

18

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'22 JUL 11 P4 :29

**SENATE**

S. No. 265

RECEIVED BY: \_\_\_\_\_

**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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

**EXPLANATORY NOTE**

An Overseas Filipino Worker (OFW) is a person of Filipino origin who lives and works outside the Philippines. As of 2018, there are approximately 2.3 million Overseas Filipino Workers according to the latest survey done by the Philippine Statistic Authority<sup>1</sup>. According to the same data from the survey made by the Philippine Statistic Authority, the total remittance sent by OFWs during April to September 2018 was estimated at 235.9 billion pesos. These remittances included cash sent home (169.4 billion pesos), cash brought home (55.2 billion pesos) and remittances in kind (11.2 billion pesos).

Considering the sacrifices our OFWs have to endure as well as the contributions they bring to the economy, it is the duty of the State to provide assistance and care to them.

This bill, therefore, seeks to create a credit assistance program for our modern day heroes. Under this bill, a prospective OFW who has a valid contract as certified by the Philippine Overseas Employment Administration (POEA) may avail of a fifty thousand peso (P50,000) loan from the Overseas Worker Welfare Administration (OWWA) to defray the living expenses of his family during the first

<sup>1</sup> Results from the 2018 Survey on Overseas Filipinos, Retrieved from  
"https://psa.gov.ph/statistics/survey/labor-and-employment/survey-overseas-filipinos"

few months of his absence as well as other expenses incurred during pre-employment.

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

  
**RAMON BONG REVILLA, JR.**

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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  
2 Workers Credit Assistance Act of 2022”.

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

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

1 the following documents, duly certified to in writing by the recruitment agency with  
2 corresponding authentication and properly certified/verified by the POEA.

3 3.1 Employment Contract

4 3.2 Plane ticket; and

5 3.3 Bank account

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

9 *Sec. 5. Payment of Loan.* – The loan shall be paid in twelve (12) equal monthly  
10 installments or more but no exceeding twenty four (24) months at a preferred interest  
11 rate not to exceed six percent (6%) per annum through the bank account to be  
12 established under the immediately preceding Section. For the purpose, the applicant  
13 shall execute the necessary authority for the bank. To withhold the monthly loan  
14 amortization from his remittances.

15 *Sec. 6. Implementing Rules.* – The OWWA, in consultation with organized labor  
16 groups and the relevant sectors, shall issue rules. And regulations for the effective  
17 implementation of this Act. The IRR shall include provisions that will address  
18 nonpayment of loans provided by this Act and the corresponding penalties that may  
19 be imposed, collection and administration of loans, and other issues of significance  
20 relevant to this Act.

21 *Sec. 7. Appropriation.* – The amount needed to implement the provisions of this  
22 Act shall be appropriated out of the Overseas Workers Welfare Fund.

23 *Sec. 8. Repealing Clause.* – Any other provisions of law or rules and regulations  
24 inconsistent to the provisions of this Act are hereby repealed, amended or modified  
25 accordingly.

26 *Sec. 9. Effectivity* – This Act shall take effect fifteen (15) days after its complete  
27 publication in the Official Gazette or in at least two (2) newspapers general circulation,  
28 whichever comes earlier.

*Approved,*