

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8390



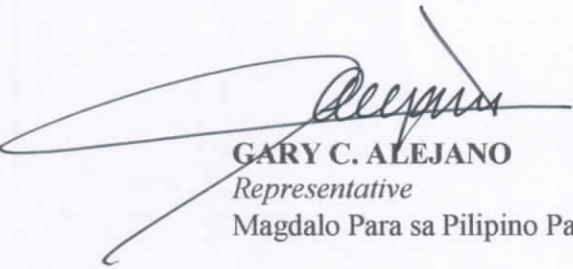
Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

The inability to muster enough funds to defer placement fees or travel expenses is one of the primary reasons why many Overseas Filipino Workers lose out on lucrative opportunities that await abroad. Plenty of graduates of the Technical Education and Skills Development Authority and other learning institutions go on to pursue work abroad and as such, they are no stranger to this problem.

In light of the abovementioned, this bill proposes for a special loan granted to graduates of TESDA and other learning institutions credited by CHED with an approved overseas contract. It is this representation's desire to provide the much needed credit facility for our graduates, so that they may be able to afford the cost of pursuing employment overseas.

In view of the foregoing, approval of this bill is earnestly sought.


GARY C. ALEJANO
Representative
Magdalo Para sa Pilipino Party-List

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AN ACT

**PROVIDING A SYSTEM OF EXTENDING NO-CALLATERAL, LOW-INTEREST
LOANS TO GRADUATES OF ANY COURSES OFFERED BY THE TECHNICAL
EDUCATION AND SKILLS AUTHORITY OR DULY ACCREDITED LEARNING
INSTITUTIONS WITH APPROVED OVERSEAS JOB CONTRACTS**

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

1 **Section 1.** All government and private banking and financial institutions are hereby
2 mandated to make the necessary provisions for extending no-collateral, low interest loans to
3 graduates of any courses offered by the Technical Education and Skills Authority (TESDA)
4 or any accredited learning institutions: *Provided*, That loans extended under this Act shall be
5 used exclusively for meeting the credit needs of such graduates with approved overseas job
6 contracts only: *Provided further*, That in the case of private banking and financial
7 institutions, the provisions of such loans shall in no way operate to prejudice their core
8 banking functions: *Provided finally*, That the term accredited learning institutions shall refer
9 to such educational institutions recognized and supervised by the Commission on Higher
10 Education (CHED).

11
12 **Section 2.** Each Loan shall be payable within a period not to exceed five (5) years and
13 shall be in an amount not to exceed One Hundred Thousand Pesos (Php 100,000) at the
14 option of the graduate concerned: *Provided*, That such extension of loans shall be consistent
15 with safe and sound banking practices as provided under Republic Act No. 8791, otherwise
16 known as, "The General Banking Law of 2000."

17
18 **Section 3.** The Director-General of TESDA or the Chairperson of CHED, whichever
19 the case may be, is hereby directed to enter into the necessary Memoranda of Agreement with
20 the appropriate government and private banking and financial institutions to provide the
21 terms and conditions under which the loans referred to in this Act shall be extended to its
22 intended beneficiaries.

23
24 **Section 4.** The Monetary Board shall prescribe the interest rate on the loans to be
25 granted under this Act: *Provided*, That the said interest rates shall be based on the lowest rate
26 of interest for similar credit accommodations prevailing at the time.

27

1 **Section 5.** All government and private banking and financial institutions which shall
2 extend the loans specified in this Act shall be granted development assistance incentives
3 provided by the Bangko Sentral ng Pilipinas under Section 46 of Republic Act No. 8791.

4 **Section 6.** The Director General of TESDA and the Chairperson of CHED, in
5 coordination with the Administrators of the Philippine Overseas Employment Administration
6 and Overseas Workers Welfare Administration and the Governor of the Bangko Sentral ng
7 Pilipinas, shall promulgate the necessary rules and regulations for the effective
8 implementation of this Act.

9
10 **Section 7. Separability Clause.-** If any portion or provision of this Act is declared
11 unconstitutional, the provision not affected thereby shall continue to be in full force and
12 effect.

13
14 **Section 8. Repealing Clause.-** All laws, decrees or rules inconsistent with the
15 provisions of this Act are hereby repealed or modified accordingly.

16
17 **Section 9. Effectivity.-** This Act shall take effect after fifteen (15) days following the
18 completion of its publication either in the Official Gazette or in newspaper of general
19 circulation in the Philippines.

Approved,