

Indians jittery over EB5 programme as extension hangs on US government move

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Synopsis

The EB 5, which provides a direct path to US citizenship for investors, lapses on June 30 and investments made by a few thousand Indians under it could be in jeopardy if the US government does not extend it.

PUNE: A fresh problem is staring at investors in the EB5 Immigrant Investor programme.

The EB 5, which provides a direct path to US citizenship for investors, lapses on June 30 and investments made by a few thousand Indians under it could be in jeopardy if the US government does not extend it.

The EB 5 has in recent years gained in popularity among Indians who want to get a US green card or permanent residence permit.

The demand for EB-5 investor visas has risen 400% from 2016-2019 among Indians, according to Invest in USA (IIUSA), a not-for-profit trade association.

About a third of these have been filed by Indians living in the United States to secure their future in the country, in part to bypass the excessively long green card processing times for Indian nationals, EB5 attorneys said.

The EB 5 used to be linked to a government spending bill and would get automatically extended every time these bills were passed.

However, former US President Donald Trump decoupled this last year and as a result, a specific legislation will have to be passed to extend it.

“The decoupling was a major event – it had been tied to three other programs for about a decade and that allowed for good support for the entire package,” said Suresh Rajan, founder, LCR Capital Partners, a private investment and advisory services firm.

According to data from the US Citizenship and Immigration Services, there are over 15,000 applications still pending with the agency, while a few thousand more have been approved but the visas have yet to be issued.

“Arguably, a failure to renew the program could potentially affect everyone that has not gotten a conditional green card. Given that Indians filed more than 2,000 applications in the last two-three years, each and every one of them could get affected,” said Vivek Tandon, CEO, EB5 BRICS.

Investors who have already put in their money are understandably concerned.

“I filed my I-526 petition back in May 2019 and still haven’t heard back from USCIS. If the program lapses, I will be affected,” Rajvir Batra, an undergraduate student at Harvard University told ET.

Another Indian investor in Hong Kong whose application has been approved and is waiting for his visa interview echoed similar concerns.

The community is now supporting a new bipartisan Bill proposed by Senator Chuck Grassley (R) and Patrick Leahy (D).

The Bill would reauthorize the EB 5 program for a period of five years, while adding provisions to prevent any possible misuse and fraud. Due to the volume of investments that have already been tied to this programme, lawyers and immigration advocates expect this to come up for approval before it lapses in June.

In November 2019, the investment requirements under the programme were nearly doubled, requiring applicants to invest \$900,000 or \$1.8 million into a local business or project and create at least 10 jobs for American workers.



Agencies

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While the USCIS received over 4,000 applications in the first quarter of the fiscal year (October 2019-September 2020), this dropped to a total of 114 over the next three quarters.

“2019 was a strong year as investment limits were going to go up, but application numbers saw a dramatic decline in 2020. While numbers are picking up, it is unlikely to rebound to 2019 levels,” said Rajan of LCR Capital Partners.

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