PAGE WITHHELD PURSUANT TO (b)(5)

PAGE WITHHELD PURSUANT TO (b)(5)

PAGE WITHHELD PURSUANT TO

(b)(5)

Study of the United States Immigrant Investor Pilot Program (EB-5)

May 18, 2010

Prepared by:

ICF INTERNATIONAL

blank page

Table of Contents

Task 1:

Estimated Contribution of the EB-5 Immigrant Investor Program to the U.S. Economy

Prepared by:

ICF INTERNATIONAL

1. Introduction

This report presents the results of our review of the EB-5 Program's estimated contribution to the U.S economy. It begins with an overview of the program and then presents the methodology and data, a profile of the immigrant investors, and the findings of the economic assessment. The intent of this report is to provide a high-level snapshot of the program's economic impact over a finite period of time, provide perspective from alien investors who have successfully obtained permanent residence through the removal of conditions, and provide perspective from others involved in the EB-5 program to include regional center principals and USCIS adjudicators as to their experience with the program.

1.1 Overview of the EB-5 Program

The EB-5 Program originated as part of the Immigration Act of 1990 to encourage non-U.S. residents to invest in the United States. Under the EB-5 Program, non-U.S. residents can invest in U.S. businesses and gain eligibility to apply for permanent residence in the U.S. as long as certain investment and job creation requirements are satisfied.

The EB-5 Program initially required an investor to invest $1 million in a U.S. business that would create at least 10 direct full-time jobs, but the program was subsequently modified to increase its attractiveness. In 1992, Congress created the Immigrant Investor Pilot Program aimed at attracting a larger number of applicants to the EB-5 Program. Under this pilot program, foreign investors can invest in designated "Regional Centers" that make investments on behalf of investors. In a regional center or stand-alone investment scenario, investors are eligible to apply for permanent residence if they invest at least $500,000 in a "targeted employment area."[1] Under the Regional Center investment option, investors must demonstrate that their investment created at least 10 direct or indirect full-time jobs for U.S. workers.[2]

Regional Centers are defined by 8 CFR § 204.6(e) as "any economic unit, public or private, that is involved with the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment." Regional Centers focus on specific geographic areas and industries within the U.S. and must be approved by USCIS.

Some USCIS-approved Regional Centers focus on one industry, while others focus on multiple industries. For instance, the California Wineries and Vineyards, LLC Regional Center purchases vineyards and invests in troubled vineyards on behalf of its investors, while the Hawaii Regional Center invests in multiple industries, including agriculture, alternative energy, and film, among others.

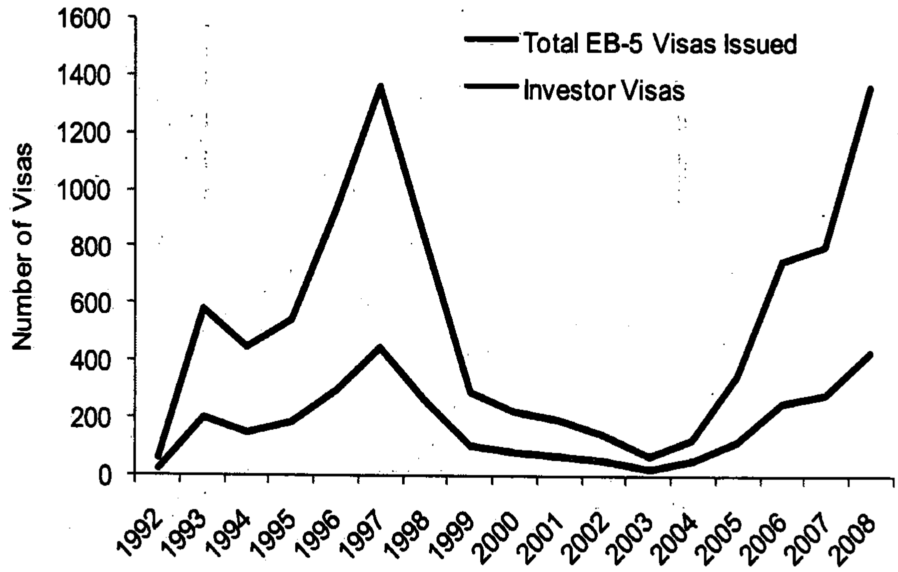
Although the EB-5 Program is allocated 10,000 visas annually, the utilization of the program has been much lower. Figure 1 presents the total annual number of EB-5 visas issued to investors and their dependents as well as the number issued to investors only (a subset of the former).

---

[1] A "targeted employment area" is defined by 8 CFR § 204.6(e) as an "area which, at the time of investment, is a rural area or an area which has experienced unemployment of at least 150 percent of the national average rate."

[2] Indirect jobs are those jobs shown to have been created collaterally or spawned as a result of capital invested through a regional center by an EB-5 alien investor which are based on a sound economic analysis and indirect job creation multipliers.

Figure 1. EB-5 Visas Issued



"Total EB-5 Visas Issued" includes visas issued to investors as well as their dependents while "Investor Visas" includes visas issued to the investors only. Source: DHS Office of Immigration Statistics.

As shown in Figure 1, the utilization of the EB-5 program has varied substantially since the inception of the program. The year with the highest EB-5 program utilization was 1997 when approximately 1,360 EB-5 visas were issued. After 1997, participation in the EB-5 program experienced a precipitous decline that lasted until 2003. This decline was likely due in part to the fact that the use of promissory notes as evidence of investment was disallowed beginning in 1998.[3] The utilization of the program has experienced significant growth since 2003; the number of EB-5 visas issued grew from 64 in 2003 to more than 1,300 in 2008.

1.2 About the Adjudication Process

The EB-5 application process begins with the submission of Form I-526 (Immigrant Petition by Alien Entrepreneur) with supporting documentation. The supporting documentation includes evidence that the applicant's investment plan satisfies the requirements of the EB-5 Program. Such requirements include the establishment of a new commercial enterprise, an investment of the requisite amount, and the creation of the requisite number of jobs.

After receiving Form I-526 and supporting documentation, an adjudicator begins processing the application. If there are deficiencies in the application package, the adjudicator can request additional information by submitting a request for evidence (RFE) to the investor.

If the I-526 is denied, the adjudicator composes and sends a letter describing the reasons for the denial to the applicant.[4] If the I-526 is approved, the applicant has two options for obtaining

[3] The program had lax standards through 1998 allowing for the receipt of promissory notes in lieu of the total amount of investment required. The acceptance of promissory notes was discontinued in 1998. See H. Ronald Klasko, "The Impact of the Four Precedent Decisions on EB-5 Practice," September 2009.

[4] The applicant may appeal the decision by filing Form I-290B (Notice of Appeal to the Administrative Appeals Office).

conditional permanent residence: (1) If the applicant is already residing in the U.S., the applicant may submit an Adjustment of Status request by submitting Form I-485 (Application to Register Permanent Residence or Adjust Status); or (2) If the applicant resides outside of the U.S., the applicant may apply for a visa through the U.S. Department of State.

If the I-526 is approved and the applicant is already residing in the U.S., the applicant submits Form I-485 with supporting documentation for review by a USCIS adjudicator. If the Form I-485 package is approved, the investor is provided with an Alien Registration Card (Form I-551) that grants the applicant a two-year period of conditional lawful residence. If the Form I-485 package is denied, the application process ends.

If the I-526 is approved and the applicant is not residing in the U.S., USCIS will forward the approved I-526 to the U.S. Department of State's National Visa Center (NVC) in Portsmouth, New Hampshire. Once the I-526 has been processed by NVC then the applicant will be notified to report to an overseas U.S. Consulate Office where an immigrant visa interview will be conducted. If the immigrant visa application is denied, the application process ends.

Once conditional residence is granted, the immigrant investor has a two-year probationary period to meet the conditions set forth in Form I-526. Within 90 days of the expiration of conditional residence, the immigrant investor must submit Form I-829 (Petition by Entrepreneur to Remove Conditions) and supporting documentation to USCIS to remove the conditions placed on his/her status if the EB-5 requirements have been satisfied. Form I-829 is the primary source of data for the analysis presented in this report.

An EB-5 adjudicator begins processing the I-829 and supporting documentation once received. If any deficiencies exist, the adjudicator may issue an RFE to the immigrant investor to obtain clarifying or additional information. If the I-829 is approved, the immigrant investor has the conditions on his/her lawful permanent residence removed and becomes a lawful permanent resident without conditons; i.e., a "green card" holder. If the I-829 is denied, a USCIS district director will notify that the applicant that his/her petition does not satisfy the requirements for removing the condition. The conditional resident may seek review of the district director's decision by an Immigration Judge in removal proceedings.[5]

While not required, an immigrant investor may choose to eventually become a naturalized U.S. citizen by submitting Form N-400 (Application for Naturalization) no less than five years after the date of approval of Form I-485.

[5] See 8 CFR §§ 216.6(d)(2), 1216.6(d)(2); Memorandum from Michael A. Pearson, INS Executive Associate Comm'r, "EB-5 Field Memorandum No. 9: Form I-829 Processing (Mar. 3, 2000).

2. Data and Approach

This section outlines the data and approach used to estimate the economic impact of the EB-5 immigrant investor program on the United States economy. The primary data source was approved I-829 forms (Petition by Entrepreneur to Remove Conditions). These documents contain information regarding the investors' demographic and financial profiles.

To conduct the economic impact analysis, ICF used the IMPLAN tool. Additional detail about this tool is presented in sequent sections.

2.1 Data Sources

Form I-829

ICF performed a detailed data capture of numerous fields on approved I-829 forms. As explained in the Introduction, immigrant investors submit Form I-829 and supporting documentation to have the conditions on their lawful permanent residence removed and become permanent "green card" holders. Immigrant investors may submit Form I-829 within 90 days of the expiration of their two-year conditional residence.

An advantage of using Form I-829 data for this analysis is that immigrant investors have generally been residing in the U.S. for about two years when it is submitted. Thus, information about the outcome of their investments, such as the total investment, type of business, and ownership is presumably more current and reliable than at the time at which they applied.

ICF conducted the data capture in December 2009 at the USCIS Office of Records in Washington, DC. The files were obtained from a USCIS storage facility. We collected data from 295 approved I-829 forms submitted to USCIS by immigrant investors whose initial investments were made from 1992 to 2007.[6] We use the "date of initial investment" because these data reflect the point when the investments start circulating through the economy.

The following fields of data were captured:

- City, state, and country of residence
- Country of birth
- Date of birth
- Marital status
- Number of children
- Type of enterprise
- Kind of business
- Date business established
- Date of initial investment

6 The 295 files were for investors only and included sufficiently valid data.

- Amount of initial investment
- Percentage of enterprise owned by investor
- Number of employees at the time of investment, at the time of I-829 submission, and the number of jobs created by the investment
- Gross and net income for three years, where available
- Whether the enterprise filed for bankruptcy, ceased business operations, or changed their business operations since the date of initial investment.
- Whether the enterprise sold corporate assets, shares, property, or withdrew capital since the date of initial investment
- The amounts and dates of subsequent investment into the enterprise, where available.

Form I-829 contains self-reported data. As is generally the case with self reported data, data cleanup was required. This cleanup included allocating investment and income data into the appropriate years, creating year-specific investment totals, and standardizing industry types.

Additional data standardization was required for the data we obtained from the "Kind of business" question on Form I-829. Form I-829 does not have a standardized set of industries from which to choose so applicants may indicate whatever industry they feel best fits their business type. Following standard IMPLAN modeling practice, we mapped the "Kind of business" data entered on Form I-829 to the IMPLAN industry sectors. When discussing the industry of investment, we refer to the IMPLAN industry sectors for consistency. The IMPLAN industry sectors differ from the North American Industry Classification System (NAICS) codes. See Appendix B for the IMPLAN industry sector – NAICS code industry crosswalk table.

Other Data

EB-5 Investor Visas

Because the sample captured is a subset of the total population of participants in the EB-5 program, ICF calculated sample weights to estimate the total investment values of the entire population of EB-5 investments. To calculate the weights, we collected the total number of EB-5 investor conditional visas issued (not including the visas issued to the dependents of EB-5 participants) from the *Yearbook of Immigration Statistics.*[7] We then calculated simple year-specific weights as follows:

$$w_y = \frac{1}{\left(\frac{s_y}{t_y}\right)}, \text{ where}$$

s_y is the number of EB-5 investors in the sample who made their initial investments in year y, and

t_y is the total number of EB-5 investor conditional visas issued in year y.

[7] Source: http://www.dhs.gov/files/statistics/publications/yearbook.shtm (accessed on January 15, 2010).

By multiplying these weights by the investment amounts in our sample, we seek to approximate the total investment for the entire EB-5 investor population for each year. We use this weighting process in the economic impact analysis. Although sample weights are commonly used for extrapolating a sample to a population, we do not have a measure of how reflective of reality the sample weights are.

Specifically, detailed data for the total program population do not exist in any database. For example, the *Yearbook of Immigration Statistics* does not break down the number of investors by industry. Furthermore, USCIS does not have an administrative database for the program that can help determine the number of program investors at the required level of detail (for example, the number of investors from South Korea who invested in restaurants in 2005). Thus, the lack of detailed data about the population prevents us from determining how accurately the sample reflects the population.

Consumer Price Index

The inputs used in the analysis were expressed in nominal dollars (i.e., not adjusted for inflation). Where applicable, ICF adjusted impact estimates into a common value of 2009 dollars using the Consumer Price Index (CPI) published by the Bureau of Labor Statistics.

2.2 Approach

Analysis Timeframe

The analysis consists of two general sections: a demographic and financial profile of immigrant investors, and an estimated economic impact analysis.

The demographic and financial profile of immigrant investors is intended to describe the type of investor who participates in the EB-5 program. Following guidance from USCIS, we use data on immigrant investors whose initial investments were made from 1992 to 2007 for the investor profile section because it provides the most comprehensive summary of the typical immigrant investor.

For the economic analysis, we also followed USCIS guidance and limited the sample to those observations where the initial investment was made from 2001 to 2006. There are several reasons to limit the sample. First, there have been significant changes in the program over the years. Second, broader economic conditions change substantially over time. An industry receiving a significant amount of foreign investment in a given year may receive very little the next year. In addition, technological changes can alter how investments in certain industries impact employment creation over time. Finally, the overwhelming majority of our sample was from 2001 to 2006. Again, we use the "date of initial investment" because these data reflect the point when the investments start circulating through the economy.

In short, the timeframe for the profile of investors is 1992 to 2007; for the economic analysis, it is 2001 to 2006.

IMPLAN Model

Overview of IMPLAN

ICF used the IMPLAN model to assess the economic impacts associated with EB-5 investments from 2001 to 2006. IMPLAN, a proprietary model maintained by the Minnesota IMPLAN Group, is a widely accepted framework for analyzing the effects of an economic stimulus on a pre-specified economic region. According to its web site, IMPLAN has more than 1,500 active users of its databases and software in the United States and internationally. IMPLAN is used by a wide variety of federal and state governments, universities, and private sector researchers and consultants.[8]

IMPLAN's data is partly based on the Bureau of Labor Statistics (BLS) input-output tables. The input-output tables enable us to observe relationships between different industries in the production of goods and services. They also enable us to observe relationships between consumers (including households and governments) and the various producing industries. For this study, we used a single-region (i.e., the entire United States), 440-industry sector model. For more information about the IMPLAN modeling framework and methodology used in this analysis, please refer to Appendix A. A description of how the model estimates impacts is provided below.

The IMPLAN analysis involves several steps: (1) We first configure the model inputs for each investment category for each year; (2) IMPLAN, using the input-output tables, simulates the effect of the investments on the Gross Domestic Product (GDP); and (3) IMPLAN translates the GDP effect on job creation and tax revenue using historical data.

Whenever new industry activity or income is injected into an economy, it starts a ripple effect that creates a total economic impact that is often larger than the initial input. This ripple effect occurs because the recipients of the new income spend some percentage of it, and the recipients of that share, in turn, spend some of it, and so on. The total spending impact of the new activity/income is the sum of these progressive rounds of spending throughout the economy. Our modeling framework uses the three types of multipliers in IMPLAN to represent these successive rounds of spending:

- **Direct** – The direct multipliers represent the impacts on GDP and employment due to the industry investments that result in final demand changes. For example, investors can make direct investments in the automobile manufacturing industry.

- **Indirect** – The indirect multipliers represent the impacts on GDP and employment associated with a second round of spending in industries that sell goods or provide services to those experiencing a direct spending impact. Continuing with our example, indirect spending represents the investment made by the automobile manufacturing industry in the rubber and steel industries when it purchases raw materials.

- **Induced** – Finally, the induced multipliers represent the impacts on GDP and employment due to consumers' expenditures arising from the new household incomes that are generated by the direct and indirect effects. In our example, this is personal spending of the employees of the automobile manufacturing, rubber, and steel industries as they use their wages to purchase goods and services (such as food and health care) in the local economy.

8 More information is available at www.implan.com.

To illustrate how the three multipliers are connected, consider the following example:

An annual investment of $25 million in real estate leads to 150 new jobs in the real estate services and development industry sectors. These jobs are the result of the direct investment and are known as "direct jobs." Because the real estate industry is connected to other industries through economic linkages, the 150 direct jobs create an additional 100 jobs in other industries that sell goods or provide services to the real estate industry (such as legal services, construction, and architectural and engineering services, among others). These additional jobs are known as "indirect jobs."

Because the direct and indirect jobs create income for the workers involved, which is then spent on consumption activities (such as in food, housing, health care, and entertainment), these expenditures lead to further economic activity and employment. These jobs, (roughly 75, in our example), are known as "induced jobs." Thus, the total number of jobs created by the $25 million investment in this example is 325, of which 175 are created in "support" industries. These 175 jobs are the result of economic "multiplier" effects.

It should be noted that because of the static nature of the IMPLAN model, the employment impacts are calculated in terms of "annual jobs."

It is likely that once the job is created, it will be sustained. However, to ensure that the impacts presented in this report are not overstated, we follow common practice and assume conservatively that the job impacts are limited to a one-year period. Thus, the employment estimates reported in this analysis represent the number of annual jobs supported. "Annual jobs" denote the number of "bodies" employed who otherwise would be unemployed.

It should also be noted that IMPLAN does not distinguish between full-time and part-time employment. Therefore, impacts presented in this report equate to the actual number of "bodies" employed, rather than the amount of full-time employment activity generated. For simplicity, in this report we sometimes use the term "jobs" to denote "annual jobs."

The annualized GDP and tax impacts identify the economic impact of the EB-5 program. These dollar values represent the investments placed into the economy each year aggregated over time.

The economic impact results presented in this report are estimates based on a widely-accepted economic model. The IMPLAN estimates are based on historical experience and so will not apply exactly in any given investment episode. Furthermore, the uncertainty is likely to be higher now because the recent recession was unusual in both its fundamental causes and its severity.

Calculator for Ongoing Economic Evaluation

ICF created an Excel-based economic impact calculator that may be used to estimate the overall impacts of EB-5 investments in future years based on the number of investors expected to join the program. We provided a copy of this Excel tool to USCIS.

To create this tool, ICF used the estimated impacts on GDP, employment, state and local taxes, and federal taxes from 2001 to 2006. It should be noted that the calculator must be used to assess the nationwide impacts since the underlying IMPLAN model is based on a single, U.S.-wide file. The calculator is not intended to capture impacts on a specific region, state, or county. Furthermore, the calculator is designed to provide an impact estimate based on an overall level of investment. For industry-specific analyses, the direct use of IMPLAN is required.

To calculate the GDP and employment impacts, ICF divided the direct, indirect, and induced impact totals from 2001 to 2006 by the number of EB-5 participants who made their initial investments over the same time period. To calculate the impact on tax revenue, ICF divided the individual tax categories summed across the same time period by the same number of EB-5 investors. Using these multipliers, ICF then created an Excel-based tool that automatically calculates impact estimates based on the number of expected new EB-5 investors.

An example of the analysis that can be conducted using the calculator appears in Section 3.3 below, Calculating the Economic Impact of Future Investments.

3. Findings

This section of the report presents the results of the analysis. Section 3.1 provides a demographic and financial profile of the immigrant investors. Section 3.2 presents the results of the estimated economic impact analysis. Section 3.3 provides an overview for a calculator which can be used to estimate the overall economic impact of future investments.

3.1 Profile of Immigrant Investors

Demographics

This section presents the profile of immigrant investors. The profile includes descriptive statistics, where applicable, of both demographic and financial investor characteristics. This section is based on the sample of 295 investors who made their initial investments from 1992 to 2007.

Country of birth

The sample of EB-5 participants includes immigrant investors from 31 different countries. The vast majority (78 percent) of these individuals are from Asia. The second-most represented continent in our sample is Europe with 15.3 percent of the total. North America, Africa, and South America represent 3.1 percent, 2.7 percent, and 1 percent of the total, respectively.

As presented in Table 1, more than 43 percent of the investors in the sample are from South Korea. The second- and third-most represented countries are China and Taiwan with approximately 14.2 percent and 9.2 percent of the total, respectively.

The United Kingdom, with 6.1 percent of the total, is the most-represented European country with the Netherlands representing 4.4 percent and Germany representing 1.7 percent.

Table 1. EB-5 Countries by Investor Origin

Country of Birth	Number	Percent
South Korea	129	43.7
People's Republic of China	42	14.2
Taiwan	27	9.2
United Kingdom	18	6.1
The Netherlands	13	4.4
Japan	12	4.1
Canada	7	2.4
India	7	2.4
Germany	5	1.7
South Africa	5	1.7
Other countries[9]	30	10.2
TOTAL	295	100.0

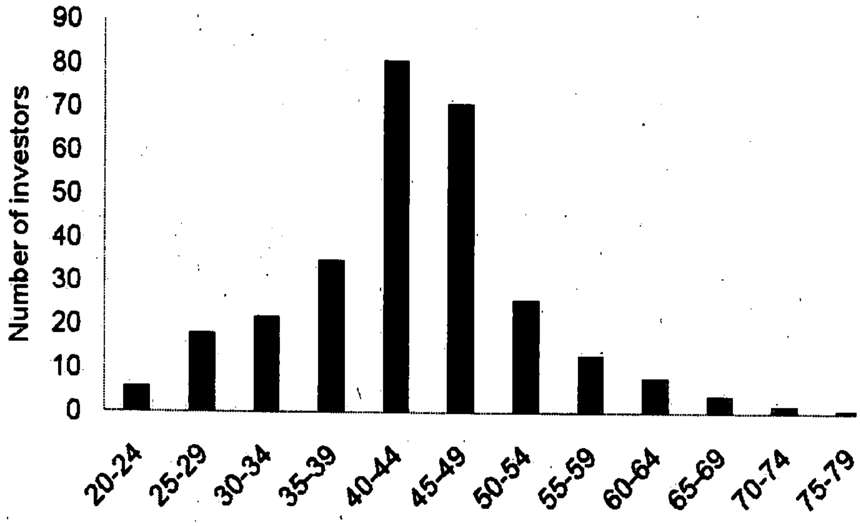
Sample summary

Age at initial investment

Figure 2 below presents the distribution of the age at the date of initial investment for the investors. The median age of investor in the study sample at the date of initial investment is 44 years. The youngest investor in the sample was 20 years old at the date of initial investment, and the oldest investor was almost 76 years old.

