

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

17th CONGRESS
First Regular Session

HOUSE BILL NO. 323

HOUSE OF REPRESENTATIVES	
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DATE	30 JUN 2016
TIME	11:40 PM
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Introduced by **REP. EVELINA G. ESCUDERO**

EXPLANATORY NOTE

The inability to raise funds to cover the cost of processing applications hinders many of our graduates of various courses offered by the Technical Education and Skills Development Authority (TESDA) and other learning institutions to secure employment in foreign countries.

In this view, this bill proposes a special loan for graduates of TESDA and other educational institutions duly accredited by the Commission on Higher Education with approved overseas jobs contract.

Hence, the approval of this bill is earnestly sought.

[Signature]
EVELINA G. ESCUDERO

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HOUSE BILL NO. 323

Introduced by **REP. EVELINA G. ESCUDERO**

AN ACT
PROVIDING A SYSTEM OF EXTENDING NO-COLLATERAL, 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:

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

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

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

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

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

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

SEC. 7. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall continue to be in full force and effect.

SEC. 8. *Repealing Clause.* – All laws, decrees or rules inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 9. *Effectivity Clause* – This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or at least two (2) national newspapers of general circulation.

Approved,