

Unlike H1B visa, EB-5 gives wide flexibility including a green card: Suresh Rajan

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Wealthy applicants from India are applying for the United States of America's EB-5 visa – or the 'Golden Visa' – programme that has been marred by financial scandals involving multi-million fraud cases stretching from California to the ski slopes of Vermont. Plus, long delays in applications' clearance too has been criticized too. LCR Capital founder and Executive Chairman Suresh Rajan shares his view on recent economic crisis, geo political tension, EB-5 visa clearance and others with *LiveMint*.

Here's an interaction with Suresh Rajan:

1) What exactly is the EB-5 Visa, how different is it from the H1B Visa?

Suresh Rajan: EB-5 is a very different category of employment based visas. It's based on immigrant investment in the US. This program is a US Federal program and was developed in the early 1990s. The program is designed to encourage foreign investors to invest in new businesses and generate new jobs, and in exchange for that, the investors and their families, including children up to the age of 21 years (unmarried) can obtain green cards. The investment level, which at that time was \$500,000, is today at \$800,000. As per program regulations, the investment needs to create 10 new jobs in America for a period of few years.

So, it's a very different program which caters to immigrants in the US. The EB5 programme gives wider flexibility when compared to other visas, including a direct, relatively fast path to a green card, and then to US citizenship.

2) Considering the long delays in visa appointments, how do you consider yourself as changemakers, when it comes to processing the applications? Why should a person choose LCR Capital?

Suresh Rajan: : When the programme was started in early 1990s, it was not well known. It didn't see much activity until the financial crisis hit in 2008. This program gave developers access to financing from wealthy EB-5 participants overseas, which was especially beneficial during crisis times. But in the past, the borrower and the lender were often controlled by the same entity. There was no one representing the interest of the investors themselves. When we (LCR) entered the market, we brought change to the table with a different offering that was a fair balance between the provider of capital and the user of the capital.

See, profitability shouldn't come at the expense of investor protection. We converted a US government immigration program into a standardized financial product. This allowed us to work with top-tier developers like Four Seasons and other investors who were not there before in the EB-5 market. Adding on, our ability to service the need of our clients makes us a good choice, as we are locally present in each of our markets.

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3) What can be the impact of the the recent Fed hike on the EB-5 Visa programme?

Suresh Rajan: The interest rates in the US and EB-5 programme don't have any direct connection with one another. An immigrant investor looking at EB-5 is looking to invest in a new US project or business. Typically it's a real estate endeavour. That business is owned by somebody else, they (investors) are effectively loaning money to that entity to create jobs. So this is independent of what the Fed is doing with the interest rates. If anything, EB-5 capital could be a cheaper funding alternative for projects in the current high interest rate environment.

4) For the US's EB-5 visa, the application line is too long and has some controversies associated with it. Critics have cited financial irregularities and raised potential national security or transparency issues.

Apart from this, the scheme also failed to target development in low-income areas and was marred by financial scandals involving multi-million fraud cases stretching from California to the ski slopes of Vermont. How do you see it?

Suresh Rajan: : EB-5 is a capital market and every capital market is at risk of some fraudulent activity if there is no proper regulatory oversight. The EB-5 industry is no different. However, the program was renewed in 2022 through the EB-5 Reform and Integrity Act. The new integrity piece is all about compliance issues that needed to be

addressed. From a compliance perspective, it is completely a different, much more investor friendly program now. There is a great deal of transparency among all the participants in the industry today.

5) Since you also provide consultancy services for families and help them identify investments that would achieve residency/citizenship in Europe too, how do you see this "UK to offer 3,000 visas to Indians' '... and how can you help? The UK Economy is already going downhill for several quarters now and there is a regime change too.

Suresh Rajan:These kind of investments are not made with a short term view. These decisions are made by families and individuals with a multi-year thought process and much longer intent – like permanent residency in the country. Economies fluctuate all the time and it's not right thing to do for an investor to pause their decision making solely based on this issue.

6) Moving on to Canada, which offered more visas in recent months compared to the US and Europe, how do you see the trend of calling Asians – esp. Indians – by American continent nations to help improve their economy? Also, how soon can a family get a PR?

Suresh Rajan:It depends on the individual family's situation. For Indian born applicants, the temporary green card can come in 24-36 months. With the reformed process, we expect even better processing times. Also, if the family is already in the US on another valid visa, they may be able to get their work permits and travel documents within 6-8 months, and not have to wait for the 24-26 months for the green card benefits to kick in.

7) What is your take on the current firing taken by big tech giants across the globe and what possible impact it can have on Indians, as they are mostly dependent on H1B Visa. Does it have any impact in EB-5 visa holders?

Suresh Rajan:I don't think so.

8) Last one, What's your next big move and how are you planning to make it work?

Suresh Rajan:LCR has been successful over the past few years, bringing clients from over 30 countries to the US – nearly 1,000 clients from all over the world. We see a need to help these global families and individuals manage the capital they might be moving to the US from their home countries. We now have a Registered Investment Advisory (RIA) business in the US, which is regulated by the US Securities and Exchange Commission. My trip to India and Dubai this time, is to bring this new value proposition for investors planning to move to the US with EB-5.

ABOUT THE AUTHOR



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