

### **NAR Committee:**

Business Issues Policy Committee

### **What is the fundamental issue?**

The EB-5 Investor Visa Regional Center Program was established as a pilot program administered by the U.S. Citizenship and Immigration Service. The regional centers and the traditional EB-5 visa process provide a path to citizenship in the United States by investing a minimum of \$1.05 million or \$800,000 in a TEA and creating 10 or more jobs.

If the investment is in high-unemployment or rural areas, the investor must prove that the investment has created at least ten jobs, either directly or indirectly. Indirect jobs are those that result from the investment in the commercial enterprise, but the employed individuals work for other companies. These can include jobs in the supply chain of the commercial enterprise.

Authority for the regional center pilot program needs to be reauthorized periodically.

### **I am a real estate professional. What does this mean for my business?**

While EB-5 visa seekers may take the traditional route of investing capital and starting a new business that meets the investment criteria of the EB-5 visa category, the EB-5 Regional Center program provides an alternative way for interested foreign nationals to invest less money to create new jobs as a participant in a regional center's investments. Many regional centers focus on or have a significant real estate development component. Increased awareness of this program can help create new investments in real estate, jobs and economic growth.

EB-5 investments provide opportunities for the real estate sector by the construction of new commercial and multi-use developments, and by job creation and resulting property purchases.

### **NAR Policy:**

NAR supports the right of foreign investors to acquire U.S. real property as well as the free flow of international finance for real estate, subject to the same laws and regulations that govern U.S. investors. NAR supports the permanent authorization of the EB-5 Regional Center Program.

### **Opposition Arguments:**

Making the EB-5 regional centers pilot program permanent will open the door for fly-by-night operations to take investors' money and provide little benefit to the U.S. economy. Additionally, this program communicates the message that, with sufficient resources, anyone can "buy" citizenship in the United States.

### Legislative/Regulatory Status/Outlook

As a pilot program, authority for the EB-5 regional centers has to be extended periodically. NAR continues to work with organizations that support permanent reauthorization for the regional center program as well as for needed reforms to make the program more accountable and transparent.

#### Recent History

On July 24, 2019, a Final Rule to reform and modernize the EB-5 program was published in the Federal Register at <https://www.federalregister.gov/documents/2019/07/24/2019-15000/eb-5-immigrant-investor-program-modernization>.

The Department of Homeland Security (DHS) issued this rule to codify existing policies and reform parts of the EB-5 program. This rule provides priority date retention to certain EB-5 investors, increases the required minimum investment amounts and reforms targeted employment area (TEA) designations.

NAR signed onto to a broader Coalition comment letter on May 17, 2019, expressing concern that some of these changes, especially the higher required minimum investment amounts, would make the program more difficult to use, thereby making less capital available for real estate development projects.

On June 30, 2021 the EB-5 Regional Center Program lapsed and was not renewed.

The Regional Center Program expired in June, 2021, **but the [EB-5 Reform and Integrity Act of 2022](#) renewed and reauthorized the program through Sept. 2027**. In addition to renewing the Regional Center Program, the legislation also instituted accountability, oversight and transparency reforms which NAR supported. These reforms will provide better oversight and monitoring of where the funds are coming from and what kinds of projects the funds are supporting and will help keep the program viable for the long term.

### Current Legislation/Regulation (bill number or regulation)

[EB-5 Reform and Integrity Act of 2022](#)

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