



TEXAS REGIONAL
INVESTMENT CENTER

Immigration by Investment

The US EB-5 Program

- 1. EB-5 is one of the fastest paths to US Permanent Residency**
 - a. For some it may be the only option for US Residency**
- 2. What is EB-5?**
 - a. An immigration by investment program offered by USCIS (United States Citizenship Immigration Services) for accelerated Residency in the US.
 - b. Invest \$500,000 USD in an Approved EB-5 Project managed by an authorized Regional Investment Center.
 - c. A Conditional Green Card can be obtained in 16-24 months granting all of the rights of Residency and will allow you to live, work and travel in the United States.
 - i. Conditional Green Card allows you to work in the U.S., establish state residency for classification of “in-state” tuition purposes, and eventually apply for U.S. citizenship.
 - ii. Conditions are released and full Residency granted in approximately 5-7 years.
 - iii. An applicant can immigrate as an individual, a married couple, and/or family with minor children.
- 3. What is a Regional Investment Center (RIC)?**
 - a. A private entity that is licensed and authorized by the Department of Homeland Security and USCIS to organize, offer and manage qualified EB-5 Projects.
 - b. Regional Investment Centers are granted rights for a specific geography, city or region in the US.
 - c. The RIC will work closely with the immigrant investor (client) to provide services and assistance in navigating the complex process.
 - d. The immigrant investor does not need to know the details of US law or EB-5 rules, the RIC and the Immigrant Investors’ immigration legal team will work together, having the knowledge and experience to assist the clients through the process from beginning to end.
 - e. The Texas Regional Investment Center (Texas RIC) is an approved Regional Investment Centered that assists foreign persons (and future Americans) with the EB-5 Program and qualified projects.**
 - i. It is our duty to manage the process with and on behalf of our Investor Immigrant clients.**
- 4. What are the general Rules of the EB-5 Program?**
 - a. An Immigrant Investor must create 10 jobs in the US by investing either \$500,000 USD for certain qualified projects (TEA) or \$1,000,000 USD for projects that do not qualify for TEA status.
 - b. Target Employment Area (TEA) status is determined by certain unemployment (underserved) criteria and apply to specific areas in and around cities in the US.
 - i. The RIC will produce an Economic Report for each EB-5 Project that will indicate if the project qualifies for TEA status.

- ii. The Economic Report must be prepared by a licensed independent economist.
 - c. The RIC must create and submit to USCIS a Project Business Plan that meets very specific requirements in order to create the “qualified” project.
 - d. The Immigrant Investor’s immigration legal team will submit personal immigration forms (I-526) and documents along with the RIC EB-5 Project documents to complete the USCIS filing requirements.
 - e. An accountant (referred by the Immigration Legal Counsel or RIC) must prepare a Lawful Source of Funds Report demonstrating the Immigrant Investor’s funds where generated from a legal and legitimate source.
 - f. Since the EB-5 Program includes both immigration and investment, participants (RICs) are regulated by both USCIS (Homeland Security) and the US Securities & Exchange Commission (SEC) regarding private investments in the US.
 - i. The US rules for investing in private transaction are specific and must be carefully managed by the RIC.
 - g. The Texas RIC maintains extensive experience in EB-5 and will assist clients through each step in the process.**
- 5. How do I qualify for the Program?**
- a. In order to qualify for the Program, any investor immigrant must meet the following criteria:
 - i. An Accredited Investor as defined by the US SEC (either 1 or 2 below)
 - 1. Must have a net worth (not including residence) of \$1,000,000 USD or more, OR
 - 2. Must have earned over \$200,000 USD as individual or \$300,000 as a married couple in the last 2 years.
 - ii. Have the ability to invest \$500,000 USD in a US project managed by a RIC
 - iii. Demonstrate (verify) the funds for the investment came from a lawful source (a Lawful Source of Funds report will be created by the legal and accounting team).
 - iv. Qualify as a lawful immigrant per the USCIS immigration Form I-526 (prepared by the Immigration Legal Counsel).
 - b. The Texas RIC will work with your Immigration Legal Counsel to ensure you meet the requirements for both the investment and immigration aspects of the program before investing or filing any documents.**
- 6. Who are the people that help me through the process?**
- a. Each Immigrant Investor will have a team comprised of two primary firms: Regional Investment Center and Legal Immigration Counsel. Both organizations will work closely together and with you as the client for the duration of the process.
 - b. The Regional Investment Center will qualify you as an investor, offer options for EB-5 Projects and manage the financial and investment aspects of the program.
 - c. Legal Immigration Counsel will guide you through the immigration process with USCIS and all required documentations, forms and filing.
 - d. During the initial phase, an Accounting Firm will be used to create the Lawful Source of Funds Report. This will be a firm in your local country and will be managed with you by your Legal Immigration Counsel.
 - e. The Texas RIC will work with your existing team or refer you to a highly qualified Immigration Legal Team and LSF Accountant to ensure a seamless process and positive experience.**

