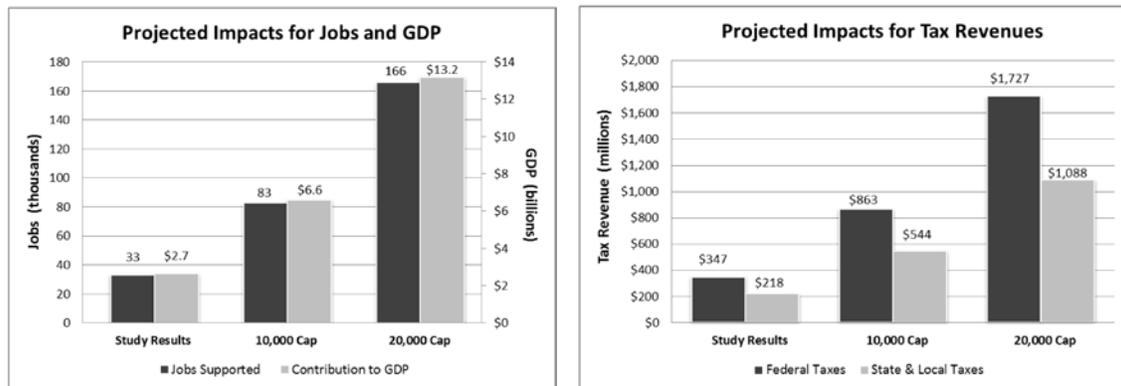


ECONOMIC IMPACTS OF THE EB-5 IMMIGRATION PROGRAM



Based on comprehensive EB-5 investment records, IIUSA recently published a peer-reviewed economic impact study for the EB-5 Program in 2010-2011. The compelling results show that the Program supported tens of thousands American jobs, contributed billions of dollars to U.S. GDP, and hundreds of millions of federal/state/local tax revenue in those years alone. Program utilization has more than *doubled* in the years that have followed – with demand at an all-time high in the current fiscal year (2013). The study also modeled what the economic impact of a fully utilized Program (10,000 visas), and for a scenario where the annual allocation was doubled to 20,000. The graphs bring that analysis to life.



In order for the Program to continue its growing contribution to the U.S. economy, Congress must act to: (1) permanently authorize the Program so it enjoys the certainty necessary for a capital formation industry to flourish; (2) augment the number of available visas available to the EB-5 Program annually by any means possible; and, (3) establish administrative processes and policies that maximize Program effectiveness and efficiency while protecting its integrity.

Unfortunately, current legislative proposals affecting the EB-5 Program, in the context of comprehensive immigration reform in the 113th Congress, have provisions that would have a significantly negative impact on the Program's growing economic contribution to communities across the U.S.

VIEW THE OTHER SIDE OF THIS PAGE FOR IIUSA'S SUGGESTED CHANGES TO H.R. 2131 TO ENSURE THE EB-5 PROGRAM UTILIZES THE OPPORTUNITIES OF THE 21st CENTURY TO ADDRESS AMERICA'S ECONOMIC ISSUES.

<p><small>COMMISSIONED BY</small> IIUSA David Andersson, President Peter Joseph, Executive Director</p>	<p><small>PREPARED BY</small> MIG, Inc. David Kay, Economist Jenny Thorvaldson, Economist Scott Lindall, Economist</p>	<p><small>REVIEWED BY</small> AUBER Eric Thompson, Associate Professor University of Nebraska, Lincoln Hart Hodges, Associate Professor Western Washington University</p>
<p><small>Creating Jobs Through Investments</small></p>		<p><small>Final version submitted to client June 7, 2013</small></p>

IIUSA is the national membership-based non-profit industry trade association for the EB-5 Regional Center industry, proudly representing approximately 95% of regional economic development that occurs through the Program.

**H.R. 2131 (Supplying Knowledge-based Immigrants and Lifting Levels of STEM Visas Act or
“SKILLS Act”)**

Reported out of House Judiciary Committee June 27, 2013

Introduced by Honorable Reps. Robert Goodlatte (Chair, House Judiciary Committee) & Darrell Issa

Minimum Investment Amount: *IIUSA opposes § 104(a)(2) in H.R. 2131*, which would essentially raise the minimum investment amount for investments in projects in targeted employment areas (“TEAs”) from \$500,000 to approximately \$850,000. It would also increase the investment amount from \$1 million to approximately \$1.7 million per investor in non-TEA areas. As currently written, the change in the minimum amount would be effective for any I-526 petition submitted after the legislation becomes law. Allowing this to occur would have a detrimental impact on the Program, especially for project offerings currently being marketed at the \$500,000 minimum amount based on significant financial arrangements by the project and investor.

IIUSA much prefers the language proposed in the Senate comprehensive immigration reform legislation (S. 744), which would raise the minimum investment amount every five years at a rate consistent with the consumer price index accrual over that same time period. The provision in S. 744 reads as follows:

“...the amount specified in this clause shall automatically adjust, on January 1, 2016, by the percentage change in the Consumer Price Index (CPI-U) during fiscal year 2015, and on every fifth subsequent January 1 by the cumulative percentage change in the CPI-U during the previous five fiscal years, for any petition filed to classify an alien under this paragraph on or after the date of each automatic adjustment.”

“Reasonable Time” for Job Creation: *IIUSA opposes § 104(a)(3) in H.R. 2131* that would provide an extra year to show job creation at the I-829 stage, rather than allowing a “reasonable time” for job creation – the current standard. This provision would create an unnecessarily rigid deadline for creating the jobs and will likely result in unintended consequences. Specifically, such a deadline will make it impossible to account for reasonable but unforeseen delays and changes that normally occur in valid business developments that span several years, or even for acts of God. IIUSA supports the current regime, particularly with USCIS working on administrative interpretations of the current policy that give it more tools for enforcement of the “reasonable period of time” for job creation based on an analysis of the totality of the circumstances. IIUSA requests deleting § 104(a)(3) in H.R. 2131.

Targeted Employment Areas (TEAs): *IIUSA opposes § 104(a)(3) in H.R. 2131 about “target employment areas” (TEAs).* Instead, IIUSA supports the existing TEA determination regime (both as to rural and high unemployment), which has billions of dollars of investment already in process and planned. Maintaining the current regime and adding certainty to it is the best option for all stakeholders. IIUSA requests that H.R. 2131 remove all changes to the current provisions relating to high unemployment TEAs, and instead codify the current regulation at 8 C.F.R. § 204.6(i) about state TEA designations:

"State designation of a high unemployment area. The state government of any state of the United States may designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as an area of high unemployment (at least 150 percent of the national average rate). Evidence of such designation, including a description of the boundaries of the geographic or political subdivision and the method or methods by which the unemployment statistics were obtained, may be provided to a prospective alien entrepreneur for submission with Form I-526. Before any such designation is made, an official of the state must notify the Associate Commissioner for Examinations of the agency, board, or other appropriate governmental body of the state which shall be delegated the authority to certify that the geographic or political subdivision is a high unemployment area."

Alternatively, if the above solution is not favored, we urge consideration of the revisions set forth in the latest draft of the Senate bill, which allows high unemployment TEAs that are census tracts or collections of census tracts.

**CONTACT INFO@IIUSA.ORG TO HELP ENSURE IMMIGRATION REFORM ENHANCES THE GROWING
ECONOMIC CONTRIBUTION OF THE EB-5 PROGRAM TO THE U.S.**