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**THE INTERSECTION OF
IMMIGRATION AND REAL ESTATE**

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OUTLINE

- Immigration Law Basics
- Immigration Law Purposes
- Tri-State Immigration
- REAL Estate IMMIGRATION
- REAL Immigration Intersections
- EB-5 Real Estate Financing


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Immigration Law Basics

- INA creates distinct groups based on “status” in the United States
 - Citizen
 - Nationals
 - Aliens
 - Lawful Permanent Residents
 - Lawful Temporary Residents
 - ILL-Documented

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Immigration Law Basics

- Aliens
 - LPR Aliens (the “Green Card”)
 - Never lose status, even if expired card
 - Can’t Vote, Can be Deported, Probationary “Citizenship”
 - Lawful Temporary Aliens
 - “Non-Immigrants” - In US for Specific Time/Purpose
 - Cannot Violate Visa Restrictions
 - Students (F-1), Visitors (B1/B2), Expats, Execs, H1Bs, parolees, etc.

Side Note: The “Green Card” has Not Been Green since 1976

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Immigration Law Basics

- Aliens
 - ILL-Documented Aliens
 - EWI
 - Overstays
 - Visa Violators
 - Non-LPR Removal Proceedings
 - Asylum Process
 - Deferred Action for Childhood Arrivals

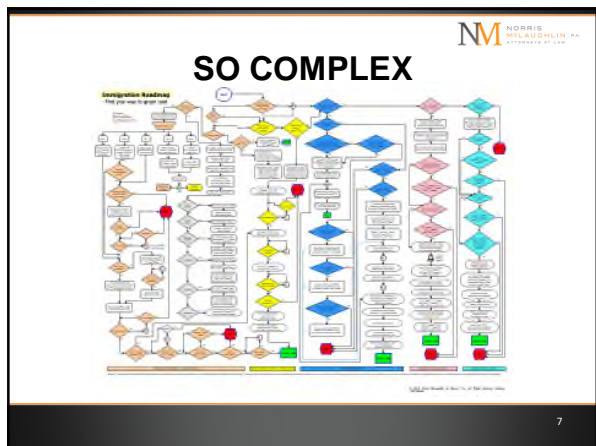
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Immigration Law Purposes

- Purposes of Immigration Law
 - The Statutes, Regulations, and Legal Precedents governing:
 - The Admission of ALIENS into the United States
 - The Deportation of ALIENS from the United States
 - Federal Government EXCLUSIVE Control
 - Does NOT affect Natural Born US Citizens
 - Only Impacts Naturalized Citizens if Naturalized through Fraud
 - Complex

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TRI-STATE IMMIGRANTS

- Foreign Born Population in PA
 - 2016: 950,000 immigrants (foreign-born individuals) in PA
 - 7.0 percent of the PA's population
 - 51.3% increase from 2002 – 2012
 - 2016: 911,353 children with at least one non-US Citizen parent
 - Numbers do NOT include ILL-Documented

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TRI-STATE IMMIGRANTS

- Foreign Born Population in NJ
 - 2016: 2.1 Million immigrants (foreign-born individuals) in NJ
 - 22 percent of the NJ's population
 - 62% increase from 2002 – 2012
 - 2016: 1.5 Million children with at least one non-US Citizen parent
 - Numbers do NOT include ILL-Documented

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TRI-STATE IMMIGRANTS

- Foreign Born Population in NY
 - 2016: 4.7 Million immigrants (foreign-born individuals) in NY
 - 22.9 percent of the NY's population
 - 41% increase from 2002 – 2012
 - 2016: 3.5 Million children with at least one non-US Citizen parent
 - Numbers do NOT include ILL-Documented

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REAL ESTATE IMMIGRATION IMPACT

- Without foreign-population, strong housing markets would not have recovered as quickly following the recession
- Immigrants have strong aspirations for single-family homeownership and will be a key driver for owner-occupied housing for years to come
- High-income, high-skilled immigrants as well as lower-income, lesser-skilled immigrants seeking to own and rent are drawn to suburbs for employment opportunities, lower-cost housing and a higher quality of life
- Immigrants represent a key source of demand for purchase of new housing AND existing homes
- **MEANING:** Demand for homeownership and for single-family housing, as well as the continued growth of both urban and suburban communities throughout the country, will depend on the trajectory of U.S. immigration policy

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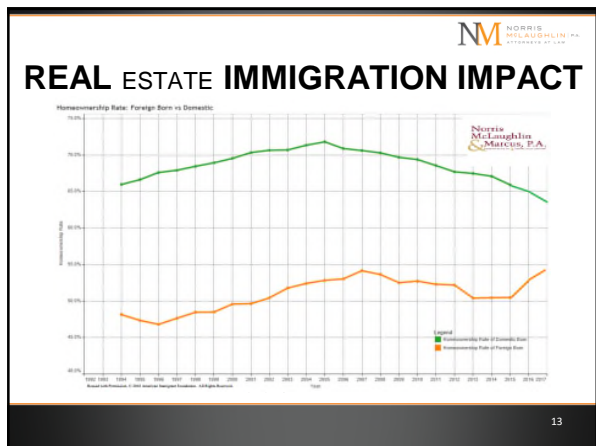
REAL ESTATE IMMIGRATION IMPACT

