

Title: OFW Enterprise Development and Loan Program (OFW-EDLP)
Location: Pathway 3: Entrepreneurship / Business in the Philippines
Date last updated: 02 Dec 2022

Formerly known as OFW-Reintegration Program (ORP), OFW-EDLP is an enterprise development intervention and loan facility of OWWA, in partnership with Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP), intended to support enterprise development among OFWs and their families.

- Eligible Projects
 - Franchising business
 - Contract tie-up with top 1000 corporations
 - Agri- and non-agri production/manufacturing with identified market linkage and raw material sources;
 - Construction/rental business;
 - Service/trading business;
 - Transport service; or
 - Any viable project whether existing or new, that should generate a net cash flow sufficient to pay the projected amortization of the loan (or resulting into debt service ratio of at least 1).
- Eligible Loan Purposes
 - Working Capital; or
 - Fixed -Asset Acquisition.
- Project Cost Sharing
 - Borrower's Equity – Minimum of 20% of the Total Project Cost (TPC).
 - Loan – Maximum of 80% of the TPC.
- Loan Amount – The loan amount shall depend on project needs and amount of equity participation of the borrower:
 - For Individual Loan Borrowers (single proprietorship)
 - Minimum – Php 100,000.00
 - Maximum – Php 2,000,000.00
 - Group Loan Borrowers (partnerships, corporations, cooperatives)
 - Minimum- Php 100,000.00
 - Maximum – Php 5,000,000.00
- Interest Rate: 7.5% per annum for the entire duration of the loan
- Loan Repayment:
 - Short-Term- max of one (1) year;
 - Term Loan: based on cash flow but not to exceed 7 years, inclusive of maximum of 2 years grace period
- Loan Security/Collateral
 - Object of financing
 - Mortgage able project assets (machines or equipment) and other assets of the borrower

INTEREST RATE

Short Term Loan and Term Loan - 7.5% per annum fixed for the duration of the loan

LOAN REPAYMENT

- Short Term - maximum of one year
- Term Loan - based on cash flow but not to exceed seven years, inclusive of a maximum two years grace period on principal

COLLATERAL

- Object of financing and/or other collaterals/securities acceptable to the bank

HOW TO AVAIL OF A LOAN

1. Visit the nearest OWWA Office and undergo orientation/eligibility screening and processing/necessary training
2. Secure the required OWWA certification for submission to LANDBANK
3. Visit the LANDBANK Lending Center/ Lending Unit nearest to your place of residence or business for more information and evaluation of project proposal.

Link: https://owwa.gov.ph/?page_id=3706