



### About the EB-5 Program

Congress created the EB-5 program in 1990 to benefit the U.S. economy by attracting investments from qualified foreign investors. Under the program, each investor is required to demonstrate that at least 10 new jobs were created or saved as a result of the EB-5 investment, which must be a minimum of \$1 million, or \$500,000 if the funds are invested in certain high-unemployment or rural areas.

Since the 2008 economic crisis, access to capital has been constricted and municipal budgets continue to face significant shortfalls. EB-5 investments have filled the funding gap, providing a new, vital source of capital for local economic development projects that revitalize communities, create and support jobs, infrastructure and services.

A comprehensive peer-reviewed economic study found that during fiscal year 2013, investments made through the EB-5 program contributed \$3.58 billion to U.S. GDP and supported over 41,000 U.S. jobs. And, these jobs were created at no cost to taxpayers. The Congressional Budget Office has scored the program as revenue neutral, with administrative costs paid for by applicant fees.

More than 25 countries, including Australia and the United Kingdom, use similar programs to attract foreign investments. The American program is more stringent than many others, requiring substantial risk for investors in terms of **both** their financial investment and immigration status.

- Investments made through the U.S. EB-5 program must be “at risk” in the same way that investments in stocks or equity funds carry an inherent risk. There is no guaranteed financial return.
- If their application is approved by USCIS, EB-5 investors receive a conditional visa that is valid for two years. In order to receive a permanent visa, these investors must demonstrate that the legally required economic benefits flowing from their investments have been achieved.

Annually, the EB-5 Program accounts for less than 1% of the visas issued by the U.S. Throughout the process, EB-5 investors are subject to the same background checks and national security screenings as applicants in any other visa category, and their ability to eventually apply for citizenship is subject to the same criteria as other visa holders. Like any other investment vehicle, EB-5 investment funds are subject to U.S. securities and anti-fraud laws and regulations.

## **About the EB-5 Regional Center Program**

In 1992, Congress enhanced the economic impact of the EB-5 program by permitting the designation of Regional Centers to pool EB-5 capital from multiple foreign investors for investment in USCIS-approved economic development projects within a defined geographic region. Today, 95 percent of all EB-5 capital is raised and invested by Regional Centers.

Regional Centers maximize the program's job creation benefits by facilitating the investment of significant amounts of capital in large-scale projects – often in coordination with regional economic development agencies – which use the EB-5 funds to leverage additional capital. Regional Centers use economic analysis models, including those developed by the U.S. Department of Commerce, to demonstrate that job creation targets required by law have been achieved. For investments made through Regional Centers, at least 10 direct, indirect or induced jobs must be created.

Existing federally-designated Regional Centers include entities that are publicly owned and operated by state economic development agencies as well as public-private partnerships and private sector investment companies. A Regional Center obtains its designation by submitting a detailed application to USCIS. The application must state the kinds of businesses that will receive capital from investors, the jobs that will be created directly or indirectly as a result of the investment of capital, and the other positive economic impacts that will result from the investment of capital.

All investment offerings made by EB-5 Regional Centers are subject to U.S. securities laws, enforced by state securities regulators and the U.S. Securities & Exchange Commission.

## **Examples of Successful Projects**

Capital investments made by EB-5 Regional Centers have supported successful economic development projects, including:

- Redevelopment of a closed Air Force base in Southern California into a vital commercial area including a distribution center and regional airport
- Development of assisted and retirement living communities in Washington State, creating 800 jobs and serving approximately 130 seniors;
- The transformation of the a closed Navy yard in Philadelphia into a dynamic, multi-use development now home to 130 companies and 10,000 employees
- Restoration of the historic “Alaska Club” building in Seattle, creating a modern hotel that employs almost 100 people and serving over 100,000 hotel guests annually
- Expansion of a one season ski-resort in Vermont into a thriving four season vacation destination.
- Rehabilitation of a 100 year old building into a hotel that created of 161 jobs while kick-starting the revitalization of an historic Dallas neighborhood

## **Support for the EB-5 Regional Center Program**

The EB-5 Regional Center program is supported by mayors and local economic development officials who see the value of the program first-hand.

- The U.S. Conference of Mayors recently endorsed permanent authorization of the regional center program, noting that EB-5 has become a vital source of urban redevelopment funds.
- Dallas Mayor Michael Rawlings said, “The EB-5 Program enables regional centers to be a key economic driver in their communities, creating desperately needed jobs in a tough economic environment.”
- Mark Jaffe, president of the Greater New York Chamber of Commerce, has called EB-5 “a common sense job creator that is straightforward with no cost to U.S. taxpayers,” and cited the program as “an important ingredient” in the success of “large-scale, public/private real estate projects that create much needed jobs in areas of high unemployment.”