7. What are the options for Projects?

- a. Although the EB-5 Rules are written to allow for many types of business ventures, due to the complexity of the rules, the majority of EB-5 Projects are Real Estate Development projects.
 - i. Construction of new real estate projects including hotels, apartment or condominium buildings, commercial office buildings, industrial complexes or “mixed-use” developments.
 - b. The Regional Investment Center is responsible for sourcing, organizing and managing the investment in the project.
 - c. It is important to hire a RIC with an experienced team and track record of successful Real Estate investing and development.
 - d. The success or failure of the project will depend on the strength and experience of your Regional Investment Center team.
 - e. **The Texas RIC team has several decades of combined investment and immigration experience.**
 - i. **We emphasize a risk-managed approach to EB-5:**
 - 1. **Veteran Real Estate developers with a strong track record of success**
 - **Marchbanks Company: Developer and management team of Hotel San Jose, Hotel Saint Cecilia, Hotel Havana, El Cosmico, Hotel Magdalena and so on.**
 - **Clark Lyda: Experienced real estate developer with numerous projects that he has acquired, improved and sold in central Texas totaling over 6,000 acres.**
 - **Woodbine Development Corporation: Woodbine has been involved with development, design/construction and asset management of more than 15 million square feet of hospitality, office and mixed-use space and 18,000 acres of land.**
 - **Auberge Resorts Collection: Global Operator of Fine Hotels and Resorts; Former Four Seasons Hotel management team**
 - 2. **Fully capitalized projects by the 4 major Texas developers listed above not dependent on EB-5 capital**
 - 3. **Significant buffer on the Job Creation requirement**
 - 4. **Highly experienced team for EB-5 documentation and filing**
 - **Our immigration counsel team has over 21 years of experiences in immigration law practice and a successful track record in EB-5 cases filed**
- 8. How are EB-5 Projects Structured?**
- a. **T Texas RIC projects are structured as subordinated debt to the real estate development project**
 - i. **Subordinated Debt is junior to the Bank but has priority over the equity investors in the project.**
 - ii. **Subordinated Debt structure is better risk managed than equity.**
- 9. What kind of financial returns should I expect on the EB-5 investment?**
- a. Since EB-5 is an immigration exercise first and financial investment second, the returns are very low
 - i. Market EB-5 returns range from .5% to 1% annually.
 - ii. Some projects may be structured as equity and may offer higher returns but also have greater risk to the investor

10. What are the costs of the program?

- a. Regional Investment Centers charge a one-time administrative fee for their services.
 - i. **Administrative Fee: \$50,000 USD**
- b. Immigration Fees vary by law firm but typically range from \$30,000 to \$50,000 for the entire process from beginning through Permanent Residency.

11. What is the process and timing of activities?

- a. Initial step is to select a Regional Investment Center and Law Firm
- b. Complete initial interview to confirm suitability for EB-5 investments
- c. Sign Engagement Letter for Law Firm
- d. Review marketing materials, Confidential Information Memorandum and Subscription Documents from Regional Investment Center.
- e. Law Firm or Regional Center will refer you to a local Accounting Firm for Lawful Source of Funds report.
- f. Deliver information and requested materials to Law Firm and Accounting Firm
- g. Based on advisement from Law Firm, sign Regional Center Project Subscription Documents.
- h. Transfer Funds to Regional Center Accounts in US
 - i. \$50,000 to Regional Center Account
 - ii. \$500,000 to EB-5 Project Escrow Account
- i. Law Firm prepares and files I-526 USCIS along with EB-5 Project Documents
- j. \$500,000 investment is released from Escrow into the Project
- k. Await response from USCIS
- l. **The Texas RIC, in partnership with the Legal Immigration Team will work closely with you to successfully complete the process.**

12. Why should I work with the Texas Regional Investment Center?

- a. **Emphasis on transparency of Financial structure and numbers**
- b. **Experience and Track Record for both the investment and immigration aspects of EB-5**
 - i. **The land for the project is owned debt free**
 - ii. **At least 32% of the project is funded by American developers and local family offices**
 - iii. **Our immigration counsel team has over 21 years of experiences in immigration law practice and a successful track record in EB-5 cases filed**
- c. **Discipline and Integrity of the team**
- d. **Quality projects, people and extended network**
- e. **A focus on risk management and client service**
- f. **Strong ties to real estate investors, developers, banks and local government**

13. What are the risks in EB-5 Projects?

- a. EB-5 has several categories of risk: Financial, Immigration and Execution
- b. Financial Risk Factors
 - i. Since EB-5 involves a private investment, it must be understood that all investments contain some element of risk, including the risk of financial loss.
 - ii. **Texas RIC structures its Projects as debt (a loan to the Project) in order to better manage risk for the investors.**
- c. Immigration Risk
 - i. Risk that the immigration filings are rejected by USCIS
- d. Execution Risk
 - i. Risk that the project does not start due to lack of funding or other operational issue

- ii. Risk that the Legal or Regional Center team does not complete a required filing or other critical process that could jeopardize the Project or immigration case.
- e. **Texas RIC emphasizes risk management in all of our projects to minimize risk to the immigrant investor at all levels.**
 - i. **Texas RIC's Legal Immigration Partner maintains a very strong track record in successfully managing the immigration process and filings.**

14. Where do I start?

- a. **Email: info@texasric.com**