

The new EB-5 ruling, a step in right direction

[AB americanbazaaronline.com/2022/07/05/the-new-eb-5-ruling-a-step-in-right-direction-450133/](https://americanbazaaronline.com/2022/07/05/the-new-eb-5-ruling-a-step-in-right-direction-450133/)

By Zofeen Maqsood

July 5, 2022



Ending EB-5 regional centers' deauthorized status, it would help make them fully operational again

Those interested in securing an EB-5 visa, and looking for the investor route to US residency had been waiting for long for some news. With no new development in the investment through regional center category for almost a year, both the investors as well as the investment advisory firms were keeping their options on a pause.

But as soon as the ruling came about last week, where a California judge ended EB-5 regional centers' deauthorized status, there was a sudden surge of excitement among the investors.

Read: How to safeguard your EB-5 visa investment (June 29, 2022)

On what would this ruling mean in the long run, Suresh Rajan, executive chairman and founder of LCR Capital, says, "This is excellent news, we were on the verge of completing a full year without being able to receive new EB-5 investors through regional centers."

"Although this is a temporary solution that could be reversed, it is a step in the direction of having EB-5 regional centers fully operating again with a stable, long-term program," he says.

“There will be more announcements from USCIS, but the judge’s ruling is clear: all existing regional centers must be considered authorized and be able to file new I-526 petitions under the terms of the EB-5 Reauthorization and Integrity Act. We already have EB-5 regional center projects ready to receive new investors.”

Read: What the new reformed EB-5 visa program brings along (March 18, 2022)

On what the new ruling really says, Rajan explains, “In the ruling of the preliminary injunction, judge Vince Chhabria states that the EB-5 Reform and Integrity Act is ambiguous in regards to how EB-5 regional centers must be reauthorized according to the new law. Secondly USCIS’ decision to deauthorize regional centers is almost certainly a legal error.”

“Now, the agency can either argue in the court that the injunction is incorrect (the next set of briefs is on July 7 and the next hearing on July 14), or it can conduct a ‘reasoned decision-making process’ that resets how regional centers must act under the new legislation,” he says.

The deauthorization stopped filing of new I-526 cases which put regional centers’ existence under threat for not being able to conduct new business.

Judge Chhabria states: “Those centers must presently be permitted to operate within the regime created by the Act. This includes processing new I-526 petitions from immigrants investing through previously authorized regional centers.”

Read: EB-5 Immigrant Investor Program (April 19, 2022)

It may be noted that these new filings will need to meet the requirements of the new legislation, which is still being interpreted, but once approved these investors will be grandfathered and processed regardless of future changes in the law or regulations.

About the next steps for those interested in the program, Rajan says, “The next step is to wait for a permanent outcome but for now, we are able to receive new EB-5 investors in our regional center projects. And to make it clear, this does not affect any investors that had already filed their I-526 applications.”

Read: Indians received 17% of all EB-5 investor visas in 2020 (December 28, 2021)

Read: What does expiry of EB-5 program mean for immigrant investors (August 12, 2021)

Copyright © 2022 [The American Bazaar](#).