



# U.S. Citizenship and Immigration Services

EB-5 Immigrant Investor Pilot Program

# General EB-5 Program Overview

## Background:

- Section 203(b)(5) of the Immigration and Nationality Act (INA), allocates 10,000 “EB-5” immigrant visas per year to qualified individuals seeking Lawful Permanent Resident (LPR) status on the basis of their capital investment in a commercial enterprise.
- The EB-5 regulations may be found at 8 CFR 204.6 and 8 CFR 216.6, respectively.



# EB-5 Capital Investment Structures

EB-5 Investors may be eligible for an EB-5 immigrant visa if they have invested – or are actively in the process of investing - the required amount of capital into one of the following for-profit business-types:

- A new commercial enterprise (created after 11/29/1990);
- An enterprise which will expand to 140% of pre-investment net worth or number of employees, or;
- A troubled business in which jobs will be preserved.



# EB-5 Capital Investment Thresholds

- The standard capital investment requirement for an EB-5 investor is \$1 million.
- The capital investment requirement for an EB-5 investor in a Targeted Employment Area (TEA) which is either in a high unemployment area, (calculated as an area with an unemployment rate that is at least 150% of the national average), or a Rural Area (RA) is \$500,000.
- Congress has reserved 3,000 of the 10,000 EB-5 visas for EB-5 investors who invest in TEAs.



# EB-5 Job Creation Requirements

- Each EB-5 investors must demonstrate that their capital investment will create/preserve at least ten (10) jobs for qualified U.S. workers within the United States.
- A qualified U.S. worker is a U.S. citizen, LPR, asylee or refugee.
- Jobs created for nonimmigrant workers and/or members of the EB-5 investor's family are not qualifying.



# Obtaining Lawful Permanent Resident (Green Card) Status through EB-5

There are four steps to becoming a Lawful Permanent Resident (LPR) through the EB-5 program.

1. Form I-526 immigrant petition approval.
2. Application for an immigrant visa either through adjustment of status (Form I-485) in the United States with USCIS, or through an application for immigrant visa (Form DS-230) with the Department of State (DOS).
3. Upon approval of the Form I-485 or admission on an EB-5 immigrant visa, the alien is granted two-years of conditional permanent resident status.
4. A Form I-829 petition to remove the conditions on the LPR status must be filed at the end of the two-year conditional period. If the alien has fulfilled the EB-5 requirements, then the conditions will be removed and the alien will be an unconditional LPR.



# Regional Center Pilot Program

- The Immigrant Investor Pilot Program (“Pilot Program”) was created by Section 610 of Public Law 102-395 (October 6, 1992), and was recently extended through September 30, 2012.
- EB-5 requirements for an investor under the Pilot Program are essentially the same as in the basic EB-5 investor program, except the Pilot Program provides for investments that are affiliated with an economic unit known as a “Regional Center”. These investments allow for a less restrictive job creation requirement based upon the creation of “indirect” and “direct” jobs.



# Regional Center Adjudications

- *A Regional Center* is not merely a defined geographic area but rather is a business entity that coordinates foreign investment within that area in compliance with the EB-5 statutory, regulatory and precedent decision framework.
- Regional Centers do not hold sole jurisdiction over their geographic region.





# Direct v. Indirect Jobs

- Direct jobs are actual identifiable jobs for qualified employees located within the commercial enterprise into which the EB-5 investor has directly invested his or her capital.
- Indirect jobs are those jobs shown to have been created collaterally or as a result of capital invested in a commercial enterprise affiliated with a regional center by an EB-5 investor.
- The number of indirect jobs created through an EB-5 investor's capital investment is based upon a business plan and a detailed economic analysis, which is evaluated and approved by USCIS during the approval and designation of a regional center for participation the Immigrant Investor Pilot Program.



# Regional Center Requirements:

A Regional Center must:

- A. Focus on a contiguous geographical region of the United States;
- B. Promote economic growth through:
  - 1. increased export sales (if any),
  - 2. improved regional productivity,
  - 3. job creation, and
  - 4. increased domestic capital investment.



