

Update: EB-5 Program Receives Another Short-Term Extension

December 9, 2016

On December 9, 2016, as part of federal spending legislation, the EB-5 Regional Center Program received a short-term extension through April 28, 2017. The Program has been similarly extended, with no change in policy, on multiple occasions since its previously scheduled expiration date of 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. 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 associations and other stakeholders regarding 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?

Congress is expected to re-visit the EB-5 Program following the November elections. 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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