EB-5 101

What is the EB-5 program?

The EB-5 program was created by the U.S. government in 1990 to improve economic conditions, especially in economically distressed areas by attracting foreign capital to support investments that create local jobs.

What are the EB-5 capital requirements?

Under the program, each foreign investor is required to demonstrate that at least 10 new jobs were created or saved as a result of the EB-5 investment, which must be a minimum of $1 million, or $500,000 if the funds are invested in certain high-unemployment or rural areas.

In 1992, Congress enhanced the economic impact of the EB-5 program by permitting the designation of Regional Centers to pool EB-5 capital from multiple foreign investors for investment in approved economic development projects within a defined geographic region. Today, 95 percent of all EB-5 capital is raised and invested by Regional Centers.

Who runs the EB-5 program?

The U.S. Citizenship and Immigration Service (USCIS) run the program, must approve all economic development projects, and are assisted at the regional level by EB-5 Regional Centers.

What is an EB-5 Regional Center?

An EB-5 Regional Center is an organization, designated and regulated by the USCIS, which facilitates investment in job-creating economic development projects by pooling capital raised under the EB-5 immigrant investor program. Regional Centers can be publicly owned, (e.g. by a city, state, or regional economic development agency), privately owned, or be a public-private partnership.

What do EB-5 Regional Centers do?

- Identify investment opportunities that will create jobs in local communities, often in partnership with economic development agencies.
- Ensure that the investment offering complies with federal and state securities laws and U.S. Securities and Exchange Commission regulations as well as specific EB-5 requirements.

Why is the EB-5 Investment Program Important?

A comprehensive peer-reviewed economic study found that during fiscal year 2012, investments made through the EB-5 program contributed $3.39 billion to U.S. GDP and supported over 42,000 U.S. jobs.