

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 1300**



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Introduced by **HONORABLE LUIS RAYMUND F. VILLAFUERTE, JR.**

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**EXPLANATORY NOTE**

The importance of the Overseas Filipino Workers (OFWs) for the economic development of the Philippines is undeniable. According to Bangko Sentral ng Pilipinas (3SP) Governor Amando Tetangco, personal remittances by OFWs grew by 4.3% on the first quarter of the year 2016, which amounted to \$7.2 billion.<sup>1</sup> Furthermore, the BSP reported that for the first quarter of the year 2013, cash remittances amounted to \$3.6 billion - 4.4% higher than the recorded amount on the same period last year.<sup>2</sup>

The Philippine Statistics Authority (PSA) shows that there were approximately a total of 2,447,000 OFWs in 2015. 2,337,000 are contract workers while 70,000 are non-contract workers.<sup>3</sup> Four out of five OFWs choose to stay within the Asian continent, with the Middle East serving as top destination (44%) followed by Singapore and Hong Kong.<sup>4</sup> The largest segment of OFWs, 33.2%, comprise of laborers and unskilled workers, with household service workers topping the list of occupations.

This measure is being submitted in recognition of the valuable contributions of OFWs by creating a credit assistance program for them. Under this bill, a prospective OFW who has a valid contract as certified by the Philippine Overseas Employment Administration (POEA) may avail of an eighty thousand pesos (P80,000.00) loan from the Overseas Worker Welfare Administration (OWWA) to defray the living expenses of his family during the first few months of his absence as well as other expenses incurred during his pre-employment including placement fees, documentation costs and plane tickets.

This legislation is a counterpart policy measure authored in the Senate of the Philippines by Senator Grace Poe.

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

  
**LUIS RAYMUND F. VILLAFUERTE, JR.**

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**AN ACT ESTABLISHING A CREDIT ASSISTANCE PROGRAM FOR  
OVERSEAS FILIPINO WORKERS**

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

SECTION 1. Title - This Act shall be known as the "Overseas Filipino Workers Credit Assistance Act of 2016."

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

SECTION 3. Loans - An overseas contract worker with a valid employment contract as certified by the Philippine Overseas Employment Administration (POEA) may avail of a loan of not more than Eighty Thousand Pesos (P80,000.00) from the Overseas Worker and Welfare Administration (OWWA). Provided, that any one of the member of his family not otherwise disqualified by law shall participate in the loan as co-borrower, and execute necessary documentation to that effect. Provided, further, that the loan shall be granted and released by the OWWA upon proper submission of the following documents, duly certified to in writing by the recruitment agency with corresponding authentication and properly certified/verified by the POEA

- 3.1. Employment Contract
- 3.2. Plane ticket and
- 3.3. Bank account

SECTION 4. Establishment of Bank Account - Overseas workers availing of the credit assistance under this Act shall open a bank account in which payments for the loan shall be made.

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

SECTION 6. [implementing Rules - The OVINVA, in consultation with organized labor groups and the relevant sectors, shall issue rules and regulations for the effective implementation of this Act. The IRR shall include provisions that will address nonpayment of loans provided under this Act and the corresponding penalties that may be imposed, collection and administration of loans, and other issues of significance relevant to this Act

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SECTION 7, Appropriation - To carry out the purposes of this Act, there is hereby appropriated, out of any funds in the National Treasury not otherwise appropriated, the sum of Five Hundred Million Pesos. Thereafter, the appropriations for the OFW Credit Assistance shall be included in the annual General Appropriations Act,

SECTION 8. Repealing Clause. - Any other provisions of law or rules and regulations inconsistent to the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 9 Effectivity - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette are in at least two (2) newspapers general circulation, whichever comes earlier.

Approved.