



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **226**



Introduced by Representative Crispin Diego “Ping” D. Remulla

AN ACT
ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR OVERSEAS FILIPINO
WORKERS

EXPLANATORY NOTE

Overseas Filipino Workers (OFWs) are rightfully regarded as modern-day heroes for the immense sacrifices they make in pursuit of better opportunities for their families and in support of the national economy. Based on the 2023 Survey on Overseas Filipinos conducted by the Philippine Statistics Authority, around 2.16 million OFWs were deployed between April and September 2023. Their contributions through remittances continue to serve as a significant source of foreign exchange and economic stability for the country.

Beyond these economic benefits lie the personal costs borne by OFWs, including long periods of separation from their loved ones, challenging working conditions, and the emotional toll of being away from home. These realities underscore the need for the government to provide comprehensive and accessible support systems to protect the rights and well-being of Filipino workers abroad.

This proposed measure seeks to institutionalize programs that offer financial assistance to OFWs to defray the living expenses of their families.

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

A handwritten signature in black ink, appearing to read 'Remulla', with a stylized, cursive script.

CRISPIN DIEGO "PING" D. REMULLA



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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Overseas Filipino Workers
2 Credit Assistance Act”.

3 **SEC. 2. Declaration of Policy.** – Consistent with the State policy that the State affirms
4 labor as a primary economic force and that it shall protect the rights of workers and promote
5 their welfare, it is hereby declared that the government and its instrumentalities must promote
6 and carry out programs geared towards advancing the interest of the Overseas Filipino Workers
7 (OFWs) by providing them access to credit facilities even before their departure.

8 **SEC. 3. Loans.** – An overseas contract worker with a valid employment contract as
9 certified by the Philippine Overseas Employment Administration (POEA) may avail of a loan
10 of not more than Fifty Thousand Pesos (P50,000.00) from the Overseas Worker and Welfare
11 Administration (OWWA) to defray the living expenses of his family during the first three
12 months of absence as well as recruitment expenses including placement fees, documentation
13 costs and plane tickets. *Provided*, that any one of the members of his family not otherwise
14 disqualified by law shall participate in the loan as co-borrower and execute necessary
15 documentation to that effect. *Provided*, further that the loan shall be granted. And released by
16 the OWWA upon proper submission of the following documents, duly certified to in writing

1 by the recruitment agency with corresponding authentication and properly certified/verified by
2 the POEA.

3 3.1 Employment Contract

4 3.2 Plane ticket; and

5 3.3 Bank account

6 **SEC. 4. *Establishment of Bank Account.*** – Overseas workers availing of the credit
7 assistance under this Act shall open a bank account in which payments for the loan shall be
8 made.

9 **SEC. 5. *Payment of Loan.*** – The loan shall be paid in twelve (12) equal monthly
10 installments or more, but not exceeding twenty-four (24) months, at a preferred interest rate
11 not to exceed six percent (6%) per annum through the bank account to be established under the
12 immediately preceding Section. For the purpose, the applicant shall execute the necessary
13 authority for the bank. To withhold the monthly loan amortization from his remittances.

14 **SEC. 6. *Mandatory Financial Literacy and Pre-Departure Orientation.*** – All OFWs
15 availing of the credit assistance program under this Act, together with their designated co-
16 borrowers, shall be required to undergo a mandatory financial literacy and pre-departure
17 orientation seminar prior to the release of the loan proceeds.

18 The seminar shall be administered by the OWWA, in coordination with the BSP, the
19 DMW, and other accredited financial institutions and training providers.

20 Proof of completion of the seminar shall form part of the mandatory documentary
21 requirements for loan approval and release.

22 **SEC. 7. *Implementing Rules and Regulations*** – The OWWA, in consultation with
23 organized labor groups and the relevant sectors, shall issue rules. And regulations for the
24 effective implementation of this Act. The IRR shall include provisions that will address
25 nonpayment of loans provided by this Act and the corresponding penalties that may be
26 imposed, collection and administration of loans, and other issues of significance relevant to
27 this Act.

28 **SEC. 8. *Appropriation.*** – The amount needed to implement the provisions of this Act
29 shall be appropriated out of the Overseas Workers Welfare Fund.

30 **SEC. 9. *Repealing Clause.*** – Any other provisions of law or rules and regulations
31 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
32 accordingly.

1 **SEC. 10. *Effectivity*** – This Act shall take effect fifteen (15) days after its complete
2 publication in the Official Gazette or in at least two (2) newspapers of general circulation,
3 whichever comes earlier.

Approved,