

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

HOUSE OF REPRESENTATIVES

House Bill No. 157



Introduced by Representative Susan A. Yap

EXPLANATORY NOTE

This bill seeks to protect the interest of overseas workers by providing them access to credit facilities even before their departure. By seeking to create a Credit Assistance Program for Overseas Workers, the bill aims to provide an Overseas Filipino Worker (OFW), who has a valid employment contract, with a loan of not more than P50,000.00 from the Overseas Worker and Welfare Administration (OWWA).

The amount shall be used to defray the living expenses of the OFW's family during the first months of absence or to pay for recruitment expenses including placement fees, documentation costs, and plane tickets.

This bill will require OWWA to establish within one year from the effectivity of the Act an online payment system wherein the OFW-borrower may pay the loan amortization through the internet.

The OFW-borrower is obliged to regularly remit the loan payment or amortization through the OWWA accredited banks. The loan shall be paid in 12-month installment at a preferred interest rate of not more than six percent annually.

The bill also provides that the OFW-borrower shall not be issued an Overseas Employment Certificate (OEC) and any other exit permit/clearance to work abroad if he has been unable to comply with the terms of the loan.

In view of extending more assistance to our modern day heroes, the passage of this bill is earnestly sought.


SUSAN A. YAP
Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. 157

Introduced by Representative Susan A. Yap

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:

1 SECTION 1. *Title.* - This Act shall be known as the "Overseas Workers Credit
2 Assistance Act of 2013".

3 SECTION 2. *Declaration of Policy.* - It is hereby declared a policy of the State to protect
4 the interest of overseas workers by providing them access to credit facilities even before their
5 departure.

6 SECTION 3. *Loans.* - An overseas Filipino worker (OFW) with a valid employment
7 contract processed through a licensed recruitment and manning agency accredited by the Philippine
8 Overseas Employment Administration (POEA) may avail of a loan of not more than Fifty
9 thousand pesos (P50,000.00) from the Overseas Workers Welfare Administration (OWWA) for any
10 of the following purposes: (a) to defray the living expenses of one's family during the first months of
11 absence; and/or (b) to pay for recruitment expenses including placement fees, documentation costs
12 and plane tickets: *Provided,* That any member of the OFW's family, not otherwise disqualified by law,
13 shall be a co-borrower and shall execute the necessary documentation to that effect: *Provided, further,*
14 That the loan shall be granted and released by the OWWA upon proper evaluation and submission
15 of the employment contract and plane ticket, duly certified to in writing by the recruitment agency or
16 direct hirer as to their authenticity and properly verified by the POEA. The loan shall be entered
17 into by and between the overseas worker-borrower and the OWWA, with the next-of-kin as a co-
18 borrower. The loan shall be covered with a loan redemption insurance from any private insurance
19 provider duly registered with and accredited by the Insurance Commission, the premium of which
20 shall be paid by the applicant overseas worker-borrower.

21 SECTION 4. *Accreditation of Banks as Payment Conduits.* - The OWWA shall accredit as many
22 domestic or foreign banking institutions as possible which are duly authorized to do business in the
23 Philippines in order to serve the loan payment/amortization needs of overseas workers-borrowers. It
24 shall be the obligation of the overseas worker-borrower to remit the loan
25 payment/amortization regularly to the OWWA through the banking institutions. The OWWA
26 shall likewise establish, within one (1) year after the effectivity of this Act, an online payment
27 system wherein the overseas worker-borrower may pay the loan amortization through the internet.

28 SECTION 5. *Payment of Loan.* - The loan shall be paid in twelve (12) equal monthly
29 installments at a preferred interest rate not to exceed six percent (6%) per annum.

30 SECTION 6. *Loan Payment Assurance Mechanisms.* - Failure to pay the loan and/or any
31 violation of the terms imposed upon the loan shall be sufficient ground for the POEA and
32 all its offices, including its deputized/accredited private entities and the Philippine Overseas Labor
33 Offices (POLOs), to withhold the issuance of the Overseas Employment Certificate (OEC) and any
34 other exit permit/clearance to work abroad to the overseas worker-borrower concerned unless: (a)
35 he/she agrees to the restructuring of the loan, and thereupon pays the first installment on the said
36 restructuring, as duly certified by the OWWA, and, together with this restructuring, he/she justifies in
37 writing the cause/reason for his/her failure to pay the balance due in connection with the loan; or

(b) he/she is able to pay in full, as duly certified by the OWWA, whatever balance is due in connection with the loan. The certification of the OWWA account officer concerned indicating therein the just cause/reason for the failure to pay, duly attested to by the said account officer's immediate supervisor, shall serve as proof of the just cause/reason. This certification and all other certifications mentioned in this section may be issued electronically, through the internet, with the electronic signatures of the persons executing and/or attesting to the said certifications and other authenticating safeguards.

SECTION 7. *Loan Verification.* - For purposes of faster loan verification and/or authentication and to facilitate OWWA's administration of this credit assistance program, the Balik-Manggagawa Processing Center, Regional Offices and Labor Assistance Centers (LACs) of the POEA, all POLOs abroad, all OWWA offices in the Philippines and abroad, all other concerned government agencies/offices and all licensed recruitment and manning agencies deputized/accredited by the POEA to issue OECs and other exit permits/clearances to work abroad, shall coordinate closely and regularly with the OWWA using all available means of verifiable and properly protected communications including, but not limited to, at least one (1) dedicated, real-time and interactive website to be maintained and regularly updated on a twenty-four-hour-a-day, seven-days-a-week (24/7) basis by the OWWA.

SECTION 8. *Prohibited Acts and Penalties.* - Any government official and/or employee who issues an OEC and/or an exit permit/clearance to any overseas worker-borrower in violation of any provision of this Act shall suffer the penalty of a sixty (60)-day suspension without pay for the first offense and dismissal from the service with a five (5)-year disqualification to hold any public office for the second offense.

Any private entity which issues an OEC and/or an exit permit/clearance to any overseas worker-borrower in violation of any provision of this Act shall suffer the penalty of a sixty (60)-day suspension of its license or accreditation for the first offense and permanent cancellation of license or accreditation for the second offense.

SECTION 9. *Additional Personnel for OWWA.* - To ensure the proper implementation of this Act, the OWWA is hereby authorized to hire additional personnel who possess the necessary skills, qualification, and experience in bookkeeping, accounting, information technology, and credit administration including, but not limited to, the areas of evaluation of loan applications, credit investigation, verification, authentication and collection.

SECTION 10. *Implementing Rules and Regulations.* - The OWWA, in consultation with the Senate Committee on Labor and Employment and the House Committee on Overseas Workers Affairs, shall, within sixty (60) days after the effectivity of this Act, issue the necessary rules and regulations for its effective implementation.

SECTION 11. *Appropriations.* - The amount needed for the release of loans as mandated under this Act shall be appropriated out of the Overseas Welfare Trust Fund. The departments, agencies, bureaus and offices charged with carrying out the provisions of this Act shall include in their respective programs the implementation of this Act, the funding of which shall be included in the annual General Appropriations Act.

SECTION 12. *Repealing Clause.* - Any other provision of laws or rules and regulations inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 13. *Separability Clause.* - If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 14. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* and in at least two (2) newspapers of general circulation.

Approved,