[9] Other countries in the sample comprising 1.0 percent of the total or less are: Indonesia, Hong Kong, Italy, Malawi, Mexico, Poland, Switzerland, Brazil, Colombia, Congo, France, Ireland, Lebanon, Pakistan, North Korea, Russia, Spain, Thailand, and Venezuela.

Figure 2. Age at Initial Investment



Top Destination States

Table 2 displays a breakdown of the top ten destination states (i.e., state of current residence referenced on Form I-829) for the EB-5 investors in the study sample.

Table 2. EB-5 Investor Destination States

State of Residence	Number	Percent
California	149	51.0
New York	41	14.0
Florida	12	4.1
Washington	12	4.1
New Jersey	9	3.1
Texas	9	3.1
Hawaii	7	2.4
Massachusetts	5	1.7
Virginia	5	1.7
Georgia	4	1.4
Other states	39	13.4
TOTAL	292	100.0

Sample summary. Three I-829 files did not indicate the state of residence.

The investors settled in 31 different states. More than half of the immigrant investors moved to California. The second-most represented destination state for EB-5 investors is New York with approximately 14 percent of the total. The remaining states individually represent 4.1 percent of the total or less.

Table 3 presents the breakdown of the top destination states by country of origin.

Table 3. Destination States by Country of Origin

Country of Origin	Most Popular Destination State	Percent of Country's EB-5 Investors	Other Popular Destination State(s)	Percent of Country's EB-5 Investors
Canada	CA	28.6	AZ, CO, FL, MA	14.3
Germany	CA	40.0	FL, NY, TX	20.0
India	CA	71.4	FL, PA	14.3
Japan	CA	41.7	HI	16.7
People's Republic of China	CA	76.2	WA	7.1
South Africa	CA	40.0	FL, NJ, OH	20.0
South Korea	CA	44.2	NY	26.4
Taiwan	CA	73.1	HI, TX, WA	7.7
The Netherlands	MI	30.8	TX	23.1
United Kingdom	CA	61.1	FL	22.2

For nine of the top ten EB-5 countries of origin, the top destination state is California. The exception is the Netherlands where the top destination state is Michigan, which welcomed more than 30 percent of the Dutch immigrant investors. California has particularly high concentrations of EB-5 investors from China, Taiwan, and India – more than 76 percent, 73 percent, and 71 percent of EB-5 investors from these countries, respectively, live in California.

Family status

Table 4 presents the breakdown of the investors' marital status and number of children. Approximately 85 percent of the EB-5 investors are married, more than 92 percent of whom have at least one child. The majority of the married investors in the sample have two children. Only 15 percent of the investors are single, 59 percent of whom do not have any children. The vast majority of the investors in the sample had at least one dependent who immigrated to the U.S. with them.

Table 4. EB-5 Investors Family Status

Number of Children	Marital Status		
	Single	Married	Total
0	26	18	44 (14.9%)
1	5	61	66 (22.4%)
2	10	129	139 (47.1%)
3	3	35	38 (12.9%)
4	0	7	7 (2.4%)
5	0	1	1 (<1%)
Total	44 (14.9%)	251 (85.1%)	295

Sample summary. Totals may not sum due to rounding.

Financial

Type of enterprise

Form I-829 allows immigrant investors to select among three options regarding the type of enterprise in which they invested:

1. Resulting from the creation of a new business
2. Resulting from the reorganization of an existing business
3. Resulting from a capital investment in an existing business.

More than 94 percent selected option 1: New enterprise from the creation of a new business. Three investors indicated that their investment was in a new commercial enterprise resulting from the reorganization of an existing business, and 11 investors indicated that their investment was in a new commercial enterprise resulting from a capital investment in an existing business.

Industry breakdown

The EB-5 participants in our sample invested in a diverse array of 64 industries.[10] Table 5 presents the top ten industries by number of investors.

[10] Form I-829 does not have a standardized set of industries from which to choose; applicants may indicate an industry they feel best fits their business type. For the analysis, we mapped the "kind of business" entered by the EB-5 investor on Form I-829 to IMPLAN industry sectors. When discussing the industry of investment, we refer to the IMPLAN industry sectors for consistency.

Table 5. Top 10 Industries by Number of Investors

Industry	Number of Investors
Real estate	103
Dairy cattle and milk production	21
Hospitals	18
Aircraft manufacturing	15
Legal services	11
All other crop farming	10
Food services and drinking places	8
Tree nut farming	8
Elementary and secondary schools (private schools)	7
Distilleries	6
Other	88
TOTAL	295

Sample summary

Real estate is the most popular industry by a wide margin. Since the implementation of the EB-5 pilot program, an estimated 35 percent of investors have invested in the real estate industry. The second-most popular industry category is dairy cattle and milk production with seven percent of the investors. Industry popularity declines sharply within the remaining top ten industries, illustrating the diversity of industries selected by immigrant investors as well as the popularity of the real estate industry.

Table 6 presents the most popular industries for the top ten EB-5 countries of origin. The real estate industry is one of the most popular industries in which to invest for EB-5 participants for nine of the top ten countries of origin. Again, the exception is the Netherlands, almost 85 percent of whose EB-5 investors invest in the dairy cattle and milk production industry. Other top industries include aircraft manufacturing and hospitals for investors from China and food services and legal services for investors from Taiwan.

Table 6. Popular Industries for Top EB-5 Countries by Investor Origin

Country of Origin	Industries	Percent of Country's Total
Canada	Real estate	42.9
	Construction Dairy cattle and milk production Food services and drinking places Legal services	14.3
Germany	Real estate	60.0
	Hotels and motels	20.0

	Retail - Building materials	
India	Real estate	42.9
	Jewelry and silverware manufacturing Retail - Food and beverages Retail - Furniture and home furnishings Un-laminated plastics manufacturing	14.3
Japan	Real estate	66.7
	All other crop farming Junior colleges, colleges, universities, and professional schools Monetary authorities and depository credit intermediation Motor vehicle parts manufacturing	8.3
People's Republic of China	Real estate Aircraft manufacturing Hospitals	9.5
	All other crop farming Furniture / wholesale trade Legal services Wholesale Trade	4.8
South Africa	Real estate	60.0
	All other crop farming Ship building and repair	20.0
South Korea	Real estate	38.0
	Hospitals	10.1
Taiwan	Real estate Food services and drinking places Legal Services	11.1
	Aircraft manufacturing All other crop farming Wholesale trade	7.4
The Netherlands	Dairy cattle and milk production	84.6
	Real estate	15.4
United Kingdom	Real estate	88.9
	Food services and drinking places Material handling equipment manufacturing	5.6

** For both China and Taiwan, multiple industries tied for the most popular industry, hence the inclusion of multiple industries in the top line of the "Industries" column.*

Table 7 presents the most popular industries in the top ten EB-5 investor destination states.

Table 7. Popular Industries in Top 10 States

State	Industry	Percent of State's Total
California	Real estate	41.6
Florida	Real estate	50.0
Georgia	Dairy cattle and milk Production	50.0
Hawaii	Real estate	42.9
Massachusetts	Real estate Aircraft manufacturing	40.0
New Jersey	Real estate	22.2
New York	Hospitals	26.8
Texas	Dairy cattle and milk production	33.3
Virginia	Real estate	80.0
Washington	Real estate	25.0

The real estate industry is one of the most popular industries for seven of the top ten states. In Virginia, for example, 80 percent of EB-5 participants in the sample invested in real estate ventures. The states of Georgia and Texas, on the other hand, welcome a high proportion of immigrant investors who invest in the dairy cattle and milk production industry.

Business ownership

Table 8 describes the percent of business owned by the EB-5 participants in the sample.

Table 8. Percent of Business Owned by EB-5 Investors

Percent of Business Owned	Number	Percent
Less than 10 percent	165	55.9
10-19 percent	23	7.8
20-49 percent	12	4.1
50-79 percent	15	5.1
80-99 percent	9	3.1
100 percent	70	23.7
TOTAL	294	100.0

Sample summary. One file did not include information regarding the percent of the business owned.

Almost 56 percent of the investors own less than 10 percent of the companies in which they invested. On the other hand, more than 23 percent of the investors owned 100 percent of the companies in which they invested.

Evaluating the percent ownership for the top ten industries, as shown in Table 9 below, reveals several interesting relationships between the industries and ownership percentages.

Table 9. Percent Ownership for Top 10 Industries

Industry	Percent of business owned	
	Less than 10 percent	100 percent
Real estate	83.5	0
Dairy cattle and milk production	19.1	38.1
Hospitals	100.0	0
Aircraft manufacturing	100.0	0
Legal services	100.0	0
All other crop farming	0.0	100.0
Food services and drinking places	0.0	62.5
Tree nut farming	0.0	100.0
Elementary and secondary schools	100.0	0
Distilleries	100.0	0

More than 70 percent of the investors invested in the top ten industries. Of these, those who invested in hospitals, aircraft manufacturing, legal services, elementary and secondary schools, and distilleries own less than 10 percent of the enterprise. A similar relationship exists in real estate where more than 83 percent of the investors own less than 10 percent of the business.

The opposite is true for the restaurant and agriculture-related industries. For example, all of the EB-5 participants who invested in the crop farming and tree nut farming industries owned 100 percent of the companies in which they invested. The food services and dairy cattle and milk production industries show a similar relationship but to a lesser extent. These statistics may reflect the varying capital investments required for these industries.

Total sample investment

Table 10 highlights the total investment for the top ten IMPLAN industry sectors by amounts invested. This analysis is based on the sample of 295 immigrant investors who made their initial investments from 1992 to 2007.[11]

The real estate industry has received an estimated $70 million (or 28 percent of the total) from EB-5 investors since the implementation of the pilot program. The second-most popular industry by amount invested was dairy cattle and milk production, which received more than $25 million (or 10 percent of the total). The remaining industries received investment amounts that equal four percent of the total or less.

[11] As mentioned previously, the program had lax standards through 1998 allowing for the receipt of promissory notes in lieu of the total amount of investment required. The acceptance of promissory notes was discontinued in 1998.

Table 10. Total Investment for Top 10 Industries by Amount Invested

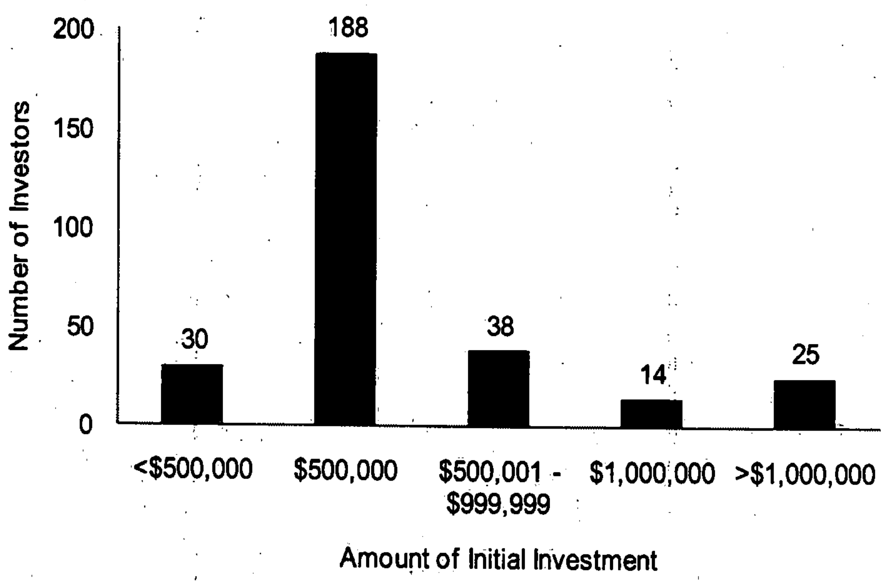
Industry	Investment
Real estate	$ 69,984,528
Dairy cattle and milk production	$ 25,021,858
Hospitals	$ 9,850,470
Food services and drinking places	$ 9,501,317
All other crop farming	$ 8,694,568
Aircraft manufacturing	$ 7,435,822
Construction and maintenance of commercial and residential structures	$ 6,882,711
Hotels and motels, including casino hotels	$ 6,100,199
Legal services	$ 6,073,656
Tree nut farming	$ 5,791,971

Sample summary. Investment amounts are in 2009 dollars.

Initial investment

Form I-829 does not have a field that indicates which investment program was selected by the EB-5 participant (i.e., through a Regional Center or not). Figure 3 presents a breakdown of the initial investment amounts. These data do not reflect any possible subsequent investments; these data are presented to gauge the interest in the Regional Center investment option.

Figure 3. Amount of Initial Investment



The data in Figure 3 illustrate the popularity of the Regional Center investment option. More than 73 percent of the investors (218 investors in the sample) invested the EB-5 Regional

Center current minimum investment requirement ($500,000) or less.[12] An additional 38 investors invested amounts greater than the Regional Center minimum requirement but less than the minimum requirement for the non-Regional Center investment program. Thirty-nine investors (or approximately 13 percent of the total) invested $1,000,000 or more.

Subsequent investments beyond the initial investments are not very common. Only 53 EB-5 investors in our sample (18 percent) invested additional funds following their initial investment.

Financial success of investments

Form I-829 includes two questions that pertain to the overall financial success of the investment. The first question asks if the enterprise filed for bankruptcy, ceased business operations, or if there were changes in the business organization or ownership since the date of initial investment. Only 8.8 percent of all the investors answered this question in the affirmative. This indicates that, overall, the businesses into which EB-5 participants invested were successful by this measure.

The second question pertaining to financial success asks if the company sold corporate assets, shares, property, or withdrew capital since the date of initial investment. Only three percent of the investors answered this question in the affirmative, indicating a relatively high level of stability regarding the corporate structure and ownership of the businesses owned.[13]

3.2 Estimated Economic Impact

The economic analysis focuses on the direct, indirect, and induced impacts of EB-5 investments on GDP and employment. The economic analysis is based on investors whose initial investment was made from 2001 to 2006.

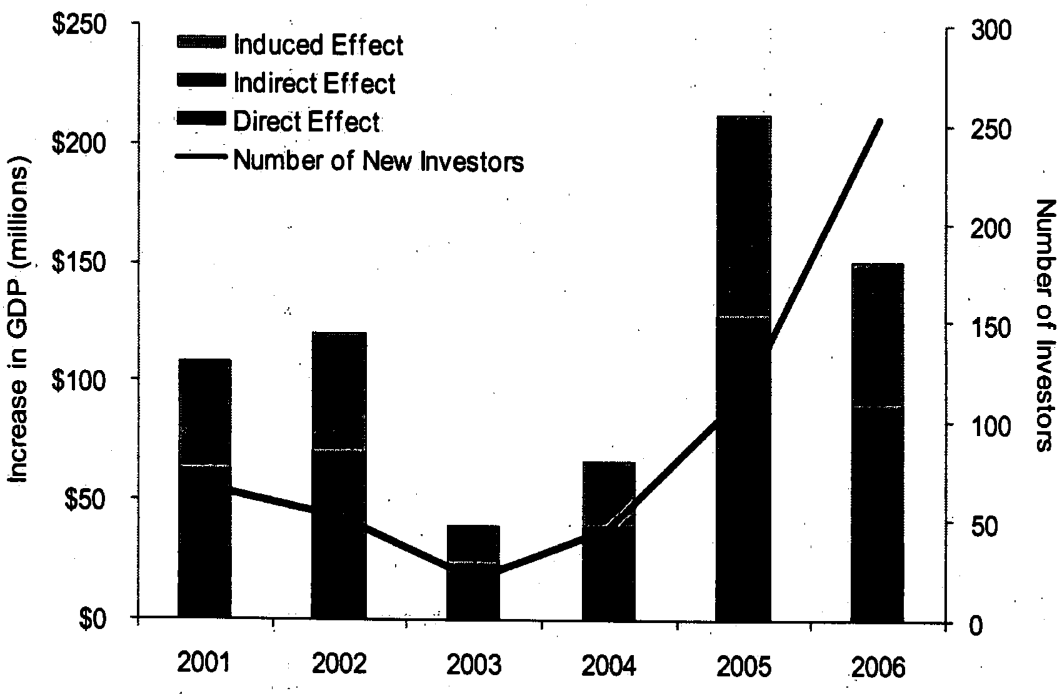
Estimated Gross Domestic Product

Our estimates indicate that EB-5 participants have had a substantial impact on the U.S. GDP since the program's inception. The annual impacts on GDP vary significantly depending on the number of investors, amount of annual initial investment, and the industry sectors in which the investments were made. Figure 4 displays the estimated impacts on GDP from 2001 to 2006.

[12] The sample contained 30 cases in which the initial investment amount was reported as less than $500,000. We have no data that would allow us to explain these cases where the initial investment was below $500,000. These cases are distributed among the years of the sample as follows: 1992 (1 case), 1995 (1 case), 1997 (1 case), 1998 (1 case), 1999 (3 cases), 2000 (2 cases), 2001 (4 cases), 2002 (1 case), 2003 (2 cases), 2004 (4 cases), 2005 (4 cases), and 2006 (6 cases). No such cases were present in 2007.

[13] No data exist to assess long-term viability of businesses created (or expanded) through the program.

Figure 4. Estimated GDP Impact of EB-5 Investments



Amounts shown are in 2009 dollar terms.

EB-5 investments and the resulting economic activity added an estimated $700 million (in 2009 dollars) to the U.S. GDP from 2001 to 2006. This is equivalent to an average impact on GDP of approximately $117 million per year. GDP is a measure of the value added contributed by the EB-5 investments. Of the total GDP impact, $162 million was direct activity into the invested industries. An additional $254 million was generated in indirect activity from industry spending, and finally, a subsequent $284 million was generated in induced activity from personal spending.

Within the timeframe analyzed, the program in 2005 created the largest impact on GDP, when an estimated $213 million was added to the U.S. economy through EB-5 investments. Interestingly, the impact on GDP was greater in 2005 than 2006 even though the total investment in 2006 was greater than in 2005. This result is attributable to a difference in the industry mix between 2005 and 2006. Industry multipliers are dependent on the industries in which investments are made. The industry mix changes annually throughout the analysis timeframe and, thus, the overall program multiplier also varies on an annual basis.

Table 11 presents the top ten industry sectors by increase in GDP for the years 2001 to 2006.

Table 11. Top Industry Sectors[14] by Increase in GDP, 2001-2006

Industry Sector	Increase in GDP
Real estate establishments	$ 66,814,308
Wholesale trade businesses	$ 55,148,912
Increased earnings from rental activity for owner-occupied dwellings	$ 28,298,238
Food services and drinking places	$ 20,292,076
Monetary authorities and depository credit intermediation activities	$ 17,914,610
Electric power generation, transmission, and distribution	$ 17,665,786
Paperboard container manufacturing	$ 17,040,228
Management of companies and enterprises	$ 16,092,289
Private hospitals	$ 15,494,816
Personal care services	$ 15,064,669

Amounts shown are in 2009 dollar terms.

From 2001 to 2006, the real estate industry sector experienced the highest impact on GDP with an estimated increase of almost $67 million. The second-most impacted industry sector in terms of GDP was wholesale trade businesses, which experienced an estimated increase of more than $55 million. In total, the top ten industry sectors by increase in GDP experienced an estimated increase of almost $270 million from 2001 to 2006.

Table 12 presents the top ten industry sectors by increase in annual jobs for the years 2001 to 2006.

Table 12. Top Industry Sectors by Increase in Annual Jobs, 2001-2006

Industry Sector	Annual Jobs
Real estate establishments	1,569
Personal care services	869
Food services	850
Wholesale trade businesses	546
Dairy cattle & milk production	306
Motor vehicle & parts retail	303
Automotive repair	290
Paperboard container manufacturing	256
Furniture & home furnishings retail	256
Private hospitals	246

[14] We present the analysis based on IMPLAN industry sectors because their titles are more descriptive (and easier to understand) than the NAICS titles. These industries sectors are defined by IMPLAN. IMPLAN bases its industry sectors on NAICS industry classifications; however, they are not a one-to-one match. See Appendix B for the IMPLAN industry sector – NAICS code industry crosswalk.

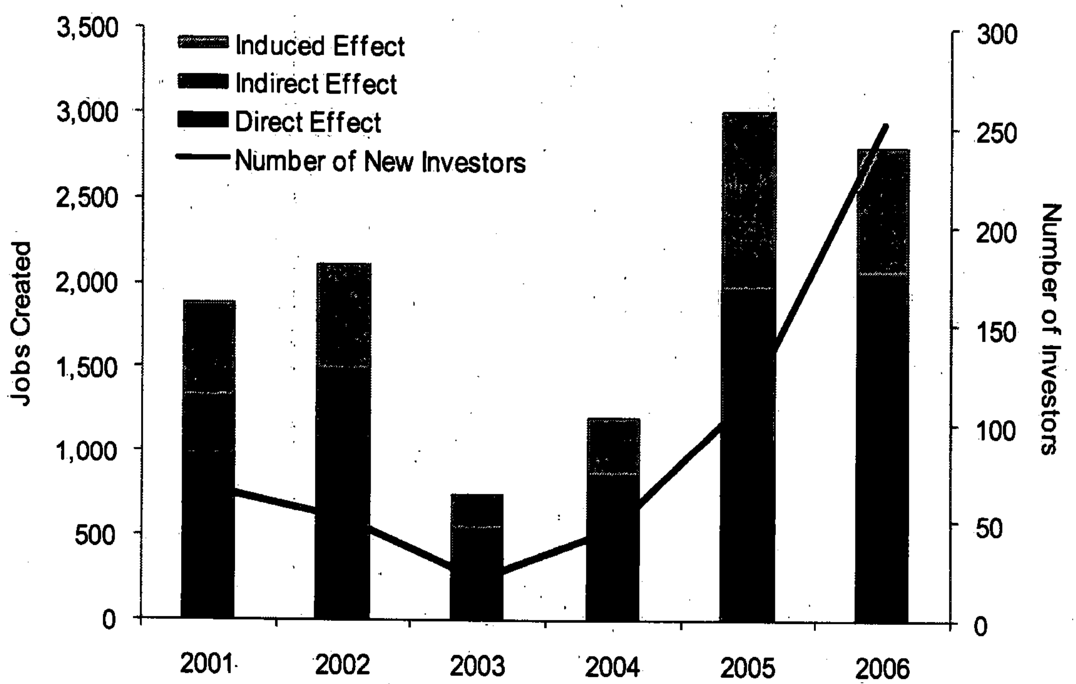
In addition to experiencing the highest estimated impact on GDP from 2001 to 2006, the real estate industry sector also saw the generation of the most annual jobs over the same time period with an estimated 1,569 annual jobs created. The second-most impacted industry in terms of annual jobs created was the personal care services industry, which experienced an estimated increase of 869 annual jobs from 2001 to 2006. The personal care industry sector comprises establishments, such as barber and beauty shops that provide appearance care services to individual consumers. In total, the top ten industry sectors in terms of increase in annual jobs experienced an estimated increase of almost 5,500 annual jobs due to the EB-5 program from 2001 to 2006.

Estimated Employment

Annual immigrant investor activity across the United States has generated or saved significant employment from 2001 to 2006.[15] As shown in Table 12 above, some industries generate a particularly large number of jobs, including real estate establishments, personal care services, and food services and drinking places.[16]

Figure 5 presents the estimated employment impacts generated by EB-5 investments from 2001 to 2006.

