

Short-Term Government Funding Measure Extends EB-5 Regional Center Program through December 11, 2015

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A looming federal government shutdown has been narrowly averted through the enactment on September 30, 2015 of a continuing resolution that extends funding for federal agencies through December 11, 2015. Included in this funding legislation is a short-term extension through December 11, 2015 of the EB-5 Regional Center Program. The Regional Center Program previously had been scheduled to expire on September 30, 2015.

Congress established the EB-5 program in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors seeking U.S. resident visas. Congress later enhanced the EB-5 program with the introduction of the Regional Center Program, which sets aside EB-5 visas for participants who invest in commercial enterprises associated with federally approved regional centers organized to promote economic growth. Despite its long history, the EB-5 program has seen a surge in popularity in recent years, due in large part to the effects of the global credit crisis. Although neither limited to, nor designed specifically for, commercial real estate finance, the EB-5 program has been embraced in recent years as a viable financing source as part of the overall capital stack for development projects.

There has been much debate among legislators, industry groups and other stakeholders over the future of the Regional Center Program, including:

- Should the program be renewed or allowed to expire? Should renewal be permanent?
- What, if any, reforms should be made?
- How will pending EB-5 projects be affected?

Multiple competing bills have been introduced in Congress over the past several months. We anticipate that renewal or reform legislation in some form will be enacted before the Regional Center Program expires on December 11, 2015. Additional client advisories will follow as we continue to monitor legislative developments.

For questions about the information contained in this advisory, please contact your usual Goulston & Storrs attorney or one of the members of the firm's EB-5 group listed below.

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