



## HOUSE OF REPRESENTATIVES

H. No. 4539

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BY REPRESENTATIVES ANGARA, SYJUCO, ARROYO (I.), GULLAS, TEODORO, MIRAFLORES, BELLO, ZAMORA-APSAY, MONTEJO, AGLIPAY, PAEZ, ILAGAN, RODRIGUEZ (M.), AGYAO, MAGSAYSAY (M.), MERCADO-REVILLA, TIANGCO, VILLAR, PACQUIAO, PLAZA, QUIBRANZA-DIMAPORO, DIMAPORO (F.), LICO, TAÑADA, MENDOZA (R.), PADILLA, BATAOIL, VIOLAGO AND BATOCABE, PER COMMITTEE REPORT NO. 879

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### 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:*

1           SECTION 1. *Title.* – This Act shall be known as the “Overseas  
2 Workers Credit Assistance Act of 2011”.

3           SEC. 2. *Declaration of Policy.* – It is hereby declared a policy of  
4 the State to protect the interest of overseas workers by providing them access  
5 to credit facilities even before their departure.

6           SEC. 3. *Loans.* – An overseas Filipino worker (OFW) with a valid  
7 employment contract processed through a licensed recruitment and manning  
8 agency accredited by the Philippine Overseas Employment Administration  
9 (POEA) may avail of a loan of not more than Fifty thousand pesos

1 (P50,000.00) from the Overseas Workers Welfare Administration (OWWA)  
2 for any of the following purposes: (a) to defray the living expenses of one's  
3 family during the first months of absence; and/or (b) to pay for recruitment  
4 expenses including placement fees, documentation costs and plane tickets:  
5 *Provided*, That any member of the OFW's family, not otherwise disqualified  
6 by law, shall be a co-borrower and shall execute the necessary documentation  
7 to that effect: *Provided, further*, That the loan shall be granted and released by  
8 the OWWA upon proper evaluation and submission of the employment  
9 contract and plane ticket, duly certified to in writing by the recruitment agency  
10 or direct hirer as to their authenticity and properly verified by the POEA.

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

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

26 SEC. 5. *Payment of Loan.* – The loan shall be paid in twelve (12)  
27 equal monthly installments at a preferred interest rate not to exceed six percent  
28 (6%) per annum.

1           SEC. 6. *Loan Payment Assurance Mechanisms.* – Failure to pay  
2 the loan and/or any violation of the terms imposed upon the loan shall be  
3 sufficient ground for the POEA and all its offices, including its  
4 deputized/accredited private entities and the Philippine Overseas Labor Offices  
5 (POLOs), to withhold the issuance of the Overseas Employment Certificate  
6 (OEC) and any other exit permit/clearance to work abroad to the overseas  
7 worker-borrower concerned unless: (a) he/she agrees to the restructuring of the  
8 loan, and thereupon pays the first installment on the said restructuring, as duly  
9 certified by the OWWA, and, together with this restructuring, he/she justifies  
10 in writing the cause/reason for his/her failure to pay the balance due in  
11 connection with the loan; or (b) he/she is able to pay in full, as duly certified  
12 by the OWWA, whatever balance is due in connection with the loan.

13           The certification of the OWWA account officer concerned indicating  
14 therein the just cause/reason for the failure to pay, duly attested to by the said  
15 account officer's immediate supervisor, shall serve as proof of the just  
16 cause/reason. This certification and all other certifications mentioned in this  
17 section may be issued electronically, through the internet, with the electronic  
18 signatures of the persons executing and/or attesting to the said certifications  
19 and other authenticating safeguards.

20           SEC. 7. *Loan Verification.* – For purposes of faster loan verification  
21 and/or authentication and to facilitate OWWA's administration of this credit  
22 assistance program, the Balik-Manggagawa Processing Center, Regional  
23 Offices and Labor Assistance Centers (LACs) of the POEA, all POLOs abroad,  
24 all OWWA offices in the Philippines and abroad, all other concerned  
25 government agencies/offices and all licensed recruitment and manning  
26 agencies deputized/accredited by the POEA to issue OECs and other exit  
27 permits/clearances to work abroad, shall coordinate closely and regularly with  
28 the OWWA using all available means of verifiable and properly protected

1 communications including, but not limited to, at least one (1) dedicated,  
2 real-time and interactive website to be maintained and regularly updated on a  
3 twenty-four-hour-a-day, seven-days-a-week (24/7) basis by the OWWA.

4 *SEC. 8. Prohibited Acts and Penalties.* – Any government official  
5 and/or employee who issues an OEC and/or an exit permit/clearance to any  
6 overseas worker-borrower in violation of any provision of this Act shall suffer  
7 the penalty of a sixty (60)-day suspension without pay for the first offense and  
8 dismissal from the service with a five (5)-year disqualification to hold any  
9 public office for the second offense.

10 Any private entity which issues an OEC and/or an exit permit/clearance  
11 to any overseas worker-borrower in violation of any provision of this Act shall  
12 suffer the penalty of a sixty (60)-day suspension of its license or accreditation  
13 for the first offense and permanent cancellation of license or accreditation for  
14 the second offense.

15 *SEC. 9. Additional Personnel for OWWA.* – To ensure the proper  
16 implementation of this Act, the OWWA is hereby authorized to hire additional  
17 personnel who possess the necessary skills, qualification and experience in  
18 bookkeeping, accounting, information technology and credit administration  
19 including, but not limited to, the areas of evaluation of loan applications, credit  
20 investigation, verification, authentication and collection.

21 *SEC. 10. Implementing Rules and Regulations.* – The OWWA, in  
22 consultation with the Senate Committee on Labor and Employment and the  
23 House Committee on Overseas Workers Affairs, shall, within sixty (60) days  
24 after the effectivity of this Act, issue the necessary rules and regulations for its  
25 effective implementation.

26 *SEC. 11. Appropriations.* – The amount needed for the release of  
27 loans as mandated under this Act shall be appropriated out of the Overseas  
28 Welfare Trust Fund. The departments, agencies, bureaus and offices charged

1 with carrying out the provisions of this Act shall include in their respective  
2 programs the implementation of this Act, the funding of which shall be  
3 included in the annual General Appropriations Act.

4       SEC. 12. *Repealing Clause.* – Any other provision of laws or rules  
5 and regulations inconsistent with the provisions of this Act are hereby  
6 repealed, amended or modified accordingly.

7       SEC. 13. *Separability Clause.* – If, for any reason, any section  
8 or provision of this Act is held unconstitutional or invalid, the other sections or  
9 provisions hereof shall not be affected thereby.

10       SEC. 14. *Effectivity.* – This Act shall take effect fifteen (15) days  
11 after its publication in the *Official Gazette* and in at least two (2) newspapers  
12 of general circulation.

Approved,

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