**EB-5 Regional Center**

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There are two ways of funding a project with EB-5 capital: through a direct investment or through a regional center.  An EB-5 Regional Center is a service agent organization designated by United States Citizenship and Immigration Services (USCIS) that sponsors capital investment projects for investment by EB-5 investors. A Regional Center can be a private or public entity which deals with the elevation of domestic capital, job creation, and increased economic growth. Regional Center helps EB-5 investors to obtain conditional permanent residency and also to directly invest into a new commercial enterprise.

Instead of directly investing into a project, the Regional Center sets up an investment fund for the benefit of the EB-5 investors. EB-5 investors purchase equity stakes in the investment fund. Then, the fund either purchases equity in the job creating entity (the equity model) or loans the job creating entity money (the loan model). The job creating entity then uses the investment from the fund in the project to create jobs indirectly.

**History**

Raising capital via the EB-5 Immigrant Investor Program is inimitable compared to traditional sources of funding thus becoming an exciting and ever-evolving industry. Congress established the Immigrant Investor Pilot Program on Oct. 6, 1992 through Sec. 610 Public Law 102-395 which was grounded upon other countries’ successful investor visa programs. This program allows foreign investors to come to the United States with an EB-5 visa that leads to a green card if they invest a certain amount of money into a new commercial enterprise that will facilitate U.S. economic growth by creating at least 10 fulltime jobs directly or indirectly per investor. After two years, if the project creates 10 jobs per investor, the conditions on that green card are lifted and the investor (and his or her family) becomes a permanent resident. The Pilot Program was recently extended until September 2015.

**Formation**

Regional centers apply for designation by USCIS on Form I-924. The Regional Center is then designated by USCIS to develop capital investment projects in a specific geographic area and in specific industries. Additionally, the Regional Center is designated to use fiscal methods to model indirect job creation. The Applicants who seeks to start a Regional Center also must provide a hypothetical, actual or exemplar project. *Hypothetical project* refers to a project proposal that is not supported by a Matter of Ho compliant business plan. A sample project containing general proposals and general predictions may be sufficient. An *Actual project* generally means a comprehensive business plan and economic report that accurately describes the project, investment, job creation. *Exemplar project*refers to a Form I-526 petition, filed with a Form I-924 actual project proposal that contains copies of the commercial enterprise’s organizational and transactional documents, which USCIS will review to determine if they are in compliance with established EB-5 eligibility requirements.

Once the Form I-924 is approved, the EB-5 investors' Form I-526 petitions is to be submitted to USCIS. I-526 applications outlines the specific EB-5 projects that the regional center will be conducting, and will include either the documents outlined above in the actual or exemplar filing. Immigration counsel will shepherd and review the regional center, project, and investor through each USCIS step of compliance. Once approved, I-526 petitions enables individual EB-5 investors to obtain their conditional green card so that they can move to the United States.

The final step of the EB-5 visa process for individual investor applicants is to file the I-829 petition. This application demonstrates that the project and investor have met all the requirements of the EB-5 program. Once approved, the I-829 enables the investors to obtain their lawful permanent resident status (green card). Although the application is filed by the individual EB-5 visa applicants, the regional centers provide evidence of meeting the job creation requirements as a result of the investment.

It is to be significantly noted that the regional center cannot accept any investment from qualified investors, until, and only until the regional center is approved.

**Advantages of a Regional Center Investment**

The Following are the advantages of a Regional Center Investment:

1. The main advantage for an Regional Center is that USCIS will allow the project to count indirect and induced jobs in addition to direct jobs towards the job creation requirement. *Direct jobs* are those actual identifiable jobs for qualified employees who are employed by the commercial enterprise into which the EB-5 investor has directly invested the capital. *Indirect jobs* are those jobs shown to have been created collaterally by the project as a result of capital invested in a commercial enterprise affiliated with a regional center by an EB-5 investor. The number of indirect jobs is based upon a business plan and a detailed economic analysis, which is evaluated and approved by USCIS during the approval and designation of a regional center for participation the Immigrant Investor Pilot Program. *Induced jobs* are new jobs that are created within the community where a regional center is located as a result of income being spent by EB-5 project workers.

2. Another advantage is that the investors in a new commercial enterprise affiliated with an Regional Center need not be involved in the daily management of the business and commit a certain amount of time for handling the business. Instead, the investor can be involved in the policy formation of the fund. Usually, the fund is organized as a limited partnership or limited liability company, thus, the investor can become a limited partner or member, respectively, and receive all of the benefits of the State’s Uniform Limited Partnership Act or Limited Liability Company Act. Those rights are sufficient involvement for the investor to qualify for an EB-5 visa in the regional center context. For some investors, the green card is the only goal of the EB-5 program. For others, the chance to control their business is essential, and in those circumstances, the investor may choose a direct investment over a regional center investment.

3. Third advantage being that the investor can live anywhere in the United States. The investor does not need to live by the project. Additionally, the investor can work anywhere because employment is not tied to the new commercial enterprise or the project. The EB-5 visa also allows the investor’s dependents (spouse and unmarried children under the age of 21) to move permanently to the United States. The dependents can go to school or work without restriction in the United States.

**Statistics**

The number of Regional Centers has increased since 2008 which marked 27 regional centers. As of September 5, 2017, there are 835 USCIS-approved EB-5 Regional Centers in operation across the United States, with more being approved regularly. Regional centers can receive funding from multiple EB-5 investors, so long as each investor's investment creates 10 fulltime jobs, which can allow them to collect more capital for their projects. Regional centers are also permitted to operate multiple EB-5 projects concurrently.

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