNACIO T. ARROYO

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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 sacrifice that they have to endure in the search for social 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 reasons, the approval of this bill is earnestly sought.

  
IGNACIO T. ARROYO  
Representative  
5<sup>th</sup> District, Negros Occidental

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

*Be enacted by the Senate and the House of Representatives of the Philippines in congress assembled:*

SECTION 1. 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/ form an accredited employment of the POEA may avail of a loan of not more than FIFTY THOUSAND PESOS (50,000.00) from the Overseas Workers and Welfare Administration (OWWA) to defray the living expenses of his family during the first month of his 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 the authenticity and proper 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 payment 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 bank account to be established under the immediate 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 bat the defaulting overseas worker-borrower from future overseas employment.

Sec. 7. Implementing Rules- The OWWA shall issue rules and regulation for the effective implementation of this act.

Sec. 8 Appropriation- The amount needed to implement the provision of this act shall be appropriated out of the Overseas Welfare Fund.

Sec. 9. Repealing clause- Any other provisions of law or rules and regulation inconsistent to the provision 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) newspaper of general circulation.

Approved,