

SCOTT LEGAL SERVICES, P.C.

The Law Firm For Entrepreneurs, Business Owners & Investors

Ian E. Scott

400 Chambers Street, Suite 15A

New York, NY 10282

TELEPHONE: (212) 223-2964

www.legalservicesincorporated.com

iscott@legalservicesincorporated.com

EB-5 Regional Center Immigrant Investor Green Card - Friend or Foe?

The EB-5 Immigrant (Green Card) Investor Visa requires that you invest either \$1,000,000 in a city settings, or \$500,000 in rural settings, and in return, the U.S. Government will give you, your spouse and your children a Green Card. The full set of EB-5 requirements can be viewed by clicking [here](#). Investors who wish to obtain a green card through the EB-5 program can take the active route of starting or purchasing a company or the passive route of investing in a regional center. This article focuses on the advantages and disadvantages of regional centers and some things to look out for.

A Regional Center is a private enterprise, corporation or a regional agency with a targeted investment program within a defined geographic region. The best way to think of a Regional Center is that it is a business that focuses on the development or construction of projects (eg. hotel, railway, etc.) and allows investors to invest to obtain a green card. This differs from the more direct EB-5 investments where an individual want to start his/her own business. Regional center EB-5 petitions now account for over 90% of all EB-5 petitions.

Why Some Select a Regional Center over Direct Investment

An individual who wants to get an EB-5 green card by starting his/her own business has a very different profile from a regional center EB-5 investor.

The active EB-5 investor generally has the following characteristics:

- Desire to start and/or manage a business and hire staff
- Desire for control over the investment.
- Desire to maximize profits from the investment.

Regional center on the other hand attract the following individuals.

- No real interest in starting a business or managing staff.
- Sole desire is for the green card
- Person may be a retiree.
- He or she wants to be geographically mobile.
- Person may want to spend a significant amount of his or her time outside of the US.
- Lack of control over the investment is not an issue

SCOTT LEGAL SERVICES, P.C.

The Law Firm For Entrepreneurs, Business Owners & Investors

Ian E. Scott

400 Chambers Street, Suite 15A

New York, NY 10282

TELEPHONE: (212) 223-2964

www.legalservicesincorporated.com

iscott@legalservicesincorporated.com

Some Important Considerations About Regional Centers

A few things you should consider if you wish to invest in a Regional Center:

1. Regional center investors are now required to invest the full \$500,000 before submitting the I-526 petition. You should therefore check with the regional center to ensure that the money will be returned if the petition is denied.
2. Regional center fees are around \$50,000 which would likely make your “net” return on any investment negative. Also, the normal holding time for the investment in the regional center is 5 years.
3. Even though the United States Citizen and Immigration Services (“USCIS”) “approves” regional centers, this approval of an EB-5 Regional Center application **does not** :
 - i. Constitute USCIS endorsement of the activities of that Regional Center;
 - ii. Guarantee compliance with U.S. securities laws; or
 - iii. Minimize or eliminate risk to the investor.

This means that you could invest money, lose it and not get a Visa. It is very important to note that all regional centers can go bankrupt or fail to comply with the terms that will allow you to get your visa.

4. Some regional centers have been the subject of SEC investigations where the organizers were charged with securities fraud. You must perform a significant amount of due diligence before you invest. Think about the investment as any other investment that is subject to complete loss. Also, you should get an experienced Securities lawyer to perform due diligence and to assess whether or not the regional center is complying with U.S. law.
5. A regional center must still create the requisite number of jobs. That is, for every green card issued, the center must create 10 jobs. If the center does not create the 10 jobs, you will not get your Visa.
6. For regional centers, indirect employment job creation is allowable. This is a significant benefit as often direct investors face issues surrounding

SCOTT LEGAL SERVICES, P.C.

The Law Firm For Entrepreneurs, Business Owners & Investors

Ian E. Scott

400 Chambers Street, Suite 15A

New York, NY 10282

TELEPHONE: (212) 223-2964

www.legalservicesincorporated.com

iscott@legalservicesincorporated.com

proving they created 10 full-time jobs when they attempt to remove their conditions.

7. You should hire the appropriate professionals to perform due diligence to properly select a regional center.
8. There are over 200 regional center USCIS has approved and the list is rapidly growing. Some of the approved centers have well-established track records while others are new and untested. If a Regional Center has not been in existence for 2 years, it means that no one has obtained an unconditional green card yet.
9. When you select a regional center you must also pick a specific investment project as most regional centers have several projects. The fact that one project has been successful does not provide any assurance that the next one will be.

How Long Do EB-5 Regional Center Petitions Take to Process?

Petitions filed with USCIS take three steps. The majority of I-526 petitions (Step 1) are approved within 3 to 9 months of filing. You can then file an application for green card (Step 2) and this usually takes 6-9 months. After 2 years, you can file another petition to have the conditions on your green card removed. (Step 3).

If you are considering an E-B5 Visa, contact Scott Legal Services, P.C.. For more information on this and other immigration Visas click [here](#). You can also call us at 212-223-2964 or email us at iscott@legalservicesincorporated.com.

Also, click [here](#) for your free **White Paper** that summarizes the top 10 Immigration Questions and Answers.