Figure 5. Estimated Employment Impact of EB-5 Investments



[15] Not all of the increased GDP translates into new job creation. In some cases, the impact comes in the way of increases in hours of work among employed workers, a move from part-time to full-time work and, in some cases, from higher worker productivity.

[16] IMPLAN employment estimates include both full-time and part-time employment.

From 2001 to 2006, EB-5 investments helped create an estimated 12,000 annual jobs for workers in the U.S. On average, the estimated annual impact associated with EB-5 investment was approximately 2,000 annual jobs. Of these jobs, it is estimated that 48 percent were direct, 22 percent were indirect, and 30 percent were induced. As indicated above, "annual jobs" refers to the number of "bodies" who get a job; we use the terms annual jobs and jobs interchangeably.

Between 2001 and 2006, the year with the highest level of employment creation was 2005 when an estimated 3,000 annual jobs were created or sustained. Of those, direct, indirect, and induced jobs represent an estimated 38 percent, 28 percent, and 35 percent of the total, respectively.

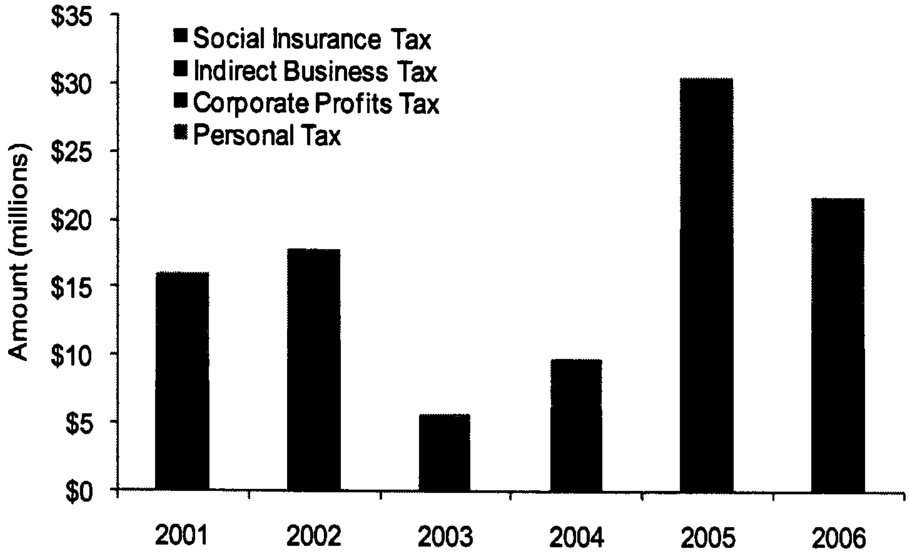
Variations in the employment impacts depend on the number of investors, amount of investment, and characteristics of the industries in which the investments were made, among other things. In some years, the employment multiplier—the number of indirect and induced job-years generated from direct investment—was relatively high due to the industry mix. In those years, there was significant investment in professional sectors (and, in one case, manufacturing, which generally generates large impacts throughout the rest of the economy).

The EB-5 program requires that the investment generate at least 10 direct, indirect, or induced jobs per investor, depending on the investment option selected. Our estimates suggest that EB-5 investors contributed approximately 21 direct, indirect, or induced jobs, on average, from 2001 to 2006.

Estimated Federal Tax Revenue

It is estimated that the Federal government has accrued millions of dollars in tax revenues as a result of immigrant investors' contribution to the U.S. economy. These revenues come from social insurance taxes (such as taxes on employee and employer contributions to retirement programs), indirect business taxes (such as excise taxes or duty taxes), corporate profits taxes, and personal taxes. Figure 6 presents Federal tax revenue estimates resulting from EB-5 participants' investments.

Figure 6. Estimated Federal Tax Revenues Resulting from EB-5 Investments



Amounts in 2009 dollars.

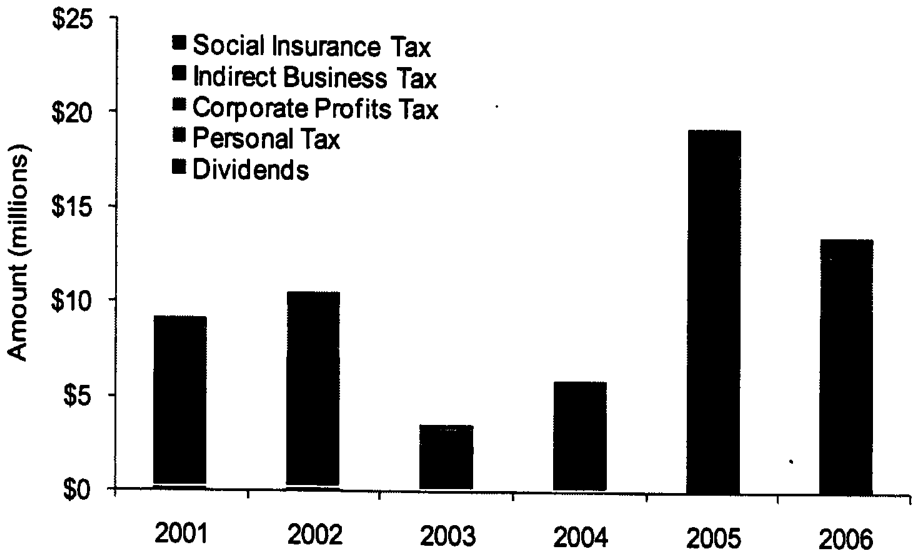
The Federal government accrued more than $100 million in estimated tax revenues from EB-5 investments from 2001 to 2006. This amounts to approximately $17 million per year, on average. The year with the highest tax revenues was 2005 when the Federal government likely received more than $30 million in tax revenues.

The largest component of Federal tax revenues resulting from EB-5 investments was social insurance-related taxes. On average, the Federal government likely accrued more than $8 million (or approximately 50 percent of the average yearly total) from social insurance-related tax revenues. The second-largest estimated component is personal taxes. The Federal government likely received more than $6 million per year, on average, in personal tax revenues, equivalent to approximately 36 percent of the average yearly total. The final two components – corporate profits taxes and indirect business taxes – amount to approximately $1.5 million per year and $1.0 million per year, respectively.

Estimated State and Local Tax Revenue

State and local governments have also accrued millions of dollars in estimated tax revenues as a result of immigrant investors' contribution to state and local economies. These revenues come from taxes on dividends, social insurance taxes, indirect business taxes, corporate profits taxes, and personal taxes. Figure 7 presents the estimated state and local tax revenues that are accrued from EB-5 participants' investments.

Figure 7. Estimated State and Local Tax Revenues



Amounts are in 2009 dollars.

State and local governments received an estimated $62 million in tax revenues from EB-5 investments from 2001 to 2006, which amounts to more than $10 million per year.

The largest category of tax revenues received by state and local governments is the indirect business tax. On average, it is estimated that state and local governments received almost $7 million in indirect business taxes (or almost 67 percent of the average annual total) from EB-5 immigrant investors' investments. The second-largest component of the estimated state and local tax revenues is personal taxes. State and local governments likely accrue more than $2 million per year, on average, in personal tax revenues, which is equivalent to 21 percent of the average yearly total. The final three components of state and local tax revenues accrued due to EB-5 investments – dividends, taxes on corporate profits, and social insurance taxes – amount to approximately $0.7 million, $0.4 million, and $0.2 million per year, respectively.

3.3 Calculating the Economic Impact of Future Investments

ICF created an Excel-based economic impact calculator that may be used to estimate the impacts of EB-5 investors in future years based on the number of investors expected to join the program.

To calculate the GDP and employment impacts, ICF divided the direct, indirect, and induced impact totals estimated using the weighted investments from 2001 to 2006 by the number of EB-5 investors who made their initial investments over the same time period. To calculate the impact on tax revenue, ICF divided the tax revenue by tax category for 2001-2006 by the number of EB-5 investors who made their initial investment during the same time period.

As an example of how this tool may be used, ICF estimated the impacts that would be created if all 10,000 EB-5 visas were granted to new EB-5 investors and their dependents. Because there is no allocation requirement that specifically addresses the number of EB-5 visas granted to investors only, we calculated the average proportion of EB-5 visas that were issued to investors only from 2001 to 2006.[17] This calculation indicated that approximately 35 percent of all EB-5 visas, on average, are granted to actual investors. The rest are granted to their dependents.

Based on this, we estimate that approximately 3,500 new investors would participate in the EB-5 program each year if the program fully utilized its annual allocation of visas. Using this number of investors, we estimate that the U.S. economy would experience an increase in GDP of more than $4.4 billion with almost 75,000 annual jobs created or sustained. In addition, it is estimated that the Federal government would receive almost $643 million in increased tax revenues, while state and local governments would accrue more than $390 million in increased tax revenues.

4. Summary

Demographic and Financial Profile

The sample of EB-5 participants includes immigrant investors from 31 different countries, more than 78 percent of whom are from Asia. Europe, North America, Africa, and South America are also represented. Approximately 85 percent of the EB-5 investors are married, and more than 92 percent have at least one child.

More than 43 percent of the investors are from South Korea—by a wide margin the most-represented country. Other countries highly represented include China and Taiwan. The median age of investors at the date of initial investment is 44 years.

For nine of the top 10 EB-5 countries of origin, the top destination state is California. California has particularly high concentrations of EB-5 investors from China, Taiwan, and India.

More than 94 percent of the investors in the sample indicated that their investment went to a new commercial enterprise resulting from the creation of a new business rather than from a capital investment in an existing business or the reorganization of an existing business.

[17] To calculate this proportion, ICF collected the total number of EB-5 visas issued to investors only (i.e., not including dependent visas) as well as the total number of EB-5 visas issued from the *Yearbook of Immigration Statistics*.

Based on the sample, real estate has been the most popular industry by number of investors since the implementation of the EB-5 pilot program.[18] The second-most popular industry in terms of number of investors is "dairy cattle and milk production" with approximately seven percent of the total. If analyzed by country of origin, the real estate industry is still the most popular industry in which to invest for EB-5 participants for 9 of the top 10 countries by investor origin. Other top industries include aircraft manufacturing and hospitals for investors from China and food services and legal services for investors from Taiwan.

The majority of investors own less than 10 percent of the companies in which they invested. On the other hand, more than 23 percent of them own 100 percent of the companies in which they invested. The average amount invested per investor is approximately $836,000 (in 2009 dollars).

Estimated Economic Impact

As indicated in the Approach section, the economic impacts presented in this report are *estimates*. The IMPLAN estimates are based on historical data and so will not apply exactly in any given investment episode. Furthermore, the uncertainty is likely to be higher now because the recent recession was unusual in both its fundamental causes and its severity.

From 2001 to 2006, it is estimated that EB-5 investments helped create or sustain almost 12,000 annual jobs for U.S. workers. In addition, the EB-5 investments and the resulting economic activity added an estimated $700 million (in 2009 dollars) to the GDP from 2001 to 2006. This is equivalent to an estimated increase in GDP per EB-5 investor of more than $1.2 million. Similar to the impact on employment, the largest impact on GDP of the EB-5 program was in 2005 when the program added approximately $213 million to the U.S. economy.

It is estimated that the Federal government accrued more than $100 million in estimated tax revenues from EB-5 investments from 2001 to 2006. This amounts to approximately $17 million per year, on average. The largest component of Federal tax revenues resulting from EB-5 investments was social insurance-related taxes.

It is estimated that State and local governments received almost $62 million in tax revenues from EB-5 investments, which amounts to approximately $10 million per year. The largest category of tax revenues received by state and local governments is the indirect business tax.

Overall, the EB-5 investor program has contributed significant employment, economic activity, and tax revenue for the United States. This program provides an opportunity for the United States to benefit from foreign investors who might not otherwise invest capital in this country.

[18] IMPLAN provides the output at a broad level, such as for the real estate industry sector; IMPLAN does not allow for the breakdown of an industry sector into its components (such as real estate-residential, real estate-commercial, etc.)

Appendix A: IMPLAN Modeling Framework

The IMPLAN model is a proprietary, static input-output framework used to analyze the effects of an economic stimulus on a pre-specified economic region (in this case, the entire United States). IMPLAN is considered static because the impacts calculated for any scenario by the model are estimates of the indirect and induced impacts for one time period (in this case, a year). In this analysis, the indirect and induced impacts were calculated using the IMPLAN (IMpact analysis for PLANning), Version 3.0 input-output model. IMPLAN is maintained by the Minnesota IMPLAN Group.

The modeling framework in IMPLAN consists of two components: the descriptive model and the predictive model. The descriptive model defines the local economy in the specified modeling region, and includes accounting tables that trace the "flow of dollars from purchasers to producers within the region."[19] It also includes the trade flows that describe the movement of goods and services, both inside and outside the modeling region (i.e., regional exports and imports with the outside region).

In addition, IMPLAN includes the Social Accounting Matrices (SAM) that traces the flow of money between institutions, such as transfer payments from governments to businesses and households, and taxes paid by households and businesses to governments.

The predictive model consists of a set of "local-level multipliers" that can be used to analyze the changes in final demand and their ripple effects throughout the local economy. IMPLAN Version 3.0 uses 2008 data and improves on previous versions of the model by implementing a new method for estimating regional imports and exports. This new method of estimating imports looks at annual trade flow information between economic regions, thereby allowing more sophisticated estimation of imports and exports than the traditional econometric estimate used by Version 2. Additionally, this new modeling method allows for multi-regional modeling functions, in which IMPLAN tracks imports and exports between selected models allowing the users to assess how the impact in one region can impact additional regional economies.

The IMPLAN model is based on the input-output data from the U.S. National Income and Product Accounts (NIPA) from the Bureau of Economic Analysis. The model includes 440 industry sectors based on the North American Industry Classification System (NAICS). (See the Appendix for the IMPLAN industry sector – NAICS code crosswalk table.) The model uses region-specific multipliers to trace and calculate the flow of dollars from the industries that originate the impact to supplier industries. These multipliers are coefficients that "describe the response of the economy to a stimulus (a change in demand or production)."[20]

The IMPLAN analysis involves several steps: (1) We first configure the model inputs for each investment category for each year; (2) IMPLAN, using the input-output tables, simulates the effect of the investments on GDP; and (3) IMPLAN translates the GDP effect on job creation and tax revenue using historical data.

Input

19 IMPLAN Pro User Guide.

20 Ibid.

The estimated direct economic impacts presented in the report are based on investments made by EB-5 participants. ICF performed a detailed data capture of numerous fields on approved I-829 forms. As explained in the body of the report, immigrant investors submit Form I-829 and supporting documentation to have the conditions on their lawful permanent residence removed and become regular "green card" holders. ICF collected data from a sample of 295 investors who made their initial investment from 1992 to 2007. ICF modeled the estimated economic impact based on EB-5 investors who made their initial investments from 2001 to 2006.

Output

Whenever new industry activity or income is injected into an economy, it starts a ripple effect that creates a total economic impact that is often larger than the initial input. This is because the recipients of the new income spend some percentage of it and the recipients of that share, in turn, spend some of it, and so on. The total spending impact of the new activity is the sum of these progressively smaller rounds of spending within the economy. This total economic impact creates a certain level of value added (Gross Domestic Product), jobs (the total employment impact), and tax revenue for federal and local governments (the total fiscal impact).

Due to the static nature of the IMPLAN model, the employment impacts are calculated in terms of annual jobs. It is likely that once the job is created, it will be sustained. However, to ensure that the impacts presented in this report are not overstated, it is conservatively assumed that the job impacts are limited to one year. Thus, in reporting the employment creation estimates, we use the term "annual jobs" to convey the number of annual jobs supported.

IMPLAN does not distinguish between full-time and part-time employment. Therefore, impacts presented in this report equate to the actual number of "bodies" employed who would otherwise be unemployed, rather than the amount of full-time employment generated. The annualized GDP and tax impacts can be accrued over the program's duration to identify the total impact of the EB-5 program.

Appendix B: IMPLAN Industry Sector – NAICS Code Crosswalk

IMPLAN Industry Sector	IMPLAN Description	2007 NAICS
1	Oilseed farming	11111-2
2	Grain farming	11113-6, 11119
3	Vegetable and melon farming	1112
4	Fruit farming	11131-2,111331-4, 111336*, 111339
5	Tree nut farming	111335, 111336*
6	Greenhouse, nursery, and floriculture production	1114
7	Tobacco farming	11191
8	Cotton farming	11192
9	Sugarcane and sugar beet farming	11193, 111991
10	All other crop farming	11194, 111992, 111998
11	Cattle ranching and farming	11211, 11213
12	Dairy cattle and milk production	11212
13	Poultry and egg production	1123
14	Animal production, except cattle and poultry and eggs	1122, 1124-5, 1129

15	Forest nurseries, forest products, and timber tracts	1131-2
16	Logging	1133
17	Fishing	1141
18	Hunting and trapping	1142
19	Support activities for agriculture and forestry	115
20	Oil and gas extraction	211
21	Coal mining	2121
22	Iron ore mining	21221
23	Copper, nickel, lead, and zinc mining	21223
24	Gold, silver, and other metal ore mining	21222, 21229
25	Stone mining and quarrying	21231
26	Sand, gravel, clay, and ceramic and refractory minerals mining and quarrying	21232
27	Other nonmetallic mineral mining and quarrying	21239
28	Drilling oil and gas wells	213111
29	Support activities for oil and gas operations	213112
30	Support activities for other mining	213113-5
31	Electric power generation, transmission, and distribution	2211
32	Natural gas distribution	2212
33	Water, sewage and other systems	2213
34	Construction of new nonresidential commercial and health care structures	23*
35	Construction of new nonresidential manufacturing structures	23*

36	Construction of other new nonresidential structures	23*
37	Construction of new residential permanent site single- and multi-family structures	23*
38	Construction of other new residential structures	23*
39	Maintenance and repair construction of nonresidential maintenance and repair	23*
40	Maintenance and repair construction of residential structures	23*
41	Dog and cat food manufacturing	311111
42	Other animal food manufacturing	311119
43	Flour milling and malt manufacturing	31121
44	Wet corn milling	311221
45	Soybean and other oilseed processing	311222-3
46	Fats and oils refining and blending	311225
47	Breakfast cereal manufacturing	311230
48	Sugar cane mills and refining	311311-2
49	Beet sugar manufacturing	311313
50	Chocolate and confectionery manufacturing from cacao beans	31132
51	Confectionery manufacturing from purchased chocolate	31133
52	Nonchocolate confectionery manufacturing	31134
53	Frozen food manufacturing	31141
54	Fruit and vegetable canning, pickling, and drying	31142
55	Fluid milk and butter manufacturing	311511-2
56	Cheese manufacturing	311513

57	Dry, condensed, and evaporated dairy product manufacturing	311514
58	Ice cream and frozen dessert manufacturing	311520
59	Animal (except poultry) slaughtering, rendering, and processing	311611-3
60	Poultry processing	311615
61	Seafood product preparation and packaging	3117
62	Bread and bakery product manufacturing	31181
63	Cookie, cracker, and pasta manufacturing	31182
64	Tortilla manufacturing	31183
65	Snack food manufacturing	31191
66	Coffee and tea manufacturing	31192
67	Flavoring syrup and concentrate manufacturing	31193
68	Seasoning and dressing manufacturing	31194
69	All other food manufacturing	31199
70	Soft drink and ice manufacturing	31211
71	Breweries	31212
72	Wineries	31213
73	Distilleries	31214
74	Tobacco product manufacturing	3122
75	Fiber, yarn, and thread mills	3131
76	Broadwoven fabric mills	31321
77	Narrow fabric mills and schiffli machine embroidery	31322

78	Nonwoven fabric mills	31323
79	Knit fabric mills	31324
80	Textile and fabric finishing mills	31331
81	Fabric coating mills	31332
82	Carpet and rug mills	31411
83	Curtain and linen mills	31412
84	Textile bag and canvas mills	31491
85	All other textile product mills	31499
86	Apparel knitting mills	31511, 31519
87	Cut and sew apparel contractors	31521
88	Men's and boys' cut and sew apparel manufacturing	31522
89	Women's and girls' cut and sew apparel manufacturing	31523
90	Other cut and sew apparel manufacturing	31529
91	Apparel accessories and other apparel manufacturing	3159
92	Leather and hide tanning and finishing	3161
93	Footwear manufacturing	3162
94	Other leather and allied product manufacturing	3169
95	Sawmills and wood preservation	3211
96	Veneer and plywood manufacturing	321211-2
97	Engineered wood member and truss manufacturing	321213-4
98	Reconstituted wood product manufacturing	321219

99	Wood windows and doors and millwork	32191
100	Wood container and pallet manufacturing	32192
101	Manufactured home (mobile home) manufacturing	321991
102	Prefabricated wood building manufacturing	321992
103	All other miscellaneous wood product manufacturing	321999
104	Pulp mills	32211
105	Paper mills	32212
106	Paperboard Mills	32213
107	Paperboard container manufacturing	32221
108	Coated and laminated paper, packaging paper and plastics film manufacturing	322221-2
109	All other paper bag and coated and treated paper manufacturing	322223-6
110	Stationery product manufacturing	32223
111	Sanitary paper product manufacturing	322291
112	All other converted paper product manufacturing	322299
113	Printing	32311
114	Support activities for printing	32312
115	Petroleum refineries	32411
116	Asphalt paving mixture and block manufacturing	324121
117	Asphalt shingle and coating materials manufacturing	324122
118	Petroleum lubricating oil and grease manufacturing	324191
119	All other petroleum and coal products manufacturing	324199

120	Petrochemical manufacturing	32511
121	Industrial gas manufacturing	32512
122	Synthetic dye and pigment manufacturing	32513
123	Alkalies and chlorine manufacturing	325181
124	Carbon black manufacturing	325182
125	All other basic inorganic chemical manufacturing	325188
126	Other basic organic chemical manufacturing	32519
127	Plastics material and resin manufacturing	325211
128	Synthetic rubber manufacturing	325212
129	Artificial and synthetic fibers and filaments manufacturing	32522
130	Fertilizer manufacturing	325311-4
131	Pesticide and other agricultural chemical manufacturing	325320
132	Medicinal and botanical manufacturing	325411
133	Pharmaceutical preparation manufacturing	325412
134	In-vitro diagnostic substance manufacturing	325413
135	Biological product (except diagnostic) manufacturing	325414
136	Paint and coating manufacturing	32551
137	Adhesive manufacturing	32552
138	Soap and cleaning compound manufacturing	32561
139	Toilet preparation manufacturing	32562
140	Printing ink manufacturing	32591

141	All other chemical product and preparation manufacturing	32592, 32599
142	Plastics packaging materials and unlaminated film and sheet manufacturing	32611
143	Unlaminated plastics profile shape manufacturing	326121
144	Plastics pipe and pipe fitting manufacturing	326122
145	Laminated plastics plate, sheet (except packaging), and shape manufacturing	32613
146	Polystyrene foam product manufacturing	32614
147	Urethane and other foam product (except polystyrene) manufacturing	32615
148	Plastics bottle manufacturing	32616
149	Other plastics product manufacturing	32619
150	Tire manufacturing	32621
151	Rubber and plastics hoses and belting manufacturing	32622
152	Other rubber product manufacturing	32629
153	Pottery, ceramics, and plumbing fixture manufacturing	32711
154	Brick, tile, and other structural clay product manufacturing	327121-3
155	Clay and nonclay refractory manufacturing	327124-5
156	Flat glass manufacturing	327211
157	Other pressed and blown glass and glassware manufacturing	327212
158	Glass container manufacturing	327213
159	Glass product manufacturing made of purchased glass	327215
160	Cement manufacturing	32731
161	Ready-mix concrete manufacturing	32732

