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## How Foreign Investors Can Get A Green Card In Exchange for \$1 Million

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Foreign investors searching for an open door to the U.S. may finally have their entryway with the EB-5 Visa Program.

Also known as the Green Card Immigrant Investor Program, the program has so far resulted in the creation or maintenance of 65,000 jobs and \$3.1 billion invested in the U.S. economy.

In 2012 and beyond all signs point to even more serious job growth from the program, especially as overseas economies continue to struggle and foreign investors search for easier access to the U.S.

Administered by the U.S. Citizenship and Immigration Services (USCIS), the EB-5 immigrant investor visa program was born out of the Immigration Act of 1990 to create U.S. jobs by attracting foreign capital to the country. While there are only 218 EB-5 approved businesses that operate in 40 states currently, the opportunities are vast with 10,000 EB-5 visas newly available every year.

To apply for an EB-5 visa, foreigners invest \$1 million in a regular U.S. business or only \$500,000 if investing into a struggling area where unemployment sits above the national average, in a troubled business enterprise or in a rural region. Investments are designed to either establish a new U.S. business (also called regional center) or help a failing business, and in each case at least ten (10) full-time jobs must be created. After two years and proof that the business is thriving and ten jobs have been created applicants may apply for permanent U.S. residential status.

The most common investment made today is \$500,000 and the appetite from foreign investors has been on a steady incline. In fact, the USCIS recently reported that 2,364 EB-5 visas have been issued so far in the first quarter of the 2012 fiscal year, which equates to at least 10,000 new jobs for American workers.

At this pace, the 2012 program will come close to using its 10,000 annual visa allocations for the first time since its inception in 1992. This would create an estimated 40,000 new jobs for U.S. workers in fiscal 2012. Compare this to fiscal 2011, in which the USCIS created approximately 25,000 new jobs.

### More than jobs

While the EB-5 program is known for its job creation, it has far more advantages to both foreign investors and local businesses trying to get off the ground. EB-5 businesses of all kinds are taking shape, and all sectors, including real estate, technology, health care, retail and others, are benefiting.

A major catalyst for the growth has been the ability to use the program as a way to counteract the scarcity of capital common from traditional sources, such as banks. Foreign investors present a relatively cheap source of funding and have a strong incentive to give, not to mention the credibility they receive from the program's official USCIS "stamp of approval." Also, many of the newly established businesses end up serving as marketing arms, and in turn, a highly effective means for raising additional capital.



### **Difficulties with the Regional Center Process**

Despite its record growth and positive economic impact, the program is set to expire on September 30, 2012, unless it is extended like it has five (5) previous times. In addition, the cost to establish a regional center could exceed \$100,000 and there are no assurances that the regional center will be approved, especially considering that the current denial rate for regional center applications exceeds fifty percent (50%). In addition, there is a significant time delay without the availability of premium processing to obtain regional center approval; four to eight months under the current process. Then it can take another six to eight months before the funds can be accessed based upon the investor filing an appeal.

Despite this, the EB-5 program is growing exponentially; however, there is no doubt the process can be daunting for investors and local entrepreneurs alike. Guidance from legal counsel that specializes in the area of establishing regional centers and obtaining EB-5 visa approvals is essential to expedite the process, prepare the necessary securities documents to raise capital and file the various immigration petitions. Considering the value the program can bring, it may be well worth the investment.

Thousands of Americans are employed today due to the EB-5 program, with an estimated capital investment in excess of Three Billion Dollars, at no cost to the American taxpayer, thus proving the value of the program.