



EB-5 RURAL ALLIANCE

July 18th, 2016

Letter to Members of Congress from Members of the EB-5 Community Trying to Honor Congress's Vision by Bringing Jobs to Rural and Economically-Distressed Communities

Dear Congressional Leaders and Judiciary Chairmen and Ranking Members:

Our organization stands apart from the powerful coalition of developers, regional centers and trade associations that have come to define and dominate the EB-5 landscape in recent years. We speak for the underserved rural and distressed urban communities Congress originally intended to benefit from the program. EB-5 is not an industry of *one voice*; it is an industry of many voices.

EB-5 reform must include reasonable and equitable visa reserves for projects located in rural and economically-distressed urban areas.

The EB-5 “regional center” program is set to expire on September 30, 2016. We urge Congress to reform and reauthorize EB-5 in a way that incentivizes meaningful foreign investment in diverse industries and geographic areas throughout the United States. Given the tremendous (and growing) visa backlog that exists today, the only practical way to accomplish this purpose is to reserve an equitable percentage of the program’s future visa quota for projects located in rural and economically-distressed communities.

It is our understanding and belief that EB-5 will only be reauthorized if appropriate steps are taken to prevent fraud and abuse and address national security concerns. Our organization supports such measures and looks forward to increased transparency and accountability for industry stewards who undertake the privilege and responsibility of administering EB-5 capital.

The existing visa backlog threatens to overwhelm and undermine the EB-5 program.

Overuse of EB-5 by real estate projects in affluent gateway markets is contrary to Congressional intent and threatens to undermine the program’s efficacy. Indeed, as of November 1, 2015, 17,662 aliens with approved investor visa petitions (including their spouses and minor children) were waiting for green cards. And, as of May 31, 2016, the Department of Homeland Security had on hand 19,386 pending investor visa petitions (each alien investor visa brings along an average of 1.75 spouses and minor children). *Thus, based on the existing queue, the program’s annual quota of 10,000 has already been filled through 2023!* Considering this massive backlog, the only practical way to incentivize EB-5 investment in rural and economically-distressed urban areas is to set aside a reasonable and equitable percentage of the program’s future visa quota for projects located in these communities.

In the coming weeks and months, Congress will be overrun with EB-5 stakeholders and lobbyists eager to shape program reform and reauthorization. The EB-5 power structure will attempt to frame our organization as a group of unsophisticated, unreasonable ideologues looking for a handout. Nothing could be further from the truth.

We believe in the potential of the EB-5 program to stimulate the economy and create jobs in diverse areas and industries throughout the country. We support the EB-5 industry (though it is not without flaws), and we hope that the program will be reformed in a way that permits a fair portion of the available investment capital to flow to the rural and economically-distressed communities Congress originally intended to benefit from EB-5.

cc: Members of the Judiciary Committees of the U.S. Senate and House of Representatives