162	Concrete pipe, brick, and block manufacturing	32733
163	Other concrete product manufacturing	32739
164	Lime and gypsum product manufacturing	3274
165	Abrasive product manufacturing	32791
166	Cut stone and stone product manufacturing	327991
167	Ground or treated mineral and earth manufacturing	327992
168	Mineral wool manufacturing	327993
169	Miscellaneous nonmetallic mineral products	327999
170	Iron and steel mills and ferroalloy manufacturing	3311
171	Steel product manufacturing from purchased steel	33121, 33122
172	Alumina refining and primary aluminum production	331311-2
173	Secondary smelting and alloying of aluminum	331314
174	Aluminum product manufacturing from purchased aluminum	331315, 331316, 331319
175	Primary smelting and refining of copper	331411
176	Primary smelting and refining of nonferrous metal (except copper and aluminum)	331419
177	Copper rolling, drawing, extruding and alloying	33142
178	Nonferrous metal (except copper and aluminum) rolling, drawing, extruding and alloying	33149
179	Ferrous metal foundries	33151
180	Nonferrous metal foundries	33152
181	All other forging, stamping, and sintering	332111-2, 332117
182	Custom roll forming	332114

183	Crown and closure manufacturing and metal stamping	332115-6
184	Cutlery, utensil, pot, and pan manufacturing	332211, 332214
185	Handtool manufacturing	332212-3
186	Plate work and fabricated structural product manufacturing	33231
187	Ornamental and architectural metal products manufacturing	33232
188	Power boiler and heat exchanger manufacturing	33241
189	Metal tank (heavy gauge) manufacturing	33242
190	Metal can, box, and other metal container (light gauge) manufacturing	33243
191	Ammunition manufacturing	332992-3
192	Arms, ordnance, and accessories manufacturing	332994-5
193	Hardware manufacturing	3325
194	Spring and wire product manufacturing	3326
195	Machine shops	33271
196	Turned product and screw, nut, and bolt manufacturing	33272
197	Coating, engraving, heat treating and allied activities	3328
198	Valve and fittings other than plumbing	332911-2, 332919
199	Plumbing fixture fitting and trim manufacturing	332913
200	Ball and roller bearing manufacturing	332991
201	Fabricated pipe and pipe fitting manufacturing	332996
202	Other fabricated metal manufacturing	332997-9
203	Farm machinery and equipment manufacturing	333111

204	Lawn and garden equipment manufacturing	333112
205	Construction machinery manufacturing	33312
206	Mining and oil and gas field machinery manufacturing	33313
207	Other industrial machinery manufacturing	33321, 333291-4, 333298
208	Plastics and rubber industry machinery manufacturing	33322
209	Semiconductor machinery manufacturing	333295
210	Vending, commercial, industrial, and office machinery manufacturing	333311-3
211	Optical instrument and lens manufacturing	333314
212	Photographic and photocopying equipment manufacturing	333315
213	Other commercial and service industry machinery manufacturing	333319
214	Air purification and ventilation equipment manufacturing	333411-2
215	Heating equipment (except warm air furnaces) manufacturing	333414
216	Air conditioning, refrigeration, and warm air heating equipment manufacturing	333415
217	Industrial mold manufacturing	333511
218	Metal cutting and forming machine tool manufacturing	333512-3
219	Special tool, die, jig, and fixture manufacturing	333514
220	Cutting tool and machine tool accessory manufacturing	333515
221	Rolling mill and other metalworking machinery manufacturing	333516, 333518
222	Turbine and turbine generator set units manufacturing	333611
223	Speed changer, industrial high-speed drive, and gear manufacturing	333612
224	Mechanical power transmission equipment manufacturing	333613

225	Other engine equipment manufacturing	333618
226	Pump and pumping equipment manufacturing	333911, 333913
227	Air and gas compressor manufacturing	333912
228	Material handling equipment manufacturing	333921-4
229	Power-driven handtool manufacturing	333991
230	Other general purpose machinery manufacturing	333992, 333997, 333999
231	Packaging machinery manufacturing	333993
232	Industrial process furnace and oven manufacturing	333994
233	Fluid power process machinery	333995-6
234	Electronic computer manufacturing	334111
235	Computer storage device manufacturing	334112
236	Computer terminals and other computer peripheral equipment manufacturing	334113, 334119
237	Telephone apparatus manufacturing	33421
238	Broadcast and wireless communications equipment	33422
239	Other communications equipment manufacturing	33429
240	Audio and video equipment manufacturing	3343
241	Electron tube manufacturing	334411
242	Bare printed circuit board manufacturing	334412
243	Semiconductor and related device manufacturing	334413
244	Electronic capacitor, resistor, coil, transformer, and other inductor manufacturing	334414-6
245	Electronic connector manufacturing	334417

246	Printed circuit assembly (electronic assembly) manufacturing	334418
247	Other electronic component manufacturing	334419
248	Electromedical and electrotherapeutic apparatus manufacturing	334510
249	Search, detection, and navigation instruments manufacturing	334511
250	Automatic environmental control manufacturing	334512
251	Industrial process variable instruments manufacturing	334513
252	Totalizing fluid meters and counting devices manufacturing	334514
253	Electricity and signal testing instruments manufacturing	334515
254	Analytical laboratory instrument manufacturing	334516
255	Irradiation apparatus manufacturing	334517
256	Watch, clock, and other measuring and controlling device manufacturing	334518-9
257	Software, audio, and video media reproducing	334611-2
258	Magnetic and optical recording media manufacturing	334613
259	Electric lamp bulb and part manufacturing	33511
260	Lighting fixture manufacturing	33512
261	Small electrical appliance manufacturing	33521
262	Household cooking appliance manufacturing	335221
263	Household refrigerator and home freezer manufacturing	335222
264	Household laundry equipment manufacturing	335224
265	Other major household appliance manufacturing	335228
266	Power, distribution, and specialty transformer manufacturing	335311

267	Motor and generator manufacturing	335312
268	Switchgear and switchboard apparatus manufacturing	335313
269	Relay and industrial control manufacturing	335314
270	Storage battery manufacturing	335911
271	Primary battery manufacturing	335912
272	Communication and energy wire and cable manufacturing	33592
273	Wiring device manufacturing	33593
274	Carbon and graphite product manufacturing	335991
275	All other miscellaneous electrical equipment and component manufacturing	335999
276	Automobile manufacturing	336111
277	Light truck and utility vehicle manufacturing	336112
278	Heavy duty truck manufacturing	336120
279	Motor vehicle body manufacturing	336211
280	Truck trailer manufacturing	336212
281	Motor home manufacturing	336213
282	Travel trailer and camper manufacturing	336214
283	Motor vehicle parts manufacturing	3363
284	Aircraft manufacturing	336411
285	Aircraft engine and engine parts manufacturing	336412
286	Other aircraft parts and auxiliary equipment manufacturing	336413
287	Guided missile and space vehicle manufacturing	336414

288	Propulsion units and parts for space vehicles and guided missiles	336415, 336419
289	Railroad rolling stock manufacturing	3365
290	Ship building and repairing	336611
291	Boat building	336612
292	Motorcycle, bicycle, and parts manufacturing	336991
293	Military armored vehicle, tank, and tank component manufacturing	336992
294	All other transportation equipment manufacturing	336999
295	Wood kitchen cabinet and countertop manufacturing	33711
296	Upholstered household furniture manufacturing	337121
297	Nonupholstered wood household furniture manufacturing	337122
298	Metal and other household furniture (except wood) manufacturing1	337124-5
299	Institutional furniture manufacturing	337127
300	Wood television, radio, and sewing machine cabinet manufacturing1	337129
301	Office furniture and custom architectural woodwork and millwork manufacturing1	337211, 337212, 337214
302	Showcase, partition, shelving, and locker manufacturing	337215
303	Mattress manufacturing	33791
304	Blind and shade manufacturing	33792
305	Surgical and medical instrument manufacturing	339112
306	Surgical appliance and supplies manufacturing	339113
307	Dental equipment and supplies manufacturing	339114
308	Ophthalmic goods manufacturing	339115

309	Dental laboratories	339116
310	Jewelry and silverware manufacturing	33991
311	Sporting and athletic goods manufacturing	33992
312	Doll, toy, and game manufacturing	33993
313	Office supplies (except paper) manufacturing	33994
314	Sign manufacturing	33995
315	Gasket, packing, and sealing device manufacturing	339991
316	Musical instrument manufacturing	339992
317	All other miscellaneous manufacturing	339993, 339995, 339999
318	Broom, brush, and mop manufacturing	339994
319	Wholesale trade	42
320	Retail - Motor vehicle and parts	441
321	Retail - Furniture and home furnishings	442
322	Retail - Electronics and appliances	443
323	Retail - Building material and garden supply	444
324	Retail - Food and beverage	445
325	Retail - Health and personal care	446
326	Retail - Gasoline stations	447
327	Retail - Clothing and clothing accessories	448
328	Retail - Sporting goods, hobby, book and music	451
329	Retail - General merchandise	452

330	Retail – Miscellaneous	453
331	Retail – Nonstore	454
332	Air transportation	481
333	Rail transportation	482
334	Water transportation	483
335	Truck transportation	484
336	Transit and ground passenger transportation	485
337	Pipeline transportation	486
338	Scenic and sightseeing transportation and support activities for transportation	487, 488
339	Couriers and messengers	492
340	Warehousing and storage	493
341	Newspaper publishers	51111
342	Periodical publishers	51112
343	Book publishers	51113
344	Directory, mailing list, and other publishers	51114, 51119
345	Software publishers	51121
346	Motion picture and video industries	5121
347	Sound recording industries	5122
348	Radio and television broadcasting	5151
349	Cable and other subscription programming	5152
350	Internet publishing and broadcasting	51913

351	Telecommunications	517
352	Data processing, hosting, and related services	518
353	Other information services	51911-2
354	Monetary authorities and depository credit intermediation	521, 5221
355	Nondepository credit intermediation and related activities	5222-3
356	Securities, commodity contracts, investments, and related activities	523
357	Insurance carriers	5241
358	Insurance agencies, brokerages, and related activities	5242
359	Funds, trusts, and other financial vehicles	525
360	Real estate	531
361	Imputed rental value for owner-occupied dwellings	n.a.
362	Automotive equipment rental and leasing	5321
363	General and consumer goods rental except video tapes and discs	53221-2, 53229, 5323
364	Video tape and disc rental	53223
365	Commercial and industrial machinery and equipment rental and leasing	5324
366	Lessors of nonfinancial intangible assets	533
367	Legal services	5411
368	Accounting, tax preparation, bookkeeping, and payroll services	5412
369	Architectural, engineering, and related services	5413
370	Specialized design services	5414
371	Custom computer programming services	541511

372	Computer systems design services	541512
373	Other computer related services, including facilities management	541513, 541519
374	Management, scientific, and technical consulting services	54161, 5613*
375	Environmental and other technical consulting services	54162, 54169
376	Scientific research and development services	5417
377	Advertising and related services	5418
378	Photographic services	54192
379	Veterinary services	54194
380	All other miscellaneous professional, scientific, and technical services	54191, 54193, 54199
381	Management of companies and enterprises	55
382	Employment services	5613*
383	Travel arrangement and reservation services	5615
384	Office administrative services	5611
385	Facilities support services	5612
386	Business support services	5614
387	Investigation and security services	5616
388	Services to buildings and dwellings	5617
389	Other support services	5619
390	Waste management and remediation services	562
391	Elementary and secondary schools	6111
392	Junior colleges, colleges, universities, and professional schools	6112-3

393	Other educational services	6114-7
394	Offices of physicians, dentists, and other health practitioners	6211-3
395	Home health care services	6216
396	Medical and diagnostic labs and outpatient and other ambulatory care services	6214-5, 6219
397	Hospitals	622
398	Nursing and residential care facilities	623
399	Child day care services	6244
400	Individual and family services	6241
401	Community food, housing, and other relief services, including rehabilitation services	6242-3
402	Performing arts companies	7111
403	Spectator sports	7112
404	Promoters of performing arts and sports and agents for public figures	7113-4
405	Independent artists, writers, and performers	7115
406	Museums, historical sites, zoos, and parks	712
407	Fitness and recreational sports centers	71394
408	Bowling centers	71395
409	Amusement parks, arcades, and gambling industries	7131-2
410	Other amusement and recreation industries	71391-3, 71399
411	Hotels and motels, including casino hotels	72111-2
412	Other accommodations	72119, 7212-3
413	Food services and drinking places	722

414	Automotive repair and maintenance, except car washes	81111-2, 811191, 811198
415	Car washes	811192
416	Electronic and precision equipment repair and maintenance	8112
417	Commercial and industrial machinery and equipment repair and maintenance	8113
418	Personal and household goods repair and maintenance	8114
419	Personal care services	8121
420	Death care services	8122
421	Dry-cleaning and laundry services	8123
422	Other personal services	8129
423	Religious organizations	8131
424	Grantmaking, giving, and social advocacy organizations	8132, 8133
425	Civic, social, professional, and similar organizations	8134, 8139
426	Private households	814
427	Postal service	491
428	Federal electric utilities	None
429	Other Federal Government enterprises	None
430	State and local government passenger transit	None
431	State and local government electric utilities	None
432	Other state and local government enterprises	None
433	*Not an industry (Used and secondhand goods)	None
434	*Not an industry (Scrap)	None

435	*Not an industry (Rest of the world adjustment)	None
436	*Not an industry (Noncomparable imports)	None
437	Employment and payroll for SL Government Non-Education	None
438	Employment and payroll for SL Government Education	None
439	Employment and payroll for Federal Non-Military	None
440	Employment and payroll for Federal Military	None

Source: IMPLAN.

Task 2:

Immigrant Investor Programs in the United Kingdom, Canada, and Australia: A Comparison

Prepared by:

ICF INTERNATIONAL

5. Introduction

As part of the Immigration Act of 1990, Congress created an employment-based immigrant visa category in an effort to promote foreign investment and job creation in the United States. This visa category, commonly referred to as EB-5, allows immigrant investors to receive conditional resident status in the U.S. for a 2-year period after investing $1 million (or $500,000 in targeted employment areas) in a U.S. business that creates 10 or more full-time jobs for U.S. workers. Upon meeting the requirements, immigrant investors can apply for permanent legal resident status. The EB-5 immigrant investor category began in 1992 and is administered by U.S. Citizenship and Immigration Services (USCIS).

This report compares the foreign investment programs in the United Kingdom (UK), Canada, and Australia to each other and to the EB-5 Program.

This report relies heavily on information gained from interviews conducted with immigration representatives in each of the countries. The majority of the qualitative and quantitative data on each program, however, was provided by immigration representatives from each program. In all cases, we conducted an initial interview using an interview guide and then conducted follow-up interviews and email exchanges seeking clarification on various issues. In many cases, the program representatives provided basic data for our report. These data included, but were not limited to:

- Detailed eligibility requirements and applicable legislation for relevant immigration classes.
- Number of applicants received in relevant immigration classes.
- Number of visas granted in relevant immigration classes.
- Detailed program descriptions for relevant immigration classes. [21]

The report is organized into three main sections. The first section discusses each program's core characteristics: eligibility requirements, investor profiles, and investment profiles. The second section describes the immigrant investor adjudication process, based primarily on interviews with program managers in each country. The final section identifies and describes elements of the programs that are particularly successful in their ability to attract foreign investment.

6. Foreign Investor Program Description

In this section, we attempt to describe and compare the core aspects of each country's program, the application and eligibility requirements, the characteristics of investors, and the characteristics of investments associated with the programs. The majority of this section is based on a detailed review of documentation about the programs.

[21] Furthermore, ICF was provided with an introductory document about the Canadian program. In addition to the custom program detail provided by the representatives of each country, ICF reviewed each program's website to gain a better understanding of how the programs are presented to the public: (a) http://ukba.homeoffice.gov.uk/workingintheuk/tier1/; (b) http://www.cic.gc.ca/english/immigrate/business/index.asp; and (c) http://www.immi.gov.au/skilled/

6.1. United Kingdom

The United Kingdom (UK) redesigned its entire immigration system in 2008 to create a point-based system (PBS). The new system, which represents a fundamental shift in the application process, was designed with the goal of increasing program transparency and objectivity in the application review process. Under the new 5-tier PBS, highly skilled individuals can immigrate to the UK under the Tier 1 category, which includes the subcategories of investors and entrepreneurs.

Investors

The investor subcategory applies to high net worth individuals who plan to make a significant financial investment or who can be expected to spend substantial funds in the UK. The investor program under the new PBS is very similar to the predecessor program. Investor applicants are given a 3-year initial visa that can be extended for an additional 2 years, as long as any decrease in the value of investments is based solely on market fluctuation. After 5 years, the investor applicant can apply for permanent residency. The visa also covers spouses and dependent children who are eligible to work and attend school, respectively.

Eligibility. To be an eligible Investor, the applicant must score 75 points or more under the PBS. Applicants are awarded 75 points by either depositing a minimum £1 million (approximately $1.6 million U.S. dollars) into a Financial Services Authority (FSA)-regulated financial institution in the UK, or by possessing £2 million (about $3.2 million U.S. dollars) in personal assets as well as having access to an additional £1 million in financing. The funds must be under the control of the applicant. There is no language requirement and applicants are not responsible for demonstrating the ability to support themselves or their dependents because qualified applicants are wealthy and are not expected to need to work.

Immigrant characteristics. Although an evaluation of the new PBS system is underway, no program outcome data were available at the time of this analysis. Furthermore, statistics on immigrant characteristics are not maintained. As a reference, across all Tier 1 programs under the old system, common countries of origin for applicants included India, China, and the United States. In the new investor program, which requires a large net worth, program representatives indicate that Russia is the most common country of origin.

Investment characteristics. For initial entry, investors are not required to invest their capital, but they must prove that they have the necessary funds available. Applicants are required to verify that their funds have been invested only if they choose to extend their visa. Since investments are deposited directly into banks, information on investment by industry or geography is not readily available. Rather than prescribing target industries or regions, the UK immigrant program assumes that high net worth individuals will contribute to the UK economy because of their potential to provide economic opportunities, the specifics of which are less important under the program. There have been no official assessments to quantify the economic impacts of the investments associated with the program.

Entrepreneurs

The entrepreneur subcategory applies to those individuals who invest in the UK by establishing (or taking over) one or more businesses in the UK and by being actively involved in the management of the business.

Eligibility. As in the investor program, the applicant must score at least 75 points to be eligible. The scoring criteria differ depending on whether the applicant is applying for an initial visa or an extension. For an initial application, the applicant must provide:

- A letter from a financial institution (or multiple institutions) confirming that the applicant has at least £200,000 (approximately $326,740 U.S. dollars).
- If applicable, evidence indicating the amount of money available from a third party. Third parties may include family members, other investors, or a business entity.
- Proof of English language proficiency. This can be demonstrated with a passport from an English-speaking nation, a certificate demonstrating that the applicant has passed an English language test or a diploma from an institution where classes are taught in English.
- Proof of maintenance funds. The maintenance fund requirement addresses the immigrant's ability to support themselves and their family while living in the UK. If the applicant is applying from within the UK, a balance of at least £800 ($1,307 U.S. dollars) over the previous 3-month period is required. For applications from outside the UK, the minimum balance is £2,800 ($4,574 U.S. dollars).

Entrepreneur or inventor applicants can apply to extend their visa for an additional two years. To receive an extension, the applicant must provide proof of the following:

- An investment of £200,000 into a UK business.
- Direct engagement in a business activity.
- Creation of two full time jobs. It should be noted, however, that applicants do not need to demonstrate that the jobs created were for a minimum number of hours per week or for a continuous 12-month period.
- Maintenance funds (same as above).

6.2. Canada

Canada has two business immigration programs, an investor program and an entrepreneur program, both of which have elements that are somewhat similar to the EB-5 program. These programs are intended to attract individuals with demonstrated business and entrepreneurial skills to Canada so that they can contribute to the economic growth and prosperity of the country. The investor program requires a purely passive investment that is managed by Canadian provinces/territories over the 5-year holding period and is guaranteed to be repaid to the immigrant (without interest) after 5 years. In contrast to the EB-5 program in the United States, this Canadian investor program does not require that investors put capital at risk. The entrepreneur program is more similar to the EB-5 program than the investor program because it requires an active investment and places conditions on the entrepreneur's status in Canada. Because both of these Canadian programs can be compared to the EB-5 program, we include information on both programs.

Immigrant Investor Program

Canada's Immigrant Investor Program (IIP) was introduced in 1986 by Citizenship and Immigration Canada (CIC). In its original form, privately- and province-administered investment funds attracted immigrant investors through Offering Memoranda (OM). Investors assessed the contents of these OM and selected the fund in which they wanted to invest. The investments were not guaranteed by the government. CIC closely monitored the investment funds to ensure that they were invested in accordance with the program regulations even though the investments did not flow directly through CIC.

In 1999 the program was redesigned to become the single, federal structure that still exists today. The major impetus for revamping the program was to increase the objectivity of the program. In its original form, the program administration was done at the provincial level and complaints were often raised about uneven application of eligibility criteria and an overall lack of consistency within the adjudication process. After consultation with the provinces and territories, CIC centralized the adjudication process so that all investment be received by CIC and for CIC to be responsible for the processing the applications.

Under the current program, the investment is received by CIC and then distributed to provincial governments. The provincial governments guarantee return of the principal investment amount to the investor after 5 years. The CIC acts as the sole intermediary for the Provincial Funds; it receives the investment from an investor and allocates funds to the Provincial Funds. The CIC is responsible for issuing promissory notes to investors, paying commissions to facilitators, and repaying investors at maturity. The provinces are responsible for the investment; they must report quarterly and annually to CIC on the use of funds, and they must guarantee repayment of all funds allocated to them.

Regulations require that the funds be used for the purpose of creating or continuing employment opportunities in Canada to foster the development of a strong and viable economy. A member of the Canada Deposit Insurance Corporation (CDIC) must facilitate the investment. The facilitating agency (a CDIC-regulated bank) receives a commission from Provincial Funds in return for its services, including IIP promotion and recruitment overseas. They also streamline investment administration for CIC and provide financing for investors.

Successful applicants receive permanent resident (PR) status. As with all classes of PRs, successful applicants must be present in Canada for 2 years in a 5-year period or their status can be revoked. Unlike entrepreneur immigrants (discussed below), there are no additional conditions attached to an investor's PR status.

Eligibility. Canada's IIP has 3 eligibility requirements:

The first eligibility requirement is that the applicant must have at least 2 years of business experience within the previous 5 years in the management of a qualifying business or the management of 5 full-time employees. Businesses that are operated primarily for the purpose of deriving investment income—such as interest, dividends, or capital gains—do not qualify. Beyond that, the applicant must show evidence of any two of the following:

- Creation of at least 2-fulll-time jobs per year.

- Total annual sales equal to or greater than CA $500,000 (approximately $460,000 U.S. dollars).

- Annual net income equal to or greater than CA $50,000 (approximately $46,000 U.S. dollars).

