

**EB-5 Regional Center Investments:
Congress Must Act Before This Job Creation Program Expires on September 30**

September 16, 2015

The Honorable John Boehner
Speaker
U.S. House of Representatives

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Harry Reid
Minority Leader
U.S. Senate

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives

The Honorable Steve Scalise
Majority Whip
U.S. House of Representatives

The Honorable Steny Hoyer
Minority Whip
U.S. House of Representatives

The Honorable Robert Goodlatte
Chairman, Judiciary Committee
U.S. House of Representatives

The Honorable John Conyers, Jr.
Ranking Member, Judiciary Committee
U.S. House of Representatives

The Honorable Charles Grassley
Chairman, Judiciary Committee
U.S. Senate

The Honorable Patrick Leahy
Ranking Member, Judiciary Committee
U.S. Senate

Dear Congressional Leaders, and Judiciary Chairmen and Ranking Members:

Our organizations commend your leadership to reauthorize and reform the EB-5 “regional center” investment and job creation program. We reiterate our call to strengthen the program and prevent its imminent expiration on September 30, 2015.

Failure to reauthorize EB-5 regional centers – which run at no cost to taxpayers – will have dire economic consequences. Opportunities will be lost to put Americans to work and accelerate growth in cities, suburbs, and towns that still feel the pinch from the recession:

- **The U.S. will lose an estimated \$6.8 billion in foreign investment dollars for the U.S. economy if EB-5 regional centers are not reauthorized.** (Based on 13,663 pending EB-5 petitions reported by U.S. Citizenship and Immigration Services (USCIS) at the end of FY’2015 Q2 and assuming each pending petition would invest the current minimum investment of \$500,000).

- **From 2005-2013, EB-5 brought in a minimum of \$5.2 billion in private investment to the U.S.** – with a minimum of \$1.6 billion in 2013 alone. (According to a June 2015 study commissioned by the EB-5 Investment Coalition (www.eb5coalition.org).
- **Investments through the EB-5 program in 2013 would create 31,000 American jobs** assuming all minimum requirements are met for each investment. (Also according to the June 2015 study).

Significant progress has been made to negotiate an EB-5 reform package. However, consensus remains to be reached on key points. We respectfully offer the following principles for EB-5 extension:

- (1) **EB-5 reauthorization should emphasize “integrity measures” to enhance national security and deter possible investor fraud.** Our groups wholly support the reforms suggested in the August 12, 2015 U.S. Government Accountability report.
- (2) **Fair Targeted Employment Area (TEA) reform must strike an equitable balance to encourage EB-5 investments across rural, urban, and suburban areas.** That balance would be upset if higher investment amounts are imposed on urban and suburban communities to qualify for EB-5 financing. Rather, we support an expanded definition of “rural” for EB-5 purposes; TEAs that take into account the commuting patterns of American workers; lower job creation requirements for rural and impoverished area projects; and a legislative directive for a study that provides transparency regarding the locations and types of projects that benefit from EB-5 financing. We look forward to continuing our discussions on these ideas, and are open to other incentives to boost EB-5 financing in rural and impoverished areas.
- (3) **Well-accepted methodologies must drive the job creation analyses.** For example, job creating entities (JCEs) should bear a responsibility to show that 10% of EB-5 jobs are directly created by the project. Further, where pent-up demand lays the foundation for business expansions, we suggest tenant occupancy should be considered.
- (4) **Another multi-year extension (3-5 years) is needed to optimize EB-5 regional centers’ purpose to create American jobs.** A short, months-long extension will create serious uncertainty in capital markets at home and abroad. American businesses that rely on EB-5 financing need market security and predictability that only a longer term reauthorization can provide.
- (5) **Grandfathering must strike the right balance between swiftly instituting any reforms,** while respecting pending EB-5 applications and investments already far along in the process.
- (6) **EB-5 reauthorization should be packaged with other expiring programs** (namely, R-1 visas for religious workers, the Conrad 30 waiver program for J-1 medical workers, and the E-Verify platform).

Smart government policies backed by data and statistics are needed now more than ever to ensure that the United States can compete in the global marketplace to attract foreign investment dollars, and help finance projects that put Americans to work.

We submit this letter with appreciation of your efforts—and hope you look to us for assistance to help ensure that any EB-5 reforms will equitably preserve and enhance regional centers' positive economic impact on communities across the nation. Thank you for your consideration.

cc: Members of the Judiciary Committees of the U.S. Senate and House of Representatives

American Gaming Association
American Hotel & Lodging Association
American Immigration Lawyers Association
American Resort Development Association
American Seniors Housing Association
Appalachia Drilling
ARIS Capital Management LLC
Artisan Business Group
AVIP Regional Centers
Brevet Capital
BridgeForth Capital
Building Owners and Managers Association (BOMA) International
City of Miami Regional Center
Commercial Real Estate Finance Council
Economic & Policy Resources
EB-5 Capital
EB-5 Investment Coalition
EB-5 Regional Center Florida
Front Range Regional Center
Greystone & Co., Inc.
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