

Resolution No. 2

Date: 10/12/2013

City: Colorado Springs, CO

NAHB Resolution

Title: EB-5 Immigrant Investor Program
Sponsor: EB-5/Crowd Funding Working Group
Submitted by: Randy Lee

WHEREAS, home builders have experienced a sharp contraction in credit from commercial banks and savings and loan associations, which historically have accounted for more than 90 percent of residential acquisition, development and construction (AD&C) loans;

WHEREAS, the outstanding stock of AD&C loans made by FDIC-insured institutions for 1-4 unit home building is down 80 percent from mid-2008 and therefore, builders are looking for alternative sources of AD&C credit;

WHEREAS, the National Association of Home Builders (NAHB) forecasts more than one million housing starts annually for the next several years;

WHEREAS, innovative financing solutions are emerging to fill the funding gap for builders;

WHEREAS, the Immigrant Investor Program, known as the EB-5 program, may be a viable alternative option for some builders and developers to raise capital;

WHEREAS, the Immigration Act of 1990 created the Immigrant Investor Program and the Regional Center Pilot Program in 1992 to stimulate the U.S. economy through job creation and capital investment by foreign investors;

WHEREAS, the EB-5 program is administered by the U.S. Citizenship and Immigration Service and provides permanent residency status to qualified foreign investors provided certain program requirements are achieved;

WHEREAS, to qualify as an immigrant investor, a foreign national must invest, without borrowing, either \$1 million or \$500,000 (in a targeted employment area) in a qualifying commercial enterprise;

WHEREAS, a qualifying investment must, within two years, create full-time jobs for at least ten U.S. citizens, lawful permanent residents, or other immigrants authorized to work in the United States;

WHEREAS the immigration reform legislation contemplated by Congress will affect the full spectrum of potential real estate financing, including commercial and residential development, home building, property investment and ownership, and building management and construction; and

WHEREAS, the EB-5 program has been only temporarily reauthorized since 1990 and currently Congress is considering permanent reauthorization as part of the immigration reform legislation,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders (NAHB) urge Congress, together with coalition partners and allies, to permanently reauthorize the Immigrant Investor Program (known as EB-5) and to improve EB-5 program requirements that allow for a broad spectrum of real estate investment opportunities allowing our NAHB members more opportunity to participate in the EB-5 program as an alternative to traditional AD&C construction and permanent lending; and

BE IT FURTHER RESOLVED that NAHB urge Congress to refrain from program revisions that could hinder development projects in the nation's urban and suburban growth centers by limiting targeted employment area designations.

Board of Directors Action:	Approved
Executive Board Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Business Management & Information Technology Committee Action:	Recommends Approval
50+ Housing Council Board of Trustees Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Multifamily Council Board of Trustees Action:	Recommends Approval