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Leahy & Grassley Introduce Legislation To Improve & Extend Job-Creating Foreign Investment Program

WASHINGTON (THURSDAY, June 4, 2015) – Senate Judiciary Committee Ranking Member Patrick Leahy (D-Vt.) on Wednesday introduced bipartisan legislation to extend and significantly improve the job-creating immigrant investor visa program, known as EB-5, which is set to expire in September. Leahy introduced the bill with Senate Judiciary Committee Chairman Chuck Grassley (R-Iowa).

The American Job Creation and Investment Promotion Reform Act would reauthorize the EB-5 Regional Center program for five years and provide an overhaul of reforms to improve the program's integrity. Since launching in 1993, the EB-5 Regional Center program has generated billions of dollars in capital investment and created tens of thousands of jobs across the country. Leahy said that although certain projects have experienced problems in recent years, it is worth fixing the EB-5 program as it has transformed local economies in impoverished areas as well as in rural states like Vermont.

Leahy said: “The EB-5 Regional Center program faces some challenges, but I have not seen any flaw inherent to the program that could not be remedied. And I have seen over the last two decades how the EB-5 program creates jobs and provides access to capital in communities in Vermont and throughout the country, all at no cost to American taxpayers. While our immigration system as a whole is broken, and only comprehensive reform will remedy its many injustices, reforming and reauthorizing the EB-5 Regional Center program warrants our immediate attention because the program is set to expire in a matter of months.”

Grassley said: “The EB-5 regional center program was created to benefit American communities through investment and job creation. In many instances the program has helped combat a stagnant economy. At the same time, though, we've seen too many occasions where national security has been put at risk and job creation has taken a back seat.

Our bill strengthens oversight, ensures greater accountability and transparency, discourages fraud, and provides a higher priority for national security. I'm pleased to work with Senator Leahy on these much needed reforms, which will be the basis for reauthorization."

Vermont's Regional Center has been a successful private-public partnership between the State of Vermont and an increasing number of Vermont businesses, bringing economic development and job growth to the state since 1997. Vermont's projects have drawn business and tourism to the state, fueling local economies and creating jobs.

The bipartisan Leahy-Grassley bill builds on the EB-5 amendment unanimously approved by the Judiciary Committee two years ago during consideration of comprehensive immigration reform. The bill bolsters the Department of Homeland Security's authorities to administer the program, and provides investors with greater protections and more information about their investments. It also increases transparency and oversight and provides DHS the ability to proactively investigate fraud, both in the United States and abroad, using a dedicated fund paid for by certain program participants. The bill would also raise the amount of investment required and help to restore the program to its original intent, by ensuring that much of the capital generated and jobs created occur in rural areas and areas with high unemployment.

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The EB-5 Regional Center Program creates jobs and spurs capital investment in communities across the nation.

How The Program Works: The EB-5 Regional Center Program permits a private or public entity to apply for designation as an approved regional center. This designation allows the entity to propose development projects that foreign nationals can invest in who seek to immigrate to the United States. Along with many other requirements that the investor must fulfill, **the investor's capital investment must result in the creation of 10 jobs.**

If the application is approved, the investor is granted conditional permanent resident status for approximately two years while the investor's investment goes to work. If the investor fulfills the program's requirements after this period, the investor may petition to become an unconditional lawful permanent resident of the United States.

United States Citizenship and Immigration Services (USCIS), the agency that administers the program, estimates that **the EB-5 Regional Center Program has created tens of thousands of American jobs and attracted billions of dollars in investment** in communities across the United States.

[The American Job Creation and Investment Promotion Reform Act will strengthen](#)

oversight of the EB-5 Regional Center Program.

Provide increased authority to DHS to deny or terminate applications where there is fraud, criminal misuse, or a threat to public safety or national security;

Establish an “EB-5 Integrity Fund” in which regional centers would pay an annual fee to be used by DHS to conduct audits and site visits to detect and investigate fraud in the United States and abroad;

Require background checks of regional center and project developer principals;

Require DHS to vet EB-5 projects earlier in the process, before investors submit applications and hand over money to developers;

Require increased disclosures to investors regarding business risks and conflicts of interest;

Require more oversight of projects and closer monitoring for securities compliance;

Strengthen the definition of “Targeted Employment Area” (TEA) so more investment goes to areas with high unemployment and rural areas, as Congress originally intended;

Raise the investment threshold to \$800,000 for TEAs and \$1.2 million for non-TEAs;

Decrease petition processing times, which have been plagued by extraordinary delays in recent years, by providing for expedited business plan approval and requiring fees be adjusted to the rate necessary to achieve efficient processing.

This job-creating program has been reauthorized five times.

Authorization for the EB-5 Regional Center Pilot Program was first enacted in 1993, for a period of five years. It has been reauthorized five times, most recently by legislation signed into law in September 2012, reauthorizing the program for three years.

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