

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

16th CONGRESS
First Regular Session

House Bill No. 1373



Introduced by **HON. JUAN "JOHNNY" R. REVILLA**

Explanatory Note

Often referred to as the "Bagong Bayani" of our country, our Overseas Filipino Workers have sacrificed and endured so much so that they can uplift their family's socio-economic condition as well as contribute in the development of our country. It is then but fitting that all the necessary assistance be afforded to this sector.

The credit assistance that is being proposed under this bill should take care of the initial social and economic needs of the families of the OFW as he or she leaves to work abroad. The OWWA is mandated to extend assistance in the form of soft loans to the OFW's family in order to defray some of the expenses of the family as the OFW has not yet adjusted abroad. Payment of the loans should allow the easiest terms as possible.

In view of the foregoing, the swift passage of this bill is sought.

A large, stylized handwritten signature in black ink, which appears to be "Johnny R. Revilla".

HON. JUAN "JOHNNY" R. REVILLA
OFW Family Party List

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AN ACT
INSTITUTING A CREDIT ASSISTANCE PROGRAM FOR OVERSEAS FILIPINO WORKERS.

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

SECTION 1. Short Title. - This Act shall be known as the “OFW Credit Assistance Act of 2013.”

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to adopt measures that ensure the welfare of Overseas Filipino Workers by providing them accessible credit assistance facilities in the initial term of their contract.

SEC. 3. Objectives of the Act. - This Act shall have the following objectives:

(a) To ensure the stability of the OFW family’s social and economic welfare as the OFW leaves to work overseas;

(b) To promote the interests, comfort, security and well-being of the OFW family’s life in the first few months of his deployment abroad.

SEC. 4. Loan Assistance. - The Overseas Filipino Workers with an existing and valid contract from a POEA accredited employment agency can avail of a loan of not more than Fifty Thousand Pesos (P 50,000.00) from the Overseas Worker and Welfare Administration (OWWA) to initially settle whatever expenses the OFW family may incur in the preliminary period that the OFW is abroad. The loan may also be used to defray the recruitment expenses including the placement fees, documentation expenses and travel tickets; Provided that, any immediate member of the OFW’s family not otherwise disqualified by law can be part of the loan as a co-borrower, and execute the necessary documentation on the said loan; Provided further, that the loan shall be approved and released by the OWWA upon the completion and submission of the following documents duly certified by the recruitment agency or direct employer as to their genuineness and validity and verified by the POEA:

1. Employment Contract
2. Plane Ticket; and
3. Bank Account

To this end, the loan contract shall be entered to by and between the overseas worker and OWWA with the next of kin as a guarantor. The loan shall be covered with a loan redemption insurance from the

Social Security System (SSS) or the Government Service Insurance System (GSIS), the premium of which shall be paid by the applicant overseas worker.

SEC. 5. Establishment of a Bank Account. - The Overseas Worker that availed of a credit assistance mentioned in Section 4 shall open a bank account with any domestic or foreign banking institution duly authorized to do business in the Philippines, in the name of the Overseas Filipino Worker 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 compensation abroad and payments on the loan shall be made. It shall be the obligation of the Overseas Filipino Worker/Borrower to remit his/her earnings abroad only through the said bank account.

SEC. 6. Payment of Loan. - The loan shall be paid in Twenty-Four (24) equal monthly installments at a preferred interest rate not to exceed *three and a half percent (3.5%) per annum* through the bank account to be established under the immediately preceding section. For this purpose, the OFW shall execute the necessary authority for the bank to withhold the monthly loan amortization from his his remittances.

SEC. 7. Sanctions. - Failure to pay the loan and/or violations of the terms imposed herein shall be sufficient ground to bar the defaulting Overseas Filipino Worker/Borrower from future credit assistance.

SEC. 8. Implementing Rules. - The OWWA shall issue rules and regulations for the effective implementation of this Act.

SEC. 9. Funding. - The amount needed to implement the provisions of this Act shall be appropriated out of the Overseas welfare Fund.

SEC. 10. 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. 11. 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,