- Annual net assets equal to or greater than CA $125,000 (approximately $115,000 U.S. dollars).

These stipulations are calculated based on the percentage of ownership that is held by the applicant. That is, if the applicant owns 100 percent of the business, the applicant gets credit for 100 percent of the jobs, annual sales, or net income. On the other hand, if the applicant owns only 25 percent of the business, he/she gets credit for only 25 percent of the impact.

The second requirement for eligibility is that the applicant must have a minimum net worth of CA $800,000 (approximately $738,000 U.S. dollars).

Finally, the third eligibility requirement is an investment of CA $400,000 (approximately $369,000 U.S. dollars) for 5 years into Provincial Government Funds. The investment is guaranteed by Provincial governments, and the investor receives repayment of the principal investment (without interest) after 5 years.

Investor characteristics. The majority of Canada's applications come from investor applications. As Figure 8 illustrates, Canada received nearly 7,000 investor applications in 2008 (the most recent year for which data were available), compared to about 600 entrepreneur applications.

While the number of investor applications has risen during the 5-year period starting in 2004, the number of entrepreneur applications has decreased slightly. This shift happened around the time that the provincial entrepreneur program was introduced. The decrease in the number of entrepreneur applications may be associated with the fact that many of the entrepreneur applicants that previously applied through the national program were diverted to the provincial program.

There are a several reasons for an applicant to prefer the provincial program. The application processing time is substantially shorter (approximately 1-2 years versus 3-5 years for the federal program). In addition, the provincial program offers more support to the applicant throughout the process. The application process requires an exploratory visit where the applicant meets with provincial representatives and is offered counseling on starting a business. Finally, compared to the national program, the provincial program engages in much more proactive recruitment through immigration fairs hosted by Canadian immigration offices overseas.

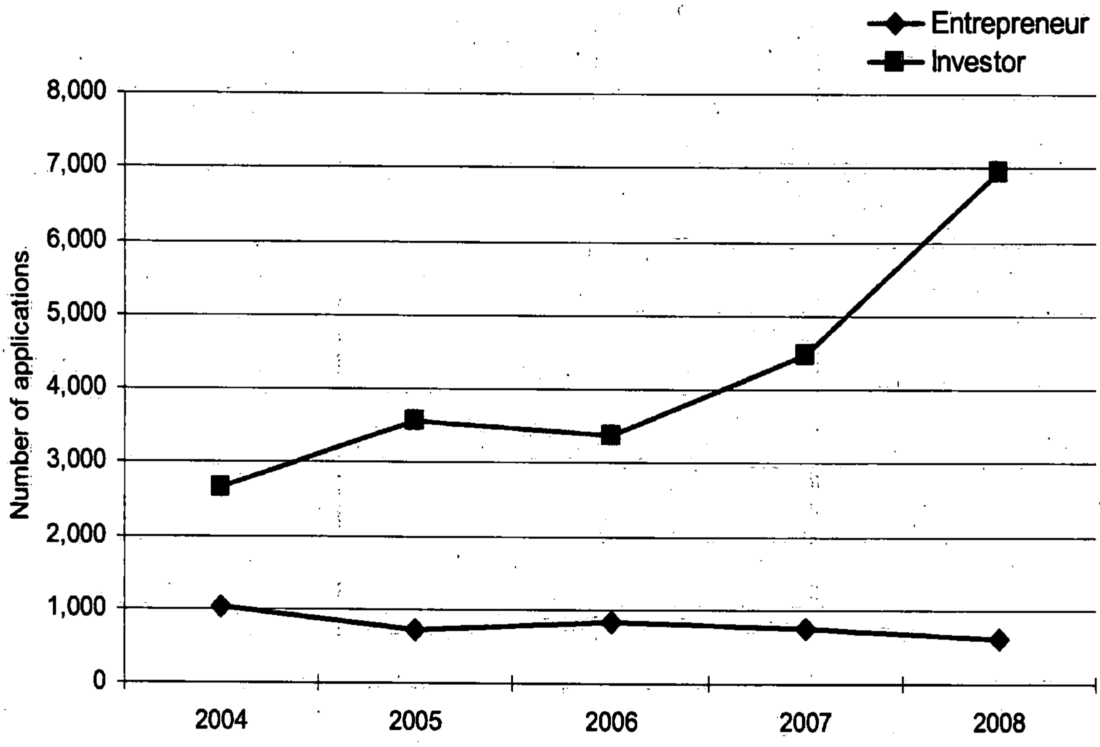
Figure 9 compares the number of visas issued by business class in Canada. There is no visa cap for either the investor or entrepreneur program. CIC is responsible for processing all applications they receive, in the order that they are received. CIC makes a commitment to process 2,000 investor applications per year; no processing commitment exists for the entrepreneur program. In recent years, CIC representatives have noticed that the approval rate for entrepreneurs is lower than for investors and believe that this is due to the fact that they are seeing fewer qualified entrepreneur applicants in the federal program.[22] The most qualified

[22] Approval rate does not include applications that are withdrawn. This is a significant number in the investor category.

applicants are either applying to the investor program, which provides them permanent resident status, or electing to apply through the provincial program because of the benefits described above.

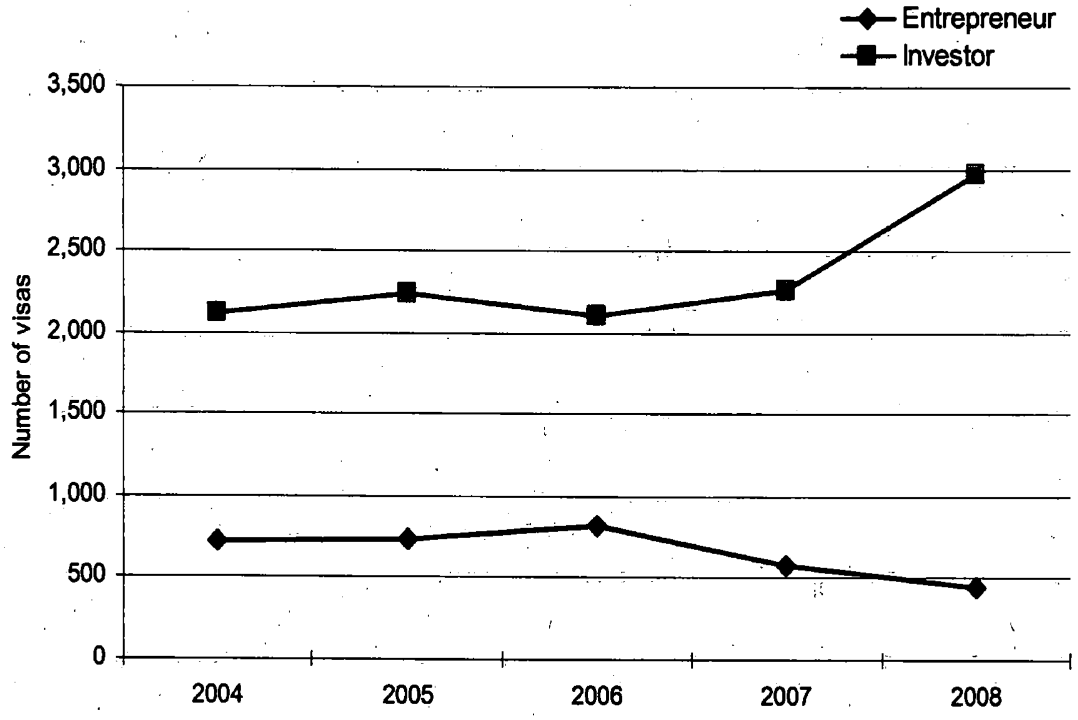
The increasing competitiveness of the investor program is further illustrated in Figure 10 by the widening gap between applications received and visas issued.

Figure 8: Canada's Business Class Applications Received (Cases)



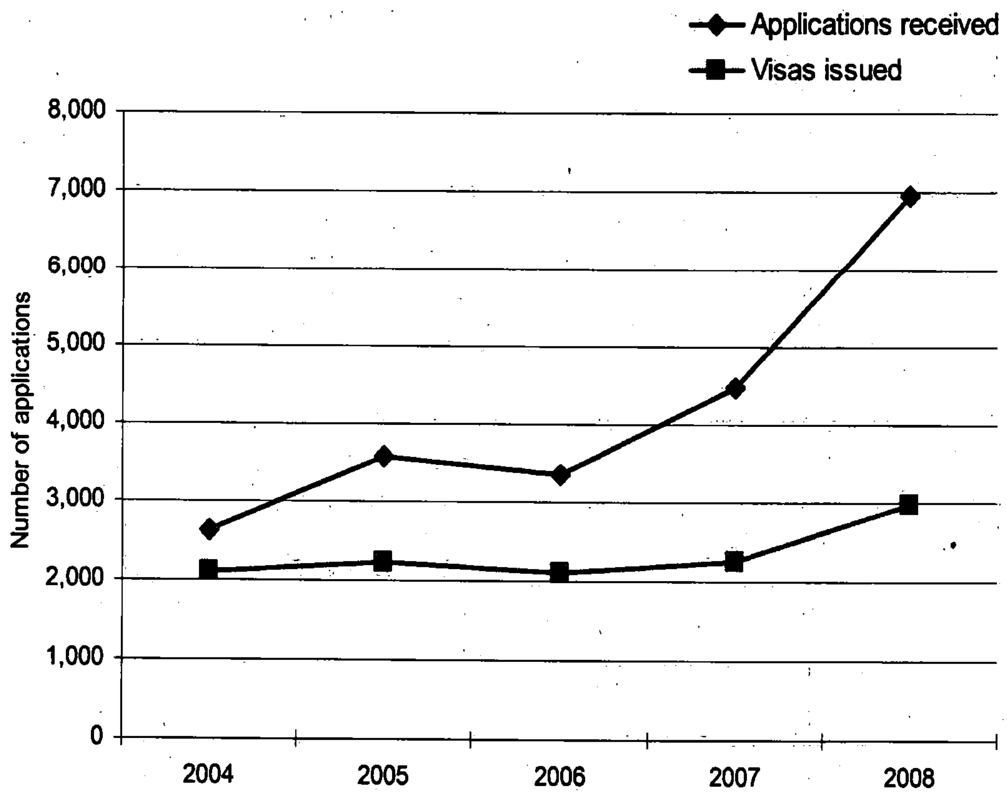
Source: Business Class Immigrants - Applications Received and Visas Issued, 2004-08, Citizenship and Immigration Canada

Figure 9: Canada's Business Class Visas Issued (Cases)



Source: Business Class Immigrants - Applications Received and Visas Issued, 2004-08, Citizenship and Immigration Canada

Figure 10: Canada's Investor Program Visas



Source: Business Class Immigrants - Applications Received and Visas Issued, 2004-08, Citizenship and Immigration Canada

Canada does not break down country-of-origin data by type of business class investor. As Table 13 indicates, the majority of business class visas are issued to immigrants from China.

Table 132: Canada's Business Class Visas Issue, 2008 (Top 10 source countries)

Country of Origin	Percent of Visas
China	54
Taiwan	9
Iran	9
South Korea	8
United Arab Emirates	2
India	2
Turkey	1
England	1
Egypt	1
Hong Kong	1

Source: Canada's Business Immigration Programs, September 2009, Citizenship and Immigration Canada

Investment characteristics. Unlike the entrepreneur program that offers two programs administered at the national and provincial levels, there is one passive investor program that is administered at the national level and shared among participating provinces. Canadian provinces have the option of joining the program, entitling them to monthly allocations of IIP investments. Currently, 7 of the 12 jurisdictions participate, with the province of Quebec maintaining its own IIP. The basic requirements for participation are not stringent: requirements include only a signed agreement acknowledging the flow of funds from the CIC to the provinces and repayment to CIC, and signed terms of use promising that the funds will be used for economic development and job creation.

Because the program requires a guarantee of repayment after 5 years, however, provinces are required to create a secured investment fund that can make that guarantee. This can be very challenging for some provinces and is the main reason why some provinces do not participate.

The CIC distributes investments to provinces based on a formula contained in the *Immigration and Refugee Protection Regulations* (the *IRPR*).[23] According to this formula, 50 percent of each investment is distributed equally among the participating provinces and the remaining funds are distributed according to relative Gross Domestic Product (GDP). Provinces that have larger GDPs get a higher proportion of the investments. This formula accounts for the sizes of the provinces' economies and their ability to guarantee the amount of capital received. For example, Ontario, Canada's province with the largest economy, has the capacity to guarantee a significantly larger investment than Prince Edwards Island.

[23] Source: http://laws.justice.gc.ca/en/I-2.5/SOR-2002-227/index.html

Each recipient province has the flexibility to determine where the capital is invested as long as it is used to create or save jobs. It is the responsibility of the provinces to justify the investment. They are responsible for their own audits, which do not quantify the jobs created or saved by the investment but indicate how, in aggregate, the investment created or saved jobs. Investment use varies by province, but some examples include low-interest loans to small or medium enterprises, public-sector infrastructure projects, settlement services, and job training for new immigrants.

Immigrant Entrepreneur Program

As its name suggests, Canada's entrepreneur program is intended to support the immigration of entrepreneurs. The application for immigration is assessed at Canadian visa offices abroad; successful applicants receive *conditional* permanent resident (PR) status. Once in Canada, entrepreneurs must report to CIC their progress towards satisfying the conditions of their status.

Eligibility. There are 3 initial eligibility criteria for Canada's Immigrant Entrepreneur Program:

First, the entrepreneur must have 2 years of business experience. The definition of eligible experience is identical to the Investor Program requirements, but there is no option for the management of 5 full-time employees under the Entrepreneur Program.

Second, applicants must have a minimum net worth of CA $300,000 (about $277,000 U.S. dollars).

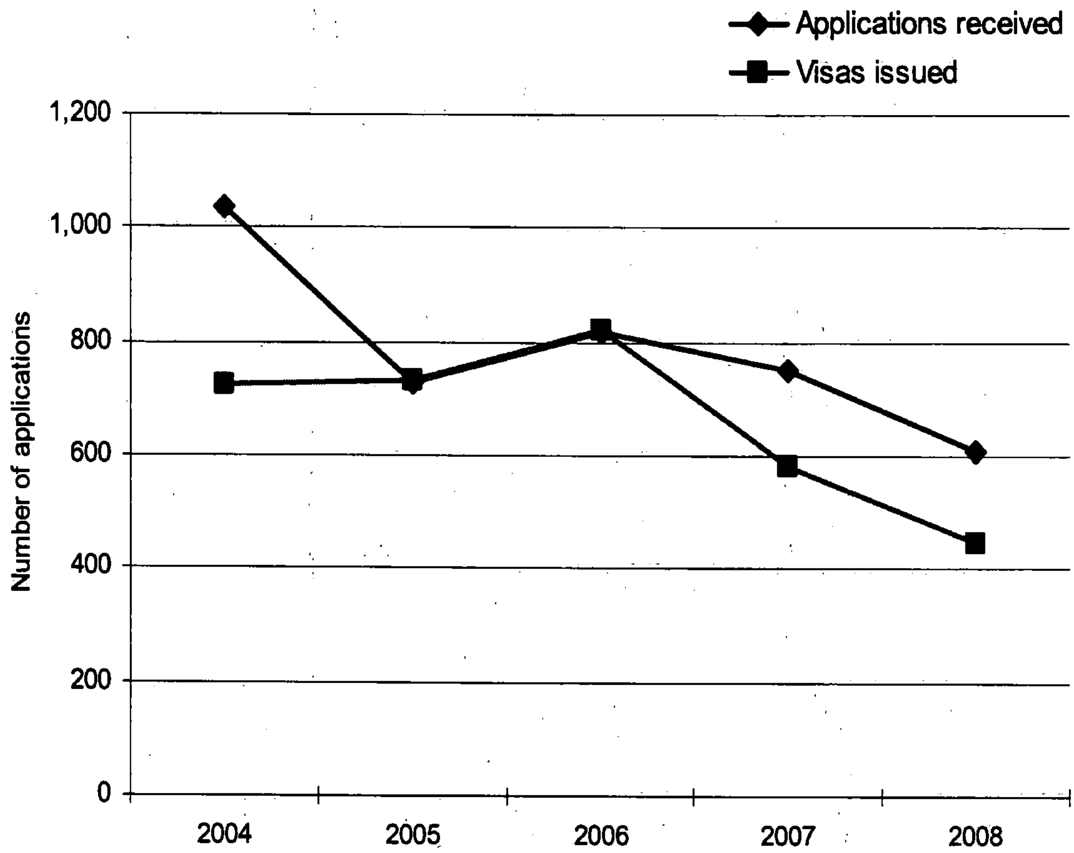
Third, the applicant must sign a statement of "intention and ability" to meet these conditions once in Canada, by which he or she agrees to the conditionality of the visa and provides access to the visa officer to follow up to ensure that the applicant remains in good standing.

In addition to these 3 criteria that are required before entering the country, there are 2 additional conditions that must be met once the immigrants are in-country in order to transition from conditional PR status to PR status without conditions. First, within 3 years of receiving a visa, entrepreneurs must control one-third of the equity and actively manage, for a period of one full year, a qualifying Canadian business. The definition of a qualifying business is identical to the requirements under the investor program. The qualifying Canadian business can be newly created by the entrepreneur or can be an existing business in which the entrepreneur invests. The second additional condition is that the qualifying Canadian business must create at least one incremental full-time job for a Canadian citizen or resident who is not the entrepreneur or a family member.

Investor characteristics. There were approximately 600 entrepreneur applications in 2008. Unlike the upward trend in investor applications, entrepreneur applications have been declining. This decline is likely due to the introduction of the provincial program in 2002. As discussed in the previous section on investor applicant trends, the provincial program attracted many immigrants who would previously have applied through the national entrepreneur program because it offers shorter processing times and more support throughout the application process. As Figure 11 indicates, less than 450 entrepreneur visas were issued in 2008.

Discussions with representatives of the Canadian program confirmed that applicant origins are roughly consistent across all business visa types. The vast majority of Canada's entrepreneur immigrants are from China.

Figure 11: Canada's Entrepreneur Program Visas



Source: Business Class Immigrants - Applications Received and Visas Issued, 2004-08, Citizenship and Immigration Canada

Investment characteristics. Similar to the UK program, the current Canadian entrepreneur program does not target industry sectors or locations for investment. Job creation is one of the stated objectives. The only quantifiable requirement, however, is the creation of one job held by someone outside the immigrant's family. As part of the visa conditions, the applicant must self-report the job impact and provide financial statements for the business.

Most of the current businesses in Canada's national program are created in three large urban areas: Toronto, Montreal, and Vancouver. Under the old program, which stipulated more subjectively that an eligible business needed to provide "significant benefit," business ventures in non-urban areas were looked upon more favorably and non-urban ventures were more common. However, the current provincial program sets a higher investment capital requirement for urban areas than for hard-to-reach areas. Although no official data exist, discussions with representatives from CIC indicate that a majority of businesses created through the entrepreneur program have less than 5 employees.

6.3. Australia

Foreign entrepreneurs desiring to start a business or invest in Australia can do so through the Business Skills Migration Program. The Australian business immigration program has 3 types of applicants: business owners, investors, and senior executives. The following discussion compares the eligibility requirements for the business owner and investor programs because they are both relevant for comparison to the EB-5 Program. The investor program requires an investment similar to the EB-5 program, while the business owner program is conditional and requires job creation, which is also similar to the EB-5 program.

Australia's current Business Skills Migration Program, which includes both the investor and business owner programs, was introduced in March 2003. Before March 2003, all business visa applicants could proceed directly to permanent residence without a need to first be placed on a temporary status.

In the current program, most applicants apply for a 4-year provisional (temporary) visa and then apply for permanent residence when they are able to show satisfactory evidence of a specified level of business or investment activity in Australia. All business skills migration visas allow for direct family immigration but do not provide access to Medicare (Australia's publicly-funded health insurance), family assistance, or social security until permanent resident status is achieved. Similar to Canada, Australia has regional state/territory programs in addition to the country-wide program. The provincial programs are administered at the provincial level. The programmatic differences between the federal and local programs are discussed below.

Investor Program

Australia's investor visa program is designed for immigrants who have a successful business or investment career and are willing to invest funds in a designated investment in Australia for 4 years. Similar to the business owner program, this visa requires that applicants first apply through the provisional program before submitting an application for permanent visa status.

Eligibility. To be eligible for an investor provisional visa, the applicant must possess both business management skills and financial assets. The applicant must demonstrate a high level of management skill in relation to an eligible investment or qualifying business activity. The applicant must have at least 3 years of direct experience in managing one or more qualifying businesses or eligible investments.

A "qualifying business" is defined by legislation as an enterprise that is (a) operated for the purpose of making profit through the provision of goods or services (other than the provision of rental property) to the public; and (b) is not operated primarily or substantially for the purpose of speculative or passive investment. As defined by legislation, an "eligible investment" includes any of the following that is owned by the person for the purpose of producing a return by way of income or capital gain and is not held for personal use: (a) an ownership interest in a business; (b) a loan to a business; (c) cash on deposit; (d) stocks and bonds; (e) real estate; or (f) gold or silver.

For at least one of the 5 years immediately preceding the application, applicants must have maintained direct involvement in either managing a qualifying business in which they had an ownership interest of at least 10 percent of the total value of the business or maintained direct involvement in managing their eligible investments, the total value of which is at least AUD $1,500,000 (about $1.3 million U.S. dollars). In addition, for the 2 fiscal years immediately preceding the application, applicants must have had a net worth of AUD $2,250,000 ($2.1 million U.S. dollars). Applicants may use assets from their spouses or business partners to satisfy this net worth requirement.

The actual investment criteria stipulate that at the time of the decision, applicants must have made a designated investment of AUD $1,500,000 (approximately $1.3 million U.S. dollars). Applicants must notify the appropriate regional authority of a state or territory of their business history, intentions to develop a business in that state or territory, and make a commitment to maintain direct and continuous involvement in the management of that business.

In addition to professional and financial criteria, there are non-financial eligibility requirements. For example, applicants must be 45 years old or younger at the time of application, have vocational English skills, and have no criminal history.

The provisional visa is valid for 4 years. Applicants may apply for permanent investor residence after they have maintained a designated investment for 4 years or longer. To gain a resident investor visa, applicants must hold the provisional investor visa and must have been in Australia for at least 2 of the preceding 4 years before submitting the application. At the time of the decision, the designated investment made by and held in the names of the applicants must have been held continuously for at least 4 years.

Finally, applicants need to demonstrate a genuine and realistic commitment to maintaining a business or investment in Australia. This criterion is satisfied by the applicant through a signed declaration in the Business Skills profile form with their visa application. In addition, immigration officers are instructed to seek details from applicants about the proposed business or investment activities so that officers can assess whether applicants have an understanding of the Australian business and investment environment in which they would be operating.

