

### **NMHC/NAA Viewpoint**

***EB-5 has become an important source of investor capital for the multifamily industry. Congress should permanently extend this program, as well as improve the program through structural enhancements that increase real estate investment opportunities.***

***In fiscal year 2014 more than \$4 billion in investments were committed to EB-5 projects in the U.S.***

## **EB-5 IMMIGRANT INVESTOR PROGRAM**

Established by Congress in 1990, the EB-5 “Jobs for U.S. Visa” program has brought billions of dollars of investment to the U.S. and created thousands of jobs. The program has become an important source of investment in commercial real estate projects including multifamily. The EB-5 program allows a foreign investor and his or her family to obtain a U.S. green card by making an investment in a capital project that results in the creation of permanent jobs.

Specifically, foreign investors who invest at least \$1 million in a commercial enterprise that creates 10 full-time jobs receive a green card approximately two years after investment in the project. If a project is located in a designated Targeted Employment Area, the minimum required investment is reduced to \$500,000. The EB-5 program is administered by the U.S. Citizenship and Immigration Services (USCIS), an agency within the U.S. Department of Homeland Security.

Projects are administered by regional development centers approved by the USCIS. Many of the investments help local communities grow in ways that may not have otherwise been possible. The centers are authorized to solicit investor funds and are the mechanism through which immigrant investors qualify and apply for green cards.

Despite the program’s benefits, there have been reports of fraud and abuse that allegedly exist in connection with the program. This includes investors receiving visas that otherwise would not have been admitted, inability to track the required job creation, politician influence on investment approval, fraudulent solicitation of funds from investors, and the poor record keeping practices of the USCIS in administering the program.

The EB-5 program is subject to expiration every three years because it has never been permanently approved by Congress. The program was last extended in 2012, but the re-authorization period ends on September 30, 2015.

NMHC and NAA support the EB-5 program as an additional source of capital for multifamily developers. We also encourage Congress to act in order to permanently establish the program while addressing abuses and improving the efficiency of the investment process.