

# U.S. Immigration Investment Program to Attract Chinese Investment

## Experts Call Attention to Careful Choice of Projects

March 2, 2012

Xinhuanet.com

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NEW YORK, March 1 (Xinhuanet.com) — According to a report recently released by the U.S. Citizenship and Immigration Services (USCIS) the number of immigrant investors from China has been increased drastically in the past two years. Investors from China have become an important group of prospective clients for many EB-5 projects in the United States.

While on the other hand, there appears a growing trend in impairment to interest of investors due to inappropriate or irregular operation of some projects. Experts suggest that investors be careful in choosing projects and make good preparation before they make investment aboard.

### **The rapid progress of EB-5 Program**

The EB-5 visa for immigrant investors is a United States visa created by the Immigration Act. Enacted in 1991, the program provides lawful permanent residency (commonly known as “green card”) for immigrant investors and their immediate family if they invest \$1,000,000 and create at least 10 jobs directly.

In 1993, the U.S. Congress modified EB-5 Program to include a pilot program for designated regional centers, which is designed to encourage immigrant investment into specially designated locations featuring high unemployment rates by reducing the minimum capital investment threshold and, thus, to promote regional economic growth effectively.

Under this pilot program, immigrant investors, who invest \$500,000 in projects within a specifically approved “regional center,” and create 10 direct or indirect jobs, will have an opportunity to be granted U.S. green card. Of the 10,000 total available EB-5 visas, up to 3,000 visas are specifically set aside annually for aliens who invest in a regional center.

In the past two years, due to the urgent need to spur job growth and jump-start the sluggish economic recovery, the processing of EB-5 petitions has been sped up significantly.

Ms. Grace He, vice president of the Hollywood Beach Regional Centers (HBRC) and general manager of WCH Synergy Investment, LLC, told the reporter that the EB-5 Program develops very fast compared with that of other countries. Should the program be utilized fully, the total volume of investment in this area will reach \$2 billion. Therefore, the U.S. government’s attitude is an encouraging one.

“The EB-5 Regional Center Pilot Program is scheduled to expire by the end of September this year;

but it is most likely to be extended,” said Ms. Grace He. “The program has been extended five times over the past 19 years. Further, the Program has the support of Senator Patrick Leahy who is the Chairman of the Senate Judiciary Committee and other distinguished Congressmen. Given the current economic environment, EB-5 investments and the job to be created are of vital importance to the United States.”

### **China’s overseas investment rush**

Immigrant investors from various countries are attracted to the United States with the steady progress of the EB-5 Program, and the ease of investment requirements.

Judging from the number of individual EB-5 petition filing receipt, the year of 2011 has reached a new high for the past five years, with 3,805 I-526 applicants for conditional green card and 2,345 I-829 applicants for unconditional green card.

In 2011, according to data released by USCIS, 1,563 Form I-526 approvals were granted, representing an approval rate of 81%; 1,067 approvals were granted, representing an approval rate of 96%.

One of the reasons for Chinese investors to choose EB-5 projects, according to Ms. Grace He, is to seek investment opportunities in the U.S. economic recovery process. Even more importantly, they want to utilize some of the immigration provisions to help their children obtain green card and enjoy highest level of education, and, in particular, to increase the chances to attend top-notch universities and to be employed lawfully in the United States.

“Judging from the cases we have handled, most investors from China would choose immigration investment mainly for the purpose of their children’s education. The reason why the EB-5 Program satisfies their needs is because it does not require the investors themselves to work and live in the United States, for most of them have business in China.

### **Immigration investment risks should not be overlooked.**

Although the sluggish U.S. economy offers many opportunities for immigrant investors, adequate attention shall be also paid to investment risks.

Ms. Keil Hackley, attorney of Hollywood Beach Regional Center, and a senior immigration counsel with more than 20 years of experience in the field, told the journalist of Xinhua News Agency that she has observed that some investors have encountered various problems in the immigration process through investment. She reminds investors to make good preparation and choose reliable projects before deciding to invest in the United States.

Many prospective investors will be tempted by various guarantees of return of investment capital provided by intermediaries, which is often the beginning of troubles, said Ms. Hackley.

“The EB-5 law requires that all immigration investment capitals are placed “at risk.” This does not mean that the investment itself has to be risky; but there can be no guarantees given that the investment capital will be returned.

Therefore, if someone assure you of return of 75% of investment monies within two years, or promise to refund all investment monies immediately in the event of denial of green card application,

you'd better see it as a big question mark because such an arrangement is not EB-5 compliant.”

Peter Bober, Mayor of the City of Hollywood, Florida, indicated in an interview with reporters, that investors should make full preparation in choosing an appropriate project and hire professionals, if necessary, to have a thorough understanding of the project itself, and “to know who you are dealing with.”

“In order to attract Chinese investors, Margaritaville Hollywood Beach Resort – the project we are currently developing – has established a point of contact for Chinese investors. We also designated government officials as liaison officers. EB-5 investors may contact us directly if they have any inquiry about the project,” Mr. Bober said. “In addition, we are very careful in choosing project partners for fear that they may have any bad records. It is our wish to be responsible not only for our investors, but also for our city.”

As for the final success of investment immigration, “Two points are most important: one is the ability to demonstrate the lawful source of your investment capitals, and the other, ten or more jobs are created at the result of your investment,” Ms. Hackley stressed.