Northeast

State	Foreign Born (%)	Domestic Born (%)
PA	58	72
NY	40	60
NJ	50	70
VT	65	75
CT	55	70
RI	48	62
MA	50	68
NH	60	75
ME	65	72
ME	52	70

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REAL ESTATE IMMIGRATION

The Intersections

- ### INTERSECTION: PROPERTY OWNERSHIP
- Immigration Status Does NOT Prevent Real Property Ownership in the US
 - Anyone can purchase real property
 - Anyone can sell real property
 - Anyone can invest in real property
 - Anyone can inherit real property
 - Anyone can own/hold real property
 - A Buyer or Seller Need Not Even Be in the US
 - EVER

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INTERSECTION: PROPERTY OWNERSHIP

- Only Feds Regulate Immigration.
 - Not a landlord.
 - Not a realtor.
 - Not a neighbor.
 - Not a seller.
 - Not a developer.
 - ONLY the Federal Government Regulates Immigration.

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INTERSECTION: PROPERTY OWNERSHIP

- Fair Housing Act
 - Unlawful to discriminate on the basis of “national origin” in the:
 - Purchase of housing
 - Sale of housing
 - Lease of housing
 - Rental of housing
 - Sellers/Landlords cannot establish discriminatory terms or conditions, deny housing availability, or advertise availability to a certain nationality/immigrant status


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INTERSECTION: PROPERTY OWNERSHIP

- Fair Housing Act
 - “National Origin”
 - Violations:
 - “What is your immigration status?”
 - “You have to be legal to buy property.”
 - “This is a non-immigrant community.”
 - “I don’t want ICE raiding my house because I am renting to you.”
 - “I only rent to Americans.”
 - “Give me proof of status before you can purchase.”
 - “We need a bigger deposit because...”


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INTERSECTION: PROPERTY OWNERSHIP

- Fair Housing Act
 - More Violations...
 - "The neighbors are white and really don't like..."
 - Showing homes in a specific ethnic community just because of the buyer's national origin
 - Representation of a seller or landlord who has national origin requirements as part of an offering
 - "What language do you speak?" "Oh really...we can't rent to you."
 - "I only rent to Lebanese."
 - "You could be deported anytime. I can only rent if you guarantee a one year lease."


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INTERSECTION: PROPERTY OWNERSHIP

- Equal Credit Opportunity Act
 - Discrimination unlawful with respect to any credit application on the basis of one's **"national origin"**
 - Lenders, Mortgage Brokers, Realtor Referrals cannot make refuse to consider applications or base decisions because of one's nationality
 - BUT...that does not mean that you cannot be denied because of an applicant's immigration status


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INTERSECTION: PROPERTY OWNERSHIP

- Equal Credit Opportunity Act
 - Once application accepted, the failure to provide documentary evidence of lawful status could become a deciding decision factor
 - Often, it IS the deciding factor
 - Status Difference a Deciding Factor?
 - Isn't that discrimination?
 - It depends...


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INTERSECTION: PROPERTY OWNERSHIP

- Equal Credit Opportunity Act
 - Status Difference a Deciding Factor? Yes.
 - Applications must be accepted
 - LPRs MUST be treated as USCs
 - Have Social Security Numbers
 - Often have limited credit histories
 - Limited income documentation and tax records
 - Recent arrivals
 - Family co-signors
 - Higher Rates


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INTERSECTION: PROPERTY OWNERSHIP

- Status Difference a Deciding Factor? Yes.
 - Temporary Lawful Aliens/Foreign Investors
 - Can borrow
 - Depends on Bank: Fannie Mae and Freddy Mac offer mortgage programs
 - Income documentation issues, higher rates and down payments
 - Ill-Documented
 - ITIN instead of SSN
 - ITIN Mortgages
 - Use of False Information

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INTERSECTION: TAX LAW

- EVERYONE must pay taxes
 - Immigration Attorneys
 - Ill-Documented: the ITIN
 - Temporary Aliens and LPRS: SSNs
 - Investors: ITIN
 - Capital Gains/Investment Income
 - Sailing Permit
 - Real Property Deductions

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INTERSECTION: EB-5

- EB-5 Investor Visa Program
 - Foreign investment = The GREEN Card
 - Direct Investments
 - Regional Center Investments
 - Minimum Investments:
 - TEA: \$500,000
 - Non-TEA: \$1,000,000
 - LPR in a Year...Citizenship in 5-Years...

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INTERSECTION: EB-5 - DIRECT

EB-5 Investor Timeline Estimate

ACTIONS	STAGE	CONSIDERATIONS	DURATION
make investment	(A) Planning, paperwork, investment	Must commit investment and meet other requirements before filing I-526	
File I-526, include proforma data	(B) Wait for USCIS to process I-526 petition	Can't make material changes to the petition or depart materially from the business plan during this period	= 18 months average now (- 6 months ideally)
Investor with approved I-526 applies for visa	(C) Wait for