

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH (16TH) CONGRESS
First Regular Session

House Bill No. **1759**



Introduced by **Hon. Joseph Gilbert F. Violago**

EXPLANATORY NOTE

The Overseas Filipino Workers (OFWs) 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 OFWs 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 bill 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.


HON. JOSEPH F. VIOLAGO
Representative
2nd District, Nueva Ecija

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH (16TH) CONGRESS
First Regular Session

House Bill No. **1759**

Introduced by **Hon. Joseph Gilbert F. Violago**

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 2013".

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 Filipino worker (OFW) with a valid employment contract processed through a licensed recruitment and manning agency accredited by 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 Welfare Administration (OWWA) for any of the following purposes: (a) to defray the living expenses of one's family during the first months of absence; and/or (b) to pay for recruitment expenses including placement fees, documentation costs and plane tickets: Provided, That any member of the OFW's family not otherwise disqualified by law shall be a co-borrower and shall execute the necessary documentation to that effect: Provided, Further, That the loan shall be granted and released by OWWA upon proper evaluation and submission of the employment contract and plane ticket, duly certified to in writing by the recruitment agency or direct hirer as to their authenticity and properly verified by the POEA.

The loan shall be entered into by and between the overseas worker-borrower and OWWA, with the next-of-kin as a co-borrower. The loan shall be covered with a loan redemption insurance from any private insurance provider duly registered with and accredited by the Insurance Commission, the premium of which shall be paid by the applicant overseas worker-borrower.

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

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.

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

SEC. 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 Philippine Overseas Labor Offices (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 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-day-a-week (24/7) basis by the OWWA.

SEC. 8. *Prohibited Acts and Penalties.* - Any government official and/or employee who issues an Overseas Employment Certificate (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 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 Overseas Employment Certificate (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 sixty (60) day suspension of its license or accreditation for the first offense and permanent cancellation of license or accreditation for the second offense.

SEC. 9. *Additional Personnel for OWWA.* - To ensure the proper implementation of this Act, 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.

SEC. 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.

SEC. 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.

SEC. 12. *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. 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.

SEC. 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,