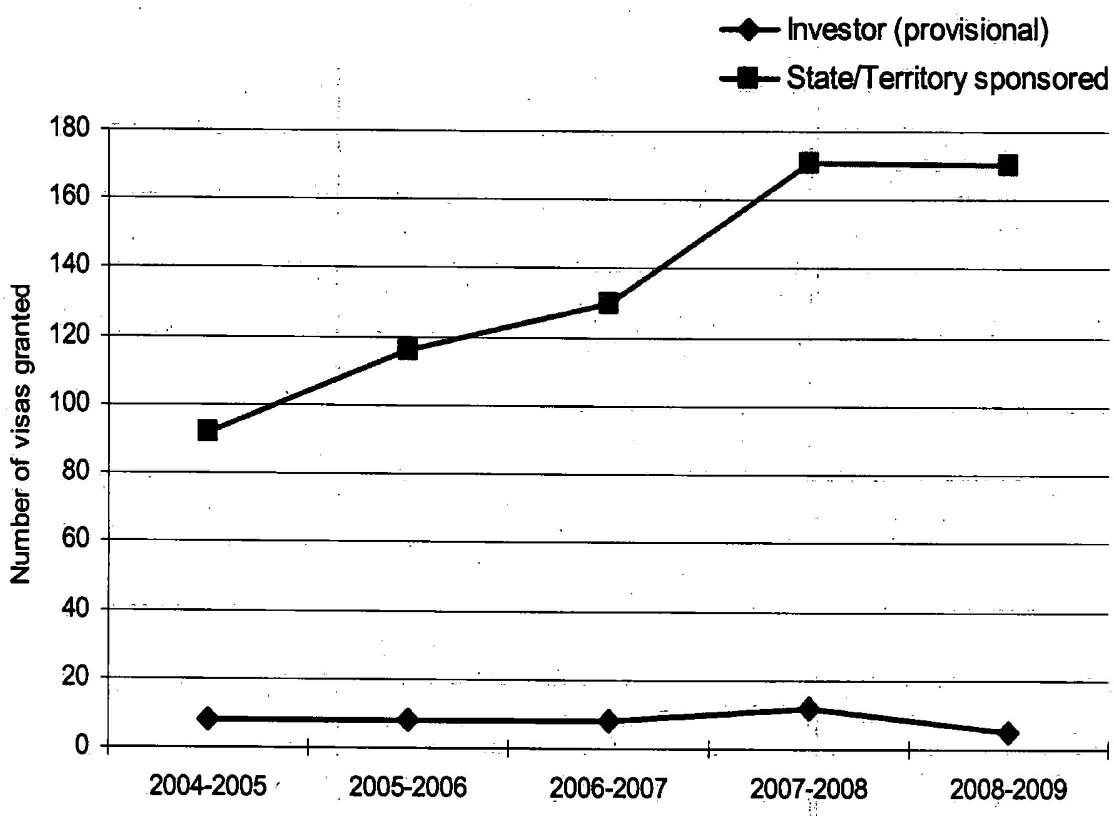
Applicants are not required to present a business or investment plan, but rather are asked to indicate their long-term business or investment intentions in Australia. This "genuine and realistic commitment" criterion is difficult to use a basis for visa refusal, which is one of the reasons for the program to have a two-stage visa process for permanent residence. The program requires applicants to maintain the designated investment for 4 years and undertake other business or investment activity in Australia to meet the requirements for permanent residence. This criterion is used to reinforce the requirement to undertake business or investment activity in Australia and to discuss any proposed activity before the visa is granted.

The state/territory applicant eligibility has lower investment criteria and greater leniency on the age and English skill requirements. The state/territory program has financial commitments that are 50 percent of the national program, with an investment eligibility of AUD $750,000 ($691,030 U.S. dollars) and a net worth eligibility of AUD $1,125,000 ($1,036,614 U.S. dollars). In addition, the maximum age limit is 55 rather than 45. State/territory applicants, however, must be sponsored by the state or territory.

Immigrant characteristics. As Figure 12 illustrates, Australia's state/territory governments sponsor the majority of investor applicants. In fact, more than 90 percent of visa applications are sponsored at the local level. Similar to the Canadian program, Australia's state/territory program is more popular than the national program because it has less stringent requirements (as discussed above). This program has experienced a steady rise in visas granted through

2007-2008 and leveling off for 2008-2009.[24] About 80 percent of investor applicants in 2007-2008 were granted visas; 77 percent of state/territory investor applications were approved.

Figure 12: Australia's Investor Visas



Source: Business Skills Policy, Department of Immigration and Citizenship National Office.

In 2007-2008, the top 5 source countries for applications to Australia's Business Skills visas were (in descending order): China, United Kingdom, South Korea, South Africa, and Taiwan.

[24] Data for 2008-2009 were available for the first 10 months of the period only. We did a simple linear extrapolation to obtain the numbers represented in the figure for 2008-2009.

Table 13: Australia's Business Skills Visas Issued, 2008-2009

(Top 5 source countries)

Country of Origin	Percent of Visas
China	53
United Kingdom	12
South Korea	11
South Africa	5
Taiwan	4

Source: Business Skills Policy, Department of Immigration and Citizenship National Office.

Investment characteristics. Similar to the UK investor and national Canadian entrepreneur program, Australia's country-wide investor program does not target industry sectors or locations for investment. As is also the case in Canada, the purpose of the state/territory program is to target economically distressed regions and encourage development outside the main population hubs. Information on typical business size for any of Australia's programs is not available. The value of the initial investment, however, is available and presented in Figure 13 below. Because of the dominance of the number of state/territory program visas issued, it is not surprising that the majority of the investments come from state/territory-sponsored investors.

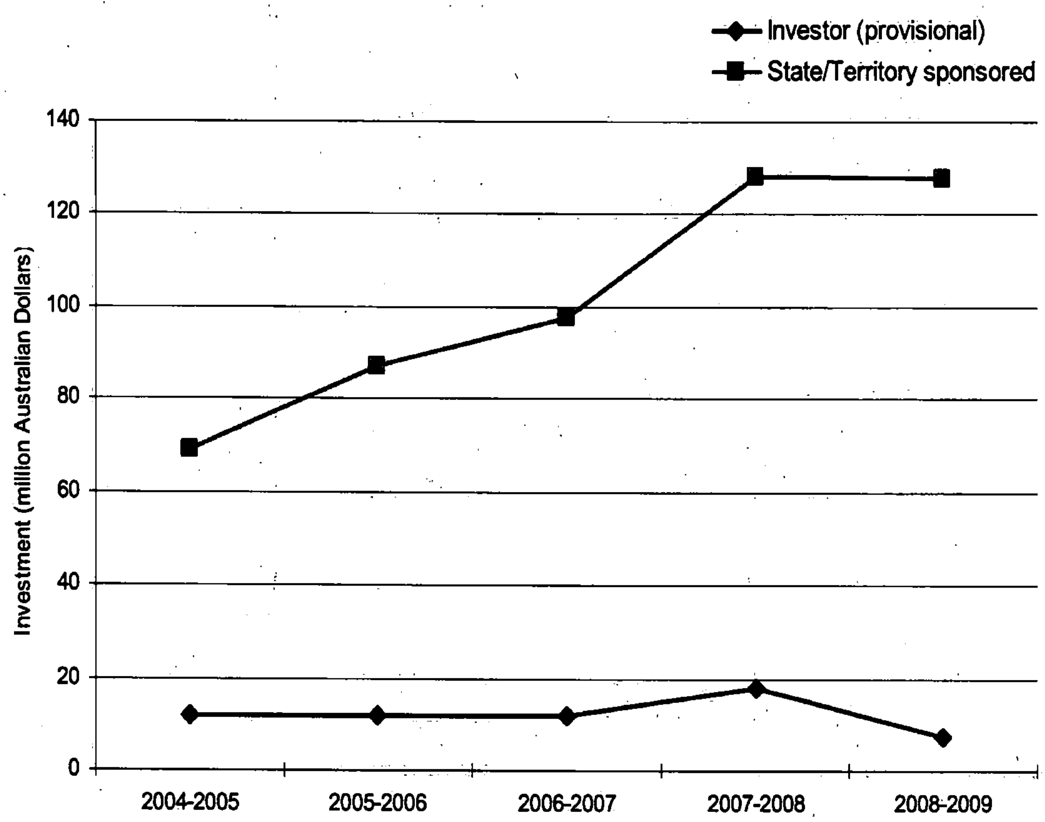
Business Owner Program

The business owners program is designed for immigrants who have a successful business career and are interested in being an owner in a new or existing enterprise in Australia. This program requires that applicants apply to the provisional program before being eligible to apply for a permanent visa.

Eligibility. The eligibility requirements for business owners are similar to those of investors. The applicant must possess both business management skills and financial assets, and he or she must demonstrate a high level of management skill in relation to an eligible investment or qualifying business activity. The applicant must have net assets in a qualifying business of AUD $200,000 ($184,369 U.S. dollars) for at least 2 of the 4 fiscal years immediately before applying.[25] If the business was a publicly-traded company, the applicant must have owned at least 10 percent of the business for at least 2 of the 4 years immediately preceding the application.

[25] In the Australian program, an applicant may apply jointly with a partner and meet the criteria with combined eligibility requirements.

Figure 13: Australia's Investor Investments



Source: Business Skills Policy, Department of Immigration and Citizenship National Office.

In terms of personal net assets, the applicant must have at least AUD $500,000 ($460,676 U.S. dollars) that were legally acquired and are transferable to Australia within 2 years of obtaining a visa. This amount is one-third of the total investment required for the investor applicant. Finally, the applicant must commit to maintaining an ownership interest in a business in Australia and direct and continuous involvement in the management of that business. The applicant must agree to live in Australia on a temporary basis to conduct or establish the proposed business. These eligibility criteria are met by a signed statement.

Similar to the investor criteria, there are additional non-financial eligibility requirements. For example, applicants must be less than 45 years old at the time of application, have vocational English skills, and no criminal history.

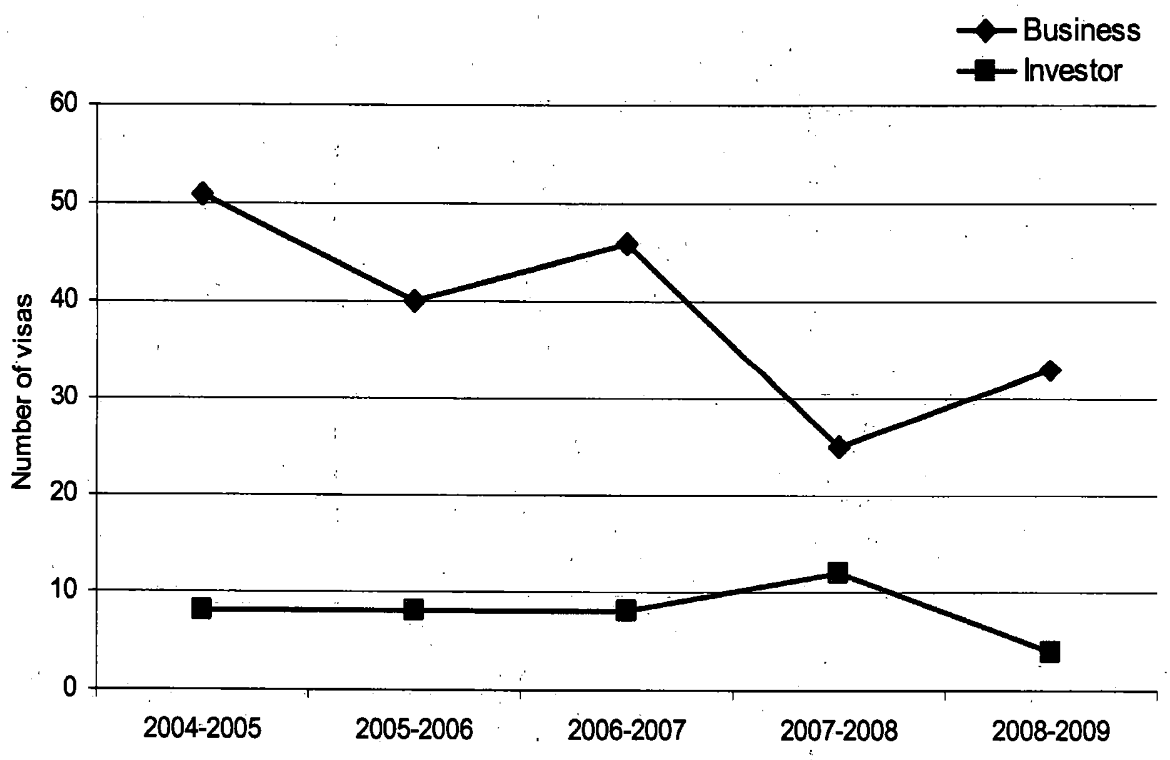
The provisional business owner visa is valid for 4 years. The process to become a permanent resident, however, differs as it allows applicants to apply for permanent residence after 2 years. In addition, similar to the EB-5 and Canadian programs, there is a job requirement that stipulates that the business must employ at least 2 Australian citizens or permanent residents who are not family members. The net value of the applicant's assets in the main business (or two main businesses) in Australia must be at least AUS $100,000 ($92,149 U.S. dollars), and the business must have a gross revenue of at least AUS $300,000 ($276,485 U.S. dollars) in the 12 months immediately preceding the application. Finally, the applicant's personal and business assets must be at least AUS $250,000 ($230,404 U.S. dollars).

The main eligibility requirement for the state/territory is that the applicant must have an ownership interest in a main business (or two main business combined) with an annual revenue of at least AUD $300,000 ($276,485 U.S. dollars) in at least 2 of the 4 fiscal years immediately preceding the application. Applicants must have held the position of a senior manager at that business and be available to spend at least 50 percent of their time on the new venture. In addition, applicants must have at least AUD $250,000 ($230,404 U.S. dollars) in personal assets that are transferable to Australia within 2 years of being granted a visa; this represents a financial investment that is 50 percent of the national program. Also, the maximum age limit is 55 compared to 45 in the national program and there is no English language requirement.

Immigrant characteristics. As Figure 14 illustrates, Australia's business owner program has experienced a higher participation rate than the investor program since 2004. According to program officials, this is likely due to the fact that the investor stream requires a higher amount of net assets and, thus, more applicants are able to meet the financial eligibility requirements of the business owner stream.

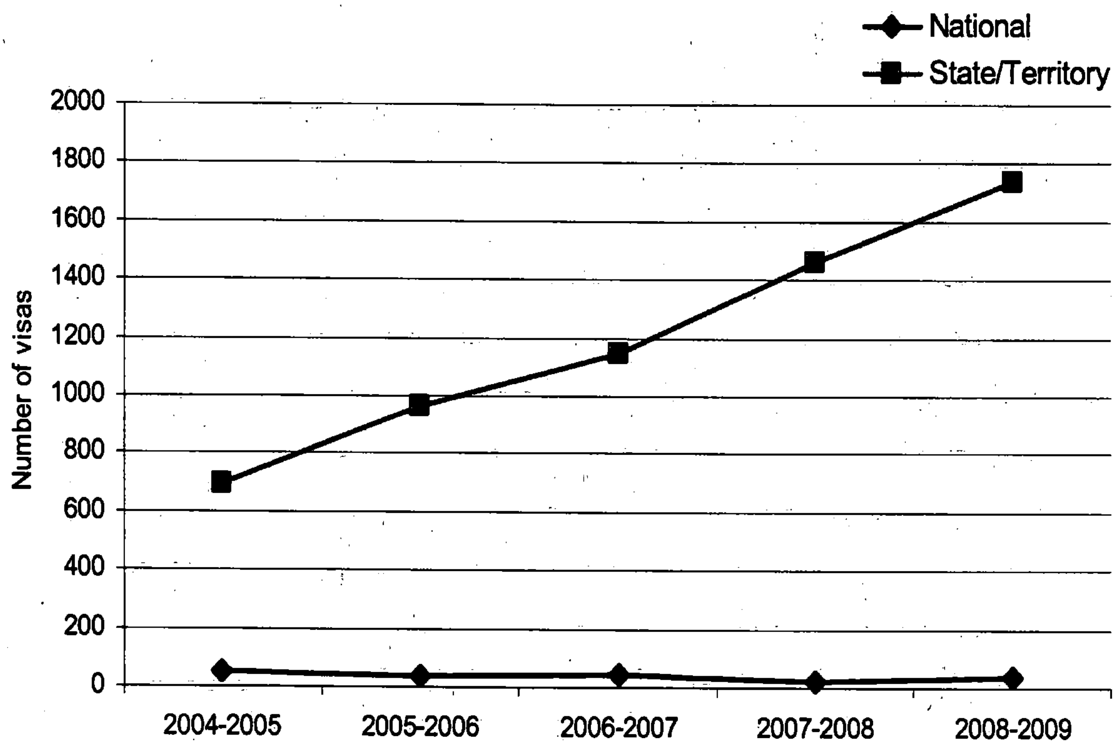
As is prominent in Figure 14, the number of business owner visas has decreased in recent years; this is likely due to the increase in popularity of the State/Territory program, which is illustrated below in Figure 15. Figure 15 indicates the dominance and steady increase in the popularity of the State/Territory program over the national program. This trend is consistent with other programs studied as the local programs have lower eligibility criteria and, thus, are available to a wider array of applicants.

Figure 14: Australia's Business Owner Visas



Source: Business Skills Policy, Department of Immigration and Citizenship National Office.

Figure 15: Australia's Business Owner Visas



Source: Business Skills Policy, Department of Immigration and Citizenship National Office.

6.4. Comparison of Core Program Characteristics

Table 14 summarizes the eligibility criteria of each country's program. Differences exist across the programs in terms of program "type" (investment versus entrepreneur), minimum capital requirement, and timeframe for permanent status eligibility. Lack of comparable data for all programs for the number of applications and visas issued prevent us from making a quantitative cross-country comparison of demand for each program.

The mission of the EB-5 program differs from that of the programs in the UK, Canada, and Australia. While similar in name and types of applicants, the investor programs in the UK, Canada, and Australia are primarily immigration programs, with a secondary mission of generating investment and jobs. The opposite is true in the U.S. While the EB-5 program has a clear goal of quantifiable job creation, the programs in the three other countries are primarily focused on attracting wealthy immigrants. Furthermore, in the UK, Canada, and Australia, the immigrant investor program is one of many business immigration programs and its application process and policies are not substantially unique from the other business immigration programs. These differences have implications for the way that the programs are designed and executed.

Table 14: Cross-Country Program Comparison: Eligibility

	United States		Canada		United Kingdom			Australia	
	EB-5 Program	Regional Center Program	Investors	Entrepreneur	Investor - Path One	Investor - Path Two	Entrepreneur	Investor	Business Owner
Investment amount	$1 million / $500K in rural areas	$500K in high unemployment area	$370K	Not defined	$1.6 million for application / $330K for extension	None for application / $330K for extension	None for application / $330K for extension	$1.3 million (federal) / $670K (state-territory)	None
Type of investment	Active or investment	Active or investment	Passive	Active	Passive	Passive	Active	Active or investment	Passive
Number of jobs created	10 direct jobs	10 direct plus indirect jobs	None	None for application / 1 for PR status	None for application / 2 for extension	None for application / 2 for extension	None for application / 2 for extension	None	2, non-family
Years of business experience	None	None	2 (managing 5 employees)	2	None	None	None	3	3
Business net worth	None	None	None	None	None	None	None	None	$92K
Annual revenue	None	None	None	None	None	None	None	None	$280K
Personal net worth	None	None	$740K	$280K	None	$3.2 million	None	$2.1 million (federal) / $1 M (state-territory)	$230K
Liquid assets	None	None	None	None	None	$1.6 million (from loan)	$330K	None	$460K
Funds for self support	No	No	Yes	No	No	No	Yes	No	No
Language proficiency	No	No	No	No	No	No	Yes	Yes (federal) / No (state-territory)	Yes (federal) / No (state-territory)
Age limit	No	No	No	No	No	No	No	45 (federal) / 55 (state-territory)	45 (federal) / 55 (state-territory)
Years to permanent status (minimum)	2	2	3	3	5	5	5	4	2

Source: ICF International. Monetary figures are in U.S. dollars, rounded to the nearest $10,000.

The EB-5 Program is unique as it uses job creation as a key criterion for eligibility. The programs in the UK, Canada, and Australia do not evaluate their impact on job creation or investment generated so data to quantify the economic impact of these programs are not available.

7. Foreign Investor Program Management

This section of the report discusses various aspects of each country's program management, such as marketing and outreach, the application process, and fraud prevention, among others. This analysis is based primarily on information gathered through interviews with program managers in the UK, Canada, and Australia.

7.1. United Kingdom

Marketing and outreach. Marketing for the UK's immigrant investor program focuses on the new point-based system (PBS) that was adopted recently. Because it is a new system, there is a significant level of marketing for all the tier categories. The UK Border Agency launched an internal multi-media campaign that included TV, radio, and print media to promote the ease of the new application process. The campaign was aimed at employers in the UK that, under the new system, are required to register as sponsors (not applicable to the investor program). They also reached out directly to stakeholders and employers across the UK through a series of road shows.

Very little marketing is done to attract potential foreign immigrants. The limited marketing that is done is managed by the UK Trade and Industry Committee. This includes limited targeted media, such as trade magazines and various business and educational outlets emphasizing the benefits of the UK as a place in which to invest and live.

Application process. The UK application process recently underwent a major overhaul. There was general agreement among stakeholders that the new process represents a significant improvement over the old application process. It has been found to be significantly more efficient and easier to navigate despite the initial lengthy processing times that occurred as the new system was implemented.

The new UK application process has no standard application deadline or timeframe. The PBS is based on a hub-and-spoke framework (rather than a centralized framework) in which various UK offices around the world maintain responsibility for responding to local applications. Applications from geographic areas that do not normally submit applications and those for people transferring from another immigration status, however, are reviewed in the UK. This decentralized framework differs from the older system that was more centralized and had longer wait times.

UK program representatives indicate that the hub-and-spoke framework has improved the quality of the application process but that processing times can vary depending on the country of origin. If an overseas application is denied, an applicant can request an administrative review, which is conducted locally and relatively quickly. Conversely, the appeal process for applications reviewed in the UK can be lengthy.

Prevention of fraud and security risks. Because the UK investor program requires that investments are made into FSA-regulated institutions, fraud has not been a substantial concern for program managers. Each investment institution is responsible for regulation and identifying and responding to risks of fraud. Discussions are currently underway about what might be done at the program administration level to ensure security.

7.2. Canada

Marketing and outreach. The country-wide Canadian program conducts no marketing or outreach for the entrepreneur program. There is a significant backlog of applications so they have not felt a need to advertise to potential applicants. Canadian program officials believe that most applicants hear about the program through word-of-mouth from other immigrants or professionals within the business community. Provincial programs, on the other hand, are engaged in marketing and outreach to encourage investment in under-represented regions.

Application process. Applicants are required to apply in their country of residence. These applications are received and processed locally by staff at Canada's offices in the country of the applicant. Depending on the country, the wait time for the application processes can be from 3 to 5 years after submission. When an application file comes to the top of the queue, the visa officer overseas ensures that the applicant has satisfied eligibility and admissibility criteria. In the case of businesses class applicants, this generally requires reviewing the supporting business documentation. If the documentation is unclear, the reviewer requests additional information or an interview with the applicant.

Once the applicant has met the eligibility requirements, the reviewer orders a background check to confirm admissibility, ensuring that there are no medical or criminal background concerns. If an applicant is deemed eligible and admissible, then a visa is issued and the applicant is required to sign that they acknowledge the conditions. Entrepreneurs are the only class of immigrants who are given conditional status. They are given a 3-year period in which they are required to report on their progress of satisfying the program requirements.