# Regional Center Requirements, Cont'd:

A Regional Center must:

- C. Demonstrate in verifiable detail how jobs will be created, either indirectly or directly.
- D. Commit sufficient funds to promote and oversee capital investment opportunities in the Regional Center.



# Regional Center Statistics

- There are currently 90 approved Regional Centers, operating in 34 states, inclusive of the District of Columbia and Guam.
- A complete list of approved regional centers is also available online at <http://www.uscis.gov/eb-5centers> .
- Approximately 90% of the individual Form I-526 petitions filed each year are filed by Alien Investors who are investing in Regional Center-affiliated.
- There are currently 70 Regional Center Proposals pending with USCIS. The standard cycle time for Regional Center Proposals is four months.



# Individual EB-5 Petition Statistics FY 2009

	Receipts	Approvals	Denials
Form I-526 Petition	1028	966	163
Form I-829 Petition	437	335	55



# Individual EB-5 Petition Statistics FY 2010 (1<sup>st</sup> & 2<sup>nd</sup> Quarters)

	Receipts	Approvals	Denials
Form I-526 Petition	842	779	90
Form I-829 Petition	311	112	19



# Individual EB-5 Petition Statistics

	Pending Cases as of May 14 <sup>th</sup> 2010	Current Cycle Time
Form I-526 Petition	635	Five Months
Form I-829 Petition	360	Five Months



# EB-5 Visa Usage

Fiscal Year	Total EB-5 Visas Issued
FY09	4,218
FY08	1,360
FY07	806
FY06	744





# EB-5 Expedite Requests

- Public Law No. 102-395 provides for priority to be given to Regional Center-affiliated individual petitions. However, the statute does not provide criteria for USCIS to use to determine how petitions filed under the regional center program should be given priority over one another.
- USCIS has national expedite criteria for all petitions and applications, which are posted on the USCIS website.
- The petitioner must demonstrate that one or more of the expedite criteria have been met to be granted an expedite.



# EB-5 Expedite Requests, Cont'd

- The Director of the CSC follows the national expedite criteria when determining whether to grant an expedite request for an EB-5 petition.
- One of the national expedite factors is the “severe financial loss to a company or to an individual.” Most of the EB-5 related expedite requests that CSC receives are based on this factor.
- Most EB-5 petitions contain escrow agreements which specify that the capital investment may not be released into the investment project until the approval of the Form I-526 petition.
- USCIS would be inundated by expedite requests if expedite requests were granted based upon these self-imposed financing arrangements.



# EB-5 Expedite Requests, Cont'd

- Expedite requests for EB-5 cases should be directed to the EB-5 program mailbox at:  
[Uscis.immigrantinvestorprogram@dhs.gov](mailto:Uscis.immigrantinvestorprogram@dhs.gov) .
- USCIS believes that the most equitable approach is to adjudicate EB-5 petitions in accordance with our first-in, first out procedures.



# Public Law 106-273 Update

- The 21st Century Department of Justice Appropriations Authorization Act Public Law No. 107-273, 116 Stat. 1757 (Nov. 2, 2002) requires a special analysis of the capital investment in multiple commercial enterprises and the resulting job creation in certain petitions that were approved after January 1, 1995 and before August 31, 1998.
- The DHS Regulatory Agenda indicates that the Proposed Rule for the Implementation of the Provisions of P.L. 107-273 will be published in July of 2010.



# Public Law 106-273 Update, Cont'd

- USCIS has:
  1. reviewed all of the EB-5 cases affected by P.L. 107-273.
  2. Approved pending EB-5 Public Law cases in the instances where the evidence of record shows that the alien has met the eligibility requirements specified under the P.L. 107-273.
- 581 EB-5 Public Law cases remain. These cases are being held in abeyance pending the finalization of the regulations implementing the provisions of the public law.
- USCIS will dedicate a special team of officers to the handling of these cases once the regulations are published.



# USCIS EB-5 Program Activities

1. Consolidated all EB-5 Adjudications at the California Service Center in FY09
2. Recently provided field guidance to streamline EB-5 Adjudications
3. New Regional Center form development
4. Quarterly stakeholder outreach
5. Liaison with DOC, BLS, BEA, and State agencies



# Questions?



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