Prevention of fraud and security risks. Fraud prevention is the responsibility of each post. Every office has an immigration integrity officer to oversee fraud and security risk prevention. In addition, application reviewers are trained to search for fraud and criminality as part of the application review. According to Canada's program representative, the last major offense by a program participant occurred many years ago. Most cases of fraud consist of illegitimate businesses or "fronts." The program's primary concern regarding fraud and security risk prevention is to ensure that applicants have acquired their assets through legal means.

7.3. Australia

Marketing and outreach. The country-wide Australian program conducts no marketing or outreach for its entrepreneur program. Similar to the Canadian programs, there is some marketing conducted by Australia's state/territory governments through overseas employment expositions.

Application process. Most applicants apply for a 4-year provisional (temporary) visa and then apply for permanent residence after 2 - 4 years when they are able to show satisfactory evidence of a minimum level of business or investment activity in Australia.[26]

The processing times for applications that are submitted with complete documentation vary depending on the specific country requirements. The process defines countries as either "high risk" or "low risk," which subsequently prescribes requirements. Low risk countries are Electronic Travel Authority (ETA) eligible; high risk countries are not. ETA-eligible countries include Brunei, Canada, Hong Kong, Japan, Malaysia, Singapore, South Korea, and the United States. In general, 75 percent of Business Skills applications are finalized within 9 months for applicants from low-risk countries and within 15 months for applicants from high-risk countries.

Prevention of fraud and security risks. The incidences of fraud associated with Australia's Business Migration Program are low and most are identified during the assessment of the visa, according to Australia's program representative. Similar to Canada, the most common security issues are related to ensuring that assets have been lawfully acquired. Document examiners assess whether documentation is genuine for cases in which there is cause for concern.

[26] Australia's Business Migration Program has the following 4 visa processing offices: (1) Hong Kong – processes all offshore applications from residents of the PRC including China, Hong Kong, and Macau; (2) Taipei – processes offshore applications from Taiwan residents; (3) Perth – processes offshore applications from the rest of the world; and (4) Adelaide – processes visa applications from within Australia.

8. Success Factors

In this section, we outline factors of the various immigrant investment programs that have contributed to their success. None of the programs discussed have been formally evaluated so it is not possible to identify, isolate, or quantify the economic and other impacts of particular program factors due to a lack of data. Instead of focusing on impacts, we highlight and discuss policies and program management elements that have been reported to be particularly successful in attracting immigrant investors and entrepreneurs.

8.1. Program Impacts

Immigrant investor and entrepreneur program counterparts in the U.K., Canada, and Australia were asked to describe the success factors of their programs. Ideally, the efficacy of an immigrant investor program could be measured in terms of job creation or total invested capital. None of the programs assessed, however, report this information. While Australia continually evaluates its immigration programs, their individual economic impacts are not addressed. The U.K. and Canada also evaluate their programs, but the focus is on program management rather than program efficacy. An additional constraint in the measurement of program success is the lack of accurate data addressing the impacts of immigrant investor programs on specific industries or regions. Therefore, no detailed information pertaining to the individual impacts on specific industries or regions of investment is available.

8.2. Program Successes

In addition to a program's economic impact, the success of an immigrant investor program can be evaluated based on its ability to attract applicants. To some extent, the U.S., U.K., Canada, and Australia are competing for the same pool of high-quality, high net-worth immigrants. Across all countries evaluated, lifestyle, educational opportunities, and career advancement were cited as the primary motivating factors for immigrants to participate in the programs. Certain programs, even within a given country, have been more successful than others.

We asked program managers from the U.K., Canada, and Australia to comment on elements of each program's design and management that have contributed to the program's success. Several key themes emerged from these discussions to explain why certain programs are more successful than others in attracting applicants:

Financial requirements. In both Canada and Australia, the Provincial or State/Territory programs have experienced a significantly higher participation rate than the national programs. This disparity in participation is partly attributed to the less stringent financial requirements for the local programs. Because of lower financial requirements, more immigrants are eligible to apply.

Adjudication process. In the case of Canada, an additional reason for the higher participation rate in the provincial program is the speed and ease of the adjudication process. In the Canadian program, the application process for an entrepreneur applying through the provincial program is approximately 1-2 years—substantially less than the 3-5 years that are typical in the federal program.

Pre-application support. An additional success factor associated with Canada's provincial program is the support it offers to applicants throughout the application process. The provincial program offers more support to the applicant, requiring an exploratory visit where the applicant meets with local representatives and is offered counseling on starting a business.

Objectivity. All of the programs evaluated have undergone some degree of redesign. In the UK and Canada, redesigns were performed to ensure a greater level of objectivity in the adjudication process.[27] In the UK, the entire immigration system was revamped towards a point-base system (PBS), which was intended to streamline the evaluation process and make it more objective. Similarly, the Canadian program was centralized to ensure a greater level of consistency in processing and to address concerns from applicants about subjective adjudication.

Secure pathway to permanent residency. Representatives from the Canadian program indicated that one of the main reasons they believe that the entrepreneur program is not as popular as the investor program is the use of conditional status. As they strive to increase the number of applicants in the entrepreneur program, they are considering eliminating the conditional status to make it comparable to the investor program. The rationale behind this argument is that immigrants in both programs are being asked to commit substantial resources to Canada and, thus, ensuring a secure pathway to permanent residency appears necessary to attract immigrant investors and entrepreneurs.

Application and business development support. Because of the higher participation rate at the provincial level, Canada is attempting to develop a more supportive application process at the national level that mirrors the support that applicants receive in the provincial programs. According to Canadian program representatives, they are considering adding a requirement that national-level applicants undertake an exploratory site visit, thereby allowing the applicant to network with local economic development officials and acquire a better sense of what to expect when they immigrate.

Currently, many of the provinces require a visit and an interview with the local economic development office, which program officers believe may have contributed to an increase in the number of provincial applications. In addition to obtaining more support throughout the application process, immigrants who have had a chance to meet with local economic development agencies are also able to submit stronger applications.

Similar evidence of the positive contribution of application and business development support was provided by program representatives in Australia. Local governments provide business mentoring and a close working relationship to support the applicant through the adjudication process and beyond. According to program officials, many successful businesses indicate that this involvement of the local governments is critical to the program's success.

[27] This push towards objectivity, however, was not accompanied by enhanced program measurement through the collection of program outcome data.

Task 3:

Assessment of the EB-5 Program's Application and Adjudication Process

Prepared by:

ICF INTERNATIONAL

9. Introduction

This report presents the results of our review of the EB-5 Program's application and adjudication process. To prepare this report, ICF interviewed key stakeholders of the EB-5 immigrant investor program. We interviewed select Regional Center operators, immigrant investors, and USCIS adjudicators.

ICF asked stakeholders about aspects of the program that they thought should be enhanced and ways in which the EB-5 Program could be modified to attract more investors, improve the adjudication process, and increase its economic impact. In addition to recommendations from stakeholders, ICF drew from the international immigrant programs profiled in Task 2 of this project, "Immigrant Investor Programs in the United Kingdom, Canada, and Australia: A Comparison." The final section of this report identifies a series of recommendations that USCIS might consider to enhance the EB-5 immigrant investor program.

9.1. Overview of the EB-5 Program

The EB-5 Program began as part of the Immigration Act of 1990 to encourage non-U.S. residents to invest in the United States. Under the EB-5 Program, non-U.S. residents can invest in U.S. businesses and gain eligibility to apply for permanent residence in the U.S. as long as certain investment and job creation requirements are satisfied.

The EB-5 Program initially required an investor to invest $1 million in a U.S. business that would directly create at least 10 full-time jobs, but the program was modified to increase its attractiveness. In 1992, Congress created the Immigrant Investor Pilot Program aimed at attracting a larger number of applicants to the EB-5 Program. Under this pilot program, foreign investors can invest in designated "Regional Centers" that make investments on behalf of investors. Regardless of whether an alien investor participates in the Immigrant Investor Pilot Program or the regular EB-5 program, investors are eligible to apply for permanent residence if they invest at least $500,000 in a "targeted employment area."[28] Under the Regional Center investment option, investors must demonstrate that their investment created at least 10 direct or indirect full-time jobs.[29]

Approximately 10,000 visas are allocated to the EB-5 Program each year, 3,000 of which are set aside for investors who invest in Regional Centers. The utilization of the program, however, has been very limited.

9.2. About Regional Centers

Regional Centers are defined by 8 CFR § 204.6(e) as "any economic unit, public or private, that is involved with the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment." Regional Centers focus on specific geographic areas and industries within the U.S. and must be approved by USCIS.

---

[28] A "targeted employment area" is defined by 8 CFR § 204.6(e) as an "area which, at the time of investment, is a rural area or an area which has experienced unemployment of at least 150 percent of the national average rate."

[29] Indirect jobs are those created in other businesses by the economic activity generated by the enterprise in which the investment was made.

As of June 24, 2010, there were 92 USCIS-approved Regional Centers across the U.S. inclusive of the Territory of Guam. Table 15 presents the number of Regional Centers in each state. It is important to note that some Regional Centers encompass more than a single state. For example, North Carolina and South Carolina share a Regional Center, and another Regional Center encompasses areas of Alabama, Florida, Georgia and Tennessee. Some of these centers focus on one industry, while others focus on multiple industries. For instance, the California Wineries and Vineyards, LLC Regional Center purchases vineyards and invests in troubled vineyards on behalf of its investors, while the Hawaii Regional Center invests in multiple industries, including agriculture, alternative energy, and film, among others.

Table 145: Number of Regional Centers, By State

State	Number of Regional Centers
California	26
Florida	11
Washington	7
Washington, DC	3
Louisiana and Mississippi [30]	4
New York	3
Hawaii	3
Illinois	2
Pennsylvania	2
Texas and Oklahoma[31]	3
Wisconsin	2
Alabama	1
Arizona	1
Colorado	3
Georgia	3
Guam	1
Idaho	2
Kentucky	1
Tennessee	1
Iowa	1
Kansas	1
Massachusetts	1
Michigan	3
Nevada	3
New Jersey	1
North Carolina	2
Ohio	3

[30] Louisiana and Mississippi have four Regional Centers: Gulf Coast Funds Management, LCC and Louisiana Mississippi RC invest across both states; New Orleans' Mayor's Office RC invests in the city of New Orleans, LA.; Mississippi Gaming and Entertainment Regional Center is located solely in Mississippi

[31] Texas and Oklahoma have three Regional Centers: South West Biofuel RC, LLC invests in 40 counties in northwest Texas and 9 counties in western Oklahoma; Global Century (Houston) focuses on Houston's Chinatown area; City of Dallas RC focuses on the city of Dallas.

South Carolina	1
South Dakota	1
Vermont	1

Source: www.uscis.gov

9.3. About Immigrant Investors

Although the EB-5 Program is allocated 10,000 visas annually, the utilization of the program has been much lower. According to a report by the Government Accountability Office (GAO), a total of 6,024 visas were issued to foreign investors from 1992 through 2004, which amounts to approximately 500 visas per year.[32] More recently, the utilization of the EB-5 Program has been above average with 749 visas issued in fiscal year (FY) 2006, 806 in FY2007, and 1,360 in FY2008.[33]

According to the GAO report, approximately 4,981 (or 83 percent of the total) EB-5 visas between 1992 and 2004 were issued to individuals from Asia, with 2,323 (or 39 percent of the total) visas issued to individuals from Taiwan. The second most represented continent is Europe with approximately 546 (or 9 percent of the total) visas issued over the same time period.

The GAO report also indicates that almost 41 percent of immigrant investors established business operations in the state of California during the period. Maryland was the second most represented destination with approximately 11 percent of the total.

9.4. About the Adjudication Process

Application

The EB-5 application process begins with the submission of Form I-526 (Immigrant Petition by Alien Entrepreneur) with supporting documentation. The supporting documentation includes evidence that the applicant's investment plan satisfies the requirements of the EB-5 Program, including: (1) the investment is of the requisite amount, depending on the geographic area of the investment; (2) proof that the investment funds were obtained legally; (3) the creation of the requisite number of jobs; and (4) documentation outlining the applicant's active managerial role in the new enterprise; for example, corporate officer or board member, or, in the case of a limited partnership, is a limited partner under the provisions of the Uniform Limited Partnership Act (ULPA).

Processing and Adjudication

After receiving Form I-526 and supporting documentation, an adjudicator begins processing the application at the USCIS California Service Center. If there are deficiencies in the application package, the adjudicator can request additional information by submitting a request for evidence (RFE) to the investor.

---

[32] Government Accountability Office, "Immigrant Investors: Small Number of Participants Attributed to Pending Regulations and Other Factors" (GAO-05-256), April 2005.

[33] Source: DHS Office of Immigration Statistics, "2008 Yearbook of Immigration Statistics," http://www.dhs.gov/xlibrary/assets/statistics/yearbook/2008/ois_yb_2008.pdf (accessed November 30, 2009).

If the I-526 is denied, the adjudicator composes and sends a letter describing the reasons for the denial to the applicant. The applicant may appeal the decision by filing Form I-290B (Notice of Appeal to the Administrative Appeals Office).

If the I-526 is approved, the applicant has two options for obtaining conditional permanent residence: (1) If the applicant is already residing in the U.S., the applicant may submit an Adjustment of Status request by submitting Form I-485 (Application to Register Permanent Residence or Adjust Status); or (2) If the applicant is outside the U.S., the applicant may apply for a visa through the U.S. Department of State.

If the I-526 is approved and the applicant is already residing in the U.S., the applicant submits Form I-485 with supporting documentation for review by a USCIS adjudicator, who may request an interview with the applicant to obtain clarifying or additional information. If the Form I-485 package is approved, the investor is provided with an Alien Registration Card (Form I-551) that grants the applicant a two-year period of conditional lawful residence. If the Form I-485 package is denied, the application process ends.

If the I-526 is approved and the applicant is not residing in the U.S., the investor must submit a visa application to the U.S. Department of State. The visa application is then reviewed by an officer at the local consulate who may request an interview with the applicant to obtain clarifying or additional information. If the immigrant visa application is approved then the investor may apply for entry as a conditional permanent resident. If the application is denied, the application process ends.

Once a conditional visa is granted, the immigrant investor has a two-year probationary period to meet the conditions set forth in Form I-526. Within 90 days of the expiration of conditional residence, the immigrant investor may submit Form I-829 (Petition by Entrepreneur to Remove Conditions) and supporting documentation to the USCIS California Service Center to remove conditions placed on status if the EB-5 requirements have been satisfied.

An EB-5 adjudicator begins processing the I-829 and supporting documentation once received. If any deficiencies exist, the adjudicator may issue an RFE to the immigrant investor to obtain clarifying or additional information. If the I-829 is approved, the immigrant investor has the conditions on his/her lawful permanent residence removed and becomes a regular "green card" holder without any conditions attached. If the I-829 is denied, the adjudicator notifies the local USCIS office with jurisdiction over the immigrant investor's residence. The local USCIS office then writes a denial letter to the immigrant investor, notifying him or her of the adjudication result. The immigrant investor may then appeal the denial in front of an immigration judge.[34]

While not required, an immigrant investor may choose to apply for U.S. citizenship by submitting Form N-400 (Application for Naturalization).

9.5. Description of the Stakeholders Interviewed

ICF conducted interviews with two Regional Center operators, four immigrant investors, and three USCIS adjudicators in October and November of 2009.[35] ICF also toured the sites of various regional center projects in Seattle, Washington. The purpose of the interviews was to gather personal accounts from a variety of individual stakeholders involved in the Regional

[34] The source of this process description is the GAO report (2005) cited above. If the immigration judge denies the immigrant investor's appeal, the immigrant investor may appeal through the U.S. court system.

[35] ICF was provided contact information for four adjudicators; of these, three expressed availability for an interview.

Center program to obtain feedback about the application and adjudication process. Individuals interviewed provided personal opinions and made recommendations about how to enhance the program and attract additional investors. As such, the experiences and recommendations presented in this report are those of the stakeholders interviewed and may not be wholly representative of the program.[36] The list of stakeholders interviewed can be found in Appendix A.

Regional Center Operators

ICF interviewed two of the most established Regional Center operators in the country, one from CanAm Enterprises and one from American Life. Each interview lasted approximately 1.5 hours. The Regional Center Interview guide can be found in Appendix B.

CanAm Enterprises

ICF spoke with a representative of CanAm Enterprises on October 9, 2009, at its New York City office. The representative has been involved in the EB-5 Program since its origin and has been involved in Canada's Business Immigrant Investor Program (BIIP) since 1987. CanAm has provided financial advisory services for immigration-linked investment in Canada and the U.S. for more than 20 years. CanAm is the current exclusive promoter of four EB-5 Regional Centers: two in Pennsylvania [the Philadelphia Industrial Development Corporation (PIDC) Regional Center and the Pennsylvania Department of Community and Economic Development (DCED) Regional Center] and two newer centers in Hawaii and Los Angeles.

When the EB-5 Program reopened in 2002, CanAm and PIDC applied for designation as Regional Centers. The PIDC Regional Center was formally designated in February of 2003 and has supported such projects as the development of the Comcast Center, Continental Midtown (restaurant), a University City Science Center, and the enlargement of the Aker Philadelphia Shipyard.

The PIDC Regional Center currently has more than 620 investors. Building on the work of the PIDC Regional Center, CanAm, working with the state DCED, opened the statewide DCED Regional Center in April of 2007. The DCED Regional Center currently has almost 330 investors. In early 2008, CanAm became the exclusive promoter of the Hawaii Department of Business, Economic Development and Tourism (DBEDT) Regional Center, which was originally designated in 1995. The center was reaffirmed in October of 2008. Unlike the other three centers, the Los Angeles Film Regional Center, which was designated in March of 2008, has a specific industry focus to facilitate motion picture and television production in the County of Los Angeles.

The CanAm representative believes the key to its success is the creation of partnerships between the local economic development agency and the Regional Centers. The city or local agency recommends which projects to focus on and CanAm then selects the projects that are most suitable for EB-5 investment.

American Life

[36] To the extent possible, ICF attempted to interview a range of respondents. Our sample of immigrant investors, however, may not be representative of the total population. According to the GAO report (2005), Asia is the main source of immigrant investors in the EB-5 Program. ICF did not have access, however, to any immigrant investors from Asia because we were only provided the names and contact information for six immigrants, five of whom were from the UK and one who was from Canada.

ICF spoke with a representative from American Life on October 13, 2009, at its offices in Seattle, Washington. After the interview, ICF was taken on a tour of several investment projects, including a row of rehabilitated warehouses, a newly renovated bar/restaurant, and a Marriott hotel in downtown Seattle that was under construction.

The Regional Center was established in 1996 and has been operating continuously since that time (except for when the program was temporarily suspended). American Life invests in real estate development, primarily in the rapidly developing district of Seattle known as SoDo. The majority of projects consist of the rehabilitation of commercial and light industrial/warehouse space.

In addition to job creation, other regional benefits cited by the American Life representative included increased property tax revenues, the attraction of businesses to the area as the infrastructure is upgraded, and enhanced property values. Because the investment model does not rely on bank debt, American Life is able to build facilities without a tenant in place, which allows more flexibility to develop in distressed areas where banks do not generally lend. According to American Life's estimations, approximately 650 immigrants have invested through American Life, nearly 100 of whom have already gained permanent resident status. In addition to immigrant investors -- who constitute half of its investors -- American Life also attracts U.S. financial investors.

American Life attributes its success to its ability to attract U.S. investors. In a practical sense, by investing in a partnership in which two-thirds of the investors are U.S. citizens and thus do not need to prove job creation, there is less concern about satisfying the job creation quota as there is less pressure on the project to support job creation numbers for all investors. This fact was cited by the immigrant investors interviewed as a key reason they chose to invest with American Life.

Immigrant Investors

ICF interviewed four immigrant investors, three of whom are from the UK and one of whom is from Canada. The Immigrant Investor Interview Guide can be found in Appendix C. It is important to caveat that this small sample of interviewees is not representative of the population of EB-5 immigrant investors, who are predominantly from Asia. The sample is further biased by the fact that we only had access to immigrants who had agreed to be interviewed. Selection and contact information was provided by USCIS and the Regional Centers representatives whom we interviewed.

The experiences of the immigrant investors vary and each provided feedback on the program based on their individual experiences. ICF spoke with four immigrant investors, all of whom immigrated to the U.S. with their spouses. Three of the four couples immigrated with their children; the fourth had adult children who chose to remain in Canada.

None of the immigrant investors had lived abroad before immigrating to the U.S., but all had spent time in the U.S. on vacation. All four of the interviewees had at least a college degree, and three of the four had higher professional degrees or training. All four investors invested the minimum $500,000 through the Regional Center program, and all invested in commercial real estate projects through American Life. Three of the immigrants interviewed invested in projects to remodel warehouses for higher quality warehouse space or other commercial activity in an economically distressed neighborhood of Seattle, Washington. One individual invested in the Alaska building remodel (Marriott Hotel) in an economically distressed area of downtown

Seattle. The immigrants interviewed submitted their initial applications in 2005, and all four have obtained unconditional permanent resident status.

Adjudicators

ICF interviewed three adjudicators from the California Service Center on November 18-19, 20[redacted]

(b)(6)

There are currently nine adjudicators at the California Service Center who adjudicate both I-526 and I-829 applications. Three of the nine also adjudicate Regional Center applications. The Adjudicator Interview Guide is in Appendix D.

10. Findings

This section of the report summarizes the themes discussed throughout the interview process. ICF specifically solicited feedback from stakeholders about ways in which the program could be modified to attract additional investors, improve operations, and enhance its overall economic impact. Feedback was provided by the Regional Center operators, the immigrant investors, and the adjudicators. The main findings are presented below.

10.1. Attracting Investors

For the program to have the maximum benefit possible, it needs to attract more investors, thereby increasing its total job creation impact. ICF solicited feedback from stakeholders about ways in which the program could be modified to attract more investors and on challenges they faced in their own experiences (if any). The immigrant investors also provided their thoughts on what specifically attracted them to invest in the U.S. through the EB-5 Program.

Need for Targeted Marketing

To successfully market the EB-5 Program, USCIS needs to be aware of the key motivations for individuals who fall into the EB-5 Program target market. All interviewees indicated that the U.S. was their first choice of immigration destination because they were familiar with the country after years of visiting on vacations. Two of the four immigrants interviewed had already made real estate investments in the U.S. at the time of their application.

While they were all familiar with the U.S. and dedicated to finding a way to immigrate, immigrant investors indicated that it was very difficult to find information about the EB-5 Program. All interviewees indicated that the EB-5 Program was not widely known even in the international immigrant community and that they had learned about the program by accident.

One interviewee indicated that he was told about the EB-5 program by a landlord in Florida whom he met while visiting on vacation. Another interviewee indicated that after three years of exploring options of how to immigrate to the U.S., they had given up and had begun to explore immigrating to Australia. He and his wife attended an annual immigration exhibition in the UK; while there was no formal presentation about the EB-5 Program, they happened to learn about it through word-of-mouth.

The Canadian immigrant interviewed provided a similar story; after visiting the U.S. on vacation for years, he and his wife were interested in immigrating. He consulted with the largest immigration law firm in Calgary, but they were unaware of the EB-5 Program and recommended a worker visa. He later learned about the program through word-of-mouth.

These stories suggest that even immigrants who are the EB-5 Program's target have difficulty finding information about the program. Due to a lack of available information, EB-5 immigrants have created forum sites, such as www.britishexpats.com, http://www.eb5visaclub.com/, and http://www.eb-5center.com/about_us. These sites now serve as a key resource for potential EB-5 investors and EB-5 immigrants who are currently involved in the program. For a broader list of resources that are consulted by potential immigrant investors, see Appendix E.

Lack of Knowledge about the Benefits of EB-5

Beyond increasing awareness about the program, USCIS can attract more EB-5 immigrants by emphasizing two key "selling points" of the EB-5 Program, as identified in the interviews.

First, the EB-5 Program allows underage dependents to gain permanent residence (versus having to apply on their own once they are of-age). Two of the immigrant investors interviewed indicated that one of the main reasons that they chose the EB-5 Program over other business visas is that it allows for permanent residency status for their children (dependents). Other programs allow entry, but once the dependents are 18 or older, they are required to apply independently for permanent residence. According to one investor, this benefit is the key reason that he and his family chose this program.

Second, Regional Centers investments have the potential to generate income for the investor. An EB-5 investment is "at risk" compared to the government-backed investments made through the programs in Canada, Australia, and the UK. The investment, therefore, has the potential to increase or decrease in value. One interviewee indicated that the reason he invested with the American Life Regional Center was because he believed his investment in real estate would generate personal income over time through increases in property values. American Life attracts U.S. investors as well as immigrant investors who are interested in making this type of real estate investment. Depending on the specific project, roughly half to two-thirds of investors in each American Life project are U.S. citizens. While other entrepreneur and worker visas in the U.S. and worldwide allow immigrants an opportunity to earn income in a foreign country, the EB-5 program is the only visa program in which immigrants are able to generate income from a passive investment.

10.2. Program Operations

ICF also solicited feedback from stakeholders about ways in which program operations could be improved. Recommendations were provided by the Regional Center operators, the immigrant investors, and the adjudicators. Throughout the interview process, the main theme that arose in the interviews was that there is a lack of consistency, transparency, and assurance in the adjudication process.

Regional Center operators did not feel that the program operation is sufficiently transparent, from both a process and adjudication perspective. Neither the applicant nor the Regional Center is able to track the application's process and it was felt that there was a lack of available information about the specific judging criteria. Furthermore, Regional Center operators indicated that the adjudication process seemed to vary from case to case with little consistency. Despite all of the confusion reported, there is no point of contact within USCIS who can provide support and guidance when questions arise.

Immigrant investors agreed that the application process should be streamlined and made more consistent. The lack of communication and support throughout the adjudication process further aggravates concerns about the haphazardness of gaining permanent resident status. Adjudicators agreed that the process is complicated but necessary to ensure the program's integrity and reduce the threat of fraud. They suggested that the forms could be made more user-friendly, primarily by making the requirements for completion more explicit. While a sample or template cannot be provided for all documents needed to fulfill the application, a detailed explanation form that explained in greater depth what would be expected and that addressed frequently asked questions could be helpful.

Despite the lack of transparency throughout the process and anxiety endured while waiting for permanent residence status, most of the immigrant investors felt that the process was smooth overall. Moreover, the EB-5 Program has relatively short processing times compared with other immigrant investor programs world-wide. Most I-526 applications are reviewed in four months, which is significantly shorter than the review period in the analogous programs of Canada, Australia, and the UK.

Perceived Lack of Consistency and Transparency

There was general concern expressed from Regional Center operators and immigrant investors about a lack of consistency and experience on the part of the adjudicators. One interviewee noted that the EB-5 application is more of a financial report than an immigration application, and thus adjudicators, who are trained to review immigration applications, may have difficulty reviewing EB-5 applications.

Adjudicators rotate every few years, making training and consistency an issue, which was exacerbated when operations in Texas merged with the California Service Center. The new adjudicators "were completely confused, they had no experience with economic reports and had no idea what they were looking at." This transition was frustrating for Regional Center operators who felt that the program was shifting continuously with retroactive application rules and inexperienced adjudicators asking for irrelevant requirements.

This perceived lack of consistency is further compounded by the perceived lack of process transparency. Regional Center operators and immigrant investor applicants interviewed felt that the process was a "black box." Even for applicants with legal representation and a Regional Center that had submitted hundreds of applications, there was a sense of helplessness to what they perceived as inconsistent requirements from USCIS. The program operations were modified after the adjudication process was centralized at the California Service Center. This administrative change did affect ongoing adjudication processes; however, it is likely that the perception of disruption is more pronounced than an actual transformation of the program.

Concerns about Objectivity

Investors and center operators also expressed frustration that there was no one at USCIS whom they could contact about their questions. According to one of the Regional Center operators interviewed, the program was stronger in its earlier form because they were able to speak to a person at USCIS if questions arose. However, due to concerns about objectivity and ex-parte discussion, USCIS does not currently allow applicants or Regional Center operators to contact individuals involved in the adjudication process.

Complicated Application Paperwork

One of the key issues raised by all stakeholders was the need to streamline the application process. All immigrant investors and Regional Center operators interviewed expressed that there is a need for more clarity in the application rules, regulations, and paperwork.

Applicants felt that the paperwork was repetitive, particularly in the sense that the I-829 application asked for the same paperwork that was provided in the initial application. This contributed to a general perception that there was a lack of records coordination on the part of USCIS.[37]

According to the adjudicators that were interviewed, adjudicators must wade through the paperwork provided by the Regional Centers to find relevant information because there is no

[37] It is possible that if applicants were able to complete this paperwork electronically, the burden would be reduced. However, this point was not raised by the stakeholders we interviewed and its implications may go well beyond the EB-5 Program; thus, we do not explore this issue further.

formal list of application elements. Adjudicators have an informal mental checklist of application elements that they are looking for as they review the applications; however, without a clear format, the information is often not presented in an orderly fashion.

Concerns about Program Risk

Both Regional Center operators and immigrant investors expressed frustration about the level of risk that was required under the current program. It is a daunting process for immigrants as they are required to invest a significant sum of money and uproot their lives for two years without assurance that they are going to be able to remain permanently in the U.S. Most, if not all, investors purchase a house upon arriving in the U.S. so they are contractually bound to a mortgage. Also, they may have children enrolled in school, yet there is still the possibility that they will have to leave.

Unlike the investments in the Canadian or Australian programs that are government-backed, an EB-5 investment is "at risk" by design. This fact alone is intimidating to potential investors, and it is only exacerbated by the additional uncertainty about their visa's conditionality. Immigrants who invest a significant amount of money "at risk" may not expect a visa guarantee, but they expect a straightforward process at a minimum.

10.3.The Program's Economic Impact

None of the immigrant investors interviewed were responsible for validating their economic (job creation) impact since all four invested through American Life, which was responsible for validating the job creation data. Because of this, the immigrant investors did not have many suggestions about how to increase the economic impact of the program.

When asked about the minimum financial investment required for the EB-5 Program, there was a lack of consensus about whether fewer investors would be attracted if the dollar amount was increased. One interviewee indicated that $500,000 was the maximum that he was able to invest. He indicated that in practice, the total "investment" required summed to $1 million: $500,000 for the actual investment and $500,000 for the purchase of a new home and family relocation expenses. In contrast, another investor indicated that he believes the program could require a more substantial investment. He felt that the majority of the people with means to qualify under the program would also be able to afford a $1 million investment. This investor did indicate that the application process should be streamlined and that the conditionality should be removed if a larger investment was required. (This issue is discussed in more detail below.)

11. Recommendations

This section of the report discusses recommendations for the EB-5 Program. The recommendations presented are informed by input from stakeholders as well as best practices identified in the Task 2 Report, which profiled immigrant investor programs in Canada, Australia, and the United Kingdom.

11.1.Attracting Additional Investors

Increase Program Awareness through Targeted Marketing

As indicated in the Findings section, increasing the general awareness about the EB-5 Program is critical for attracting more investors. According to those interviewed, there is significant untapped demand for the EB-5 Program, but due to lack of information about the program, potential investors are not applying for it. Most of the Regional Centers do their own marketing. Most of the awareness, however, is still raised through word-of-mouth and networks of immigrant investors.

To expand the program, USCIS must increase its marketing. Information about the EB-5 Program and the existing Regional Centers is available on the USCIS website; however, the program is still not well known. Marketing efforts should target seasonal travelers who visit the U.S and immigrant real estate investors. These travelers and investors are a key market for the EB-5 Program as they are often high net-worth individuals who have the financial resources necessary for investment and are familiar with the U.S, thus making the transition easier. The marketing efforts do not need to be sophisticated. According to the immigrants interviewed, providing basic education about the program to the target market may be the most valuable approach to attracting more investors. Tourists require a visa to enter the U.S. so USCIS could easily identify and target this population.

In addition to targeting the key market of seasonal travelers, USCIS should work with partnering agencies and organizations in international countries, such as local government offices, immigration law firms and relocation assistants to ensure that the EB-5 Program is publicized at international immigration exhibitions and increase awareness among the international immigration law community. Information packets about the program, successful Regional Centers, and application details could be sent to large immigration law firms in countries that are a source of EB-5 applicants.

Publicize the Unique Benefits of the EB-5 Program

Beyond identifying and marketing to the EB-5 target market, USCIS can attract more EB-5 investors by publicizing the advantages of the program. As identified through the interviews, there are two key "selling points" of the EB-5 Program. First, the EB-5 Program allows underage dependents to gain permanent residence (versus having to apply on their own once they are of-age). This benefit was critical for two of the four investors interviewed, both of whom learned about it only after doing independent research. This benefit of the EB-5 Program is not widely known and should be promoted to attract more families.

Second, Regional Center investments have the potential to generate income for the investor through increases in investment value over time. This is in contrast to the government-backed investments made through the investor programs in the UK, Canada, and Australia. This benefit should also be publicized.

11.2. Improving Program Operations

Allow Applicants to Track Their Progress

The main theme that arose in the interviews concerning the program operations is the lack of consistency and transparency in the adjudication process. Regional Center operators and immigrant investors felt that the application process is a black box, without clear guidelines and a lack of consistency across cases and adjudicators. They did not receive information about what phase of processing their application was in and were not able to access guidance or support from USCIS. One suggestion is to create a web site for applicants to check their status, such as milestones completed. Applicants indicated that this simple reassurance of where they are in the process would go a long way to making them feel more at ease.

Create a Customer-Supported Adjudication Process

The overall consensus from immigrant investors and Regional Center operators is that the EB-5 adjudication process is not customer friendly. As discussed in the Task 2 Report, Canada's provincial program has a higher participation rate than the national program because of the speed and ease of the adjudication process. While the U.S. adjudication processing time is already competitive (or better) compared with programs in other countries, the process is perceived to be cumbersome and not customer-friendly.

Furthermore, an additional success factor associated with Canada's provincial program is that it offers pre-application support to applicants with continued counseling throughout the application process. Under the EB-5 Program, the Regional Centers provide much of the support that is provided at the provincial level in Canada, such as pre-application visits and connections to local economic development agencies. Regional Centers often put potential investors in touch with successful applicants from their country of origin and connect them to knowledgeable immigration lawyers.

It was suggested that each applicant be assigned an advisor or mentor, who is not responsible for adjudicating their file but is well informed about the process. This advisor would most likely be a USCIS employee who would be able to provide support and answer questions about the process from first-hand knowledge but would not be responsible for their actual application. An alternative would be a call-in center staffed with USCIS operators knowledgeable about the program. The advantage of a mentor-style program is that each application is unique and complex and working with one mentor would mean that applicants and Regional Centers would not have to explain their situation every time they need support. However, either approach would provide much needed assistance and avoid ex-parte conflicts. The Regional Centers and applicants would experience a more customer-friendly application process, and the adjudicators would get a stronger application that would require less follow-up paperwork requests.

Finally, another approach to improving customer service and reducing confusion would be to rotate EB-5 adjudicators less frequently than the standard two years. This would allow adjudicators to develop their expertise and ensure a greater level of consistency throughout the adjudication process. If a longer term of service is instituted for EB-5 adjudicators, it might also be useful to provide these adjudicators with additional training in finance and economic development.

Streamline the Application Paperwork

All stakeholders we interviewed agreed that the application paperwork is confusing. They indicated that additional guidance to clarify application requirements would be helpful. USCIS continuously improves its forms with input from the adjudicators. The adjudicators recommended reviewing the I-526 and I-829 application forms to streamline the questions and provide clearer guidance on what forms are required and the process for proving suitability. The adjudicators interviewed indicated that they are planning to create a streamlined form and offer more technical assistance. It was recommended that a detailed explanation form be created for applicants as they enter the process. The document would explain the application form and address frequently asked questions.

One key element of the application paperwork that was identified by center operators and investors as particularly difficult is furnishing all of the required documents needed to prove legitimacy of funds. The application requires extensive paperwork that many felt was in excess of what was needed to prove that they gained their funds lawfully. It was suggested that instead of tracing every dollar earned, immigrants should only be required to show the source of the investment funds.

Pre-approve Regional Center Projects

For Regional Center approval, most of the questions or requests for additional information relate to confirming the job creation quotas of a particular project. For all applications that were submitted through the Regional Centers interviewed, this responsibility was taken care of by the Regional Center operator and not the applicant. The job creation assessment is tied to the project's ability to create employment opportunities and not the individual applicant. Thus, one way to streamline the application process would be to pre-approve Regional Center projects and allow applicants to simply verify their investment in a pre-approved project. This would ensure that each project would be evaluated only once as part of the Regional Center project application and for each immigrant application.

Pre-approval of Regional Center projects would reduce the application burden for the immigrant investor (who, in most cases, is completely removed from any discussion of the job creation quota) and reduce the number of questions or requests, promoting a faster and more efficient adjudication process. Under the current program, the only way to have a project adjudicated is to have an investor apply. However, this places a significant burden on the first applicant. Therefore, in addition to improving the application process, this approach would increase the predictability of the application process for investors because it would remove what is perceived as the riskiest part of the application. If a Regional Center shows a pattern of not meeting its obligations through a variety of projects, then its approval could be revoked.

Reduce the Risk

A legitimate adjudication process is necessary to discourage fraud. Interviewees felt, however, that there should be a way for USCIS to confirm that jobs are created without imposing such a risky application process. One Regional Center operator suggested allowing applicants that are not able to prove job creation in two years to defer their application for an additional two years. The two-year period is unrealistic for some projects that require several years to begin generating jobs. This flexibility would reduce the time pressure while also ensuring that the applicant is accountable for job creation. Alternatively, the program could issue a Good Faith Waiver that would not penalize immigrants who applied through a project that was sidetracked for reasons out of their control. Once investors have invested their funds in a legitimate job-creating program, they should be able to get assurance that they will gain a permanent visa regardless of the success or failure of the investment.

11.3. Enhancing the Program's Economic Impact

Create a Program for High Net-Worth Immigrants

To increase the economic impact and the certainty of the program, it was suggested that an alternative immigration program be established for individuals demonstrating a net worth of at least $10 million. The program would offer a more direct route for gaining permanent residence with no conditional status as long as the immigrant could present the financial balance sheets and have no criminal record. This certainty would attract immigrants who have the financial capacity but are discouraged by the current program's risk.

The investor who recommended this approach argued that regardless of how the investment is used, high net worth individuals that become U.S. residents contribute to the U.S. tax revenue. Moreover, high net worth individuals are more likely than others to invest or engage in local business ventures that could bring additional economic benefits to the U.S.

This approach is similar to one that is being considered by Canada. As discussed in the Task 2 Report, representatives from the Canadian program indicated that a main reason they believe that their entrepreneur program is not as popular as their investor program is that it issues initial conditional status. As Canada strives to increase the number of applicants in the entrepreneur program, it is considering eliminating the conditional status to make it comparable to the investor program. The rationale behind this argument is that immigrants in both programs are being asked to commit substantial resources to Canada and, thus, ensuring a secure pathway to permanent residency appears necessary to attract more immigrant investors and entrepreneurs.

Countries profiled in Task 2 had both national and state-level programs. The purpose of the state-level programs was to generate growth in under-populated regions of the country. In the U.S. this is not an issue; furthermore, the Regional Centers, while managed at the national level, support the goal of generating investment throughout the country in economically depressed areas. The complexity of the immigration approval process is beyond the capacity of individual states and, thus, a state-specific program in the U.S. may be impractical.

Create a Separate Investment Program

One of the Regional Center operators suggested the creation of a parallel EB-5 Program that could be run by the Department of Commerce. The immigration suitability assessment (e.g., criminal and medical checks) would be adjudicated by USCIS, but the economic elements of the program would be verified and managed through the Department of Commerce. The current EB-5 Program discourages large investment projects as the tight time requirements for the I-829s limit the scope of the investment project. Far-reaching, multi-year development projects (for example, involving investments in excess of several million dollars), which have a more significant economic impact, could be considered under this parallel program.

Appendix C: List of Stakeholders Interviewed

We interviewed the following program stakeholders:

- Regional Center Operator - CanAm, Enterprises, October 9, 2009
- Regional Center Operator - American Life, October 13, 2009
- Immigrant Investor, October 29, 2009
- Immigrant Investor, November 5, 2009
- Immigrant Investor, November 10, 2009
- Immigrant Investor, November 12, 2009
- USCIS Adjudicator, November 18, 2009
- USCIS Adjudicator, November 19, 2009
- USCIS Adjudicator, November 19, 2009.

Appendix D: Regional Center Operator Interview Guide

Regional Center Operator Questionnaire

General Background

Please describe your role as a Regional Center operator.

Please provide an overview of your Regional Center:

- Year the Regional Center was established.
- Has the Center been in operation continuously since inception?
- How many U.S. investors are currently active in your Regional Center? How many foreign investors?
- In what industries are investments most concentrated?
- Are economically distressed regions targeted by your Center?
- Are economically distressed industries targeted by your Center?
- What is the most common size of businesses created through your Center?
- In addition to job creation, can you describe other benefits that the program contributes to the region?
- For the most recent 12-month period for which you have data, please provide:
    - Number of applicants for immigrant investor visas.
    - Number of investors gaining permanent resident status.
    - Average investment for a successful applicant.

Marketing and Outreach

- Do you market your Regional Center?
- If so, what is your annual marketing / outreach budget?
- Please describe your target audience.
- What media (print/internet/TV/radio/in-person/conferences) do you use?
- How often do you use these media?

Investors' Main Motivators

- Do you assess the reasons why investors participate in your Center?
- If so, what are the main reasons cited by investors to participate in your Center?
- In your view, do the current capital investment minimum of $500,000 in targeted employment and rural areas and $1 million in other areas produce the maximum economic benefits to the United States?
- What changes or adjustments to minimum capital requirements would help create a greater number of jobs?
- What changes would improve the attractiveness of the United States program compared to programs in other countries, such as Canada, the United Kingdom, and Australia?

Processing and Adjudication Process

- Are there any improvements to the adjudication process that you would recommend?
- When you applied with USCIS for Regional Center designation and sent in supporting documents, did you receive a request for further information? If you did, what further information was requested from USCIS?
- What changes would you recommend to reduce the length of the application and adjudication process?
- What changes would you recommend to reduce the complexity of the information required from foreign investors?

Success Factors

- In general, what policies do you believe contribute the most to attracting investors to your Regional Center?
- Why do immigrants choose to invest in your Regional Center as opposed to other Centers?
- What, if anything, could be changed to increase the number of foreign investors attracted by the EB-5 Program?
- What, if any, additional support from the program would enable you and your Center to be more successful?

Other

- Is there anything else about your Center, its successes or challenges that you want to mention?

Appendix E: Immigrant Investor Interview Guide

EB-5 Immigrant Investor Questionnaire

General Background

Please tell us about yourself:

- What is your country of origin?
- If you were living/working in a country other than your country of origin when you applied to the EB-5 Program, please indicate the name of that country.
- What is the highest level of education you have completed? (For example, secondary school, university.)
- In what industry did you work prior to applying to the EB-5 Program?
- Did you include dependents in your application to the EB-5 Program? If yes, please specify the number of dependents and their relationship to you.
- How did you find out about the EB-5 Program?
- How much did you invest when you applied?
- In what industries/project did you initially invest?
- How much more, if any, have you invested since your initial investment?
- Have you invested in more than one industry/project?
- In what region (county and state) did you invest? Please be as specific as possible.
- Is that an economically distressed region?
- What types of businesses (e.g., hotel, manufacturing plant) did you help create?
- How many jobs have your investments helped create in the United States?

Attracting More Investors

- What other countries did you consider as a possible destination for your investment besides the U.S. and why?
- What made you decide to invest in the U.S. instead of another country?
- In your view, what can the Government do to attract more foreign investors to the United States?
- What are the least attractive features of the American immigrant investor program?

Application and Processing

- In what year did you apply to the EB-5 Program?
- In what year did you obtain permanent resident status?
- In your view, did the processing of your application go smoothly? If no, please describe the problems you encountered.
- Did you receive a Request for Information from USCIS after having submitted an application with supporting documents? If you did, what further information/documents were requested?
- What changes, if any, do you think would improve the application process?

Investment Partnerships

- Did you partner with other investors?
- If so, what were the partnership requirements?
- Why did you decide to partner with another investor?
- What factors may have influenced your decision to invest through one particular Regional Center as opposed to another?

Other

- Is there anything else about your experience with the program that you want to mention?

Appendix F: Adjudicator Interview Guide

EB-5 Adjudicator Questionnaire

Adjudication Process

- Please describe your role in the adjudication process.
- How many adjudicators at the California Service Center work on I-526 petitions?
- How many adjudicators at the California Service Center work on I-829 petitions?
- How many adjudicators at the California Service Center adjudicate Regional Center Proposals?
- Do adjudicators who work on I-526, I-829, and Regional Center proposals also work on other types of immigration benefits?
- Are there any changes you would recommend to reduce the complexity of the information required from foreign investors?
- Are there any changes that you would recommend to make the EB-5 Program more effective or efficient?

Adjudication Timing

- For cases adjudicated in the past 12 months in your processing center, how many months did it take for them to go from initial application to the granting of conditional residence?
- How many months does it currently take to go from the granting of conditional residence to the removal of the conditional status?
- It has been reported (GAO Study, April 2005) that hundreds of EB-5 foreign investors have remained in limbo for as long as 10 years. To the best of your knowledge, what factors may have contributed to this and what measures could help prevent it?
- What changes would you recommend to reduce the length of the application and adjudication process?
- What changes would you recommend to reduce (or completely avoid) the time it takes applicants to respond to Requests for Information from the California Service Center?
- One option to improve the program is for USCIS to set a standard for timeliness in processing EB-5 cases. Would you agree with such a standard? If yes, what should that standard look like?

Adjudicator Training

- Is the training received by EB-5 adjudicators sufficient to properly adjudicate Regional Center Proposals, I-526, and I-829 applications?
- If no, how could the training be improved?

Other

- Is there anything else about the current adjudication process, its success or shortfalls that you want to mention?

Appendix G: EB-5 Information Resources

- www.britishexpats.com
- http://www.eb5visaclub.com/
- http://www.eb-5center.com/about_us
- http://www.whicheb5.com/
- http://www.andrewbartlettflorida.co.uk/EB5-Visa-Green-Card.aspx
- Expo: http://www.emigrate2.co.uk/
- Book: Keats, Robert. Border Book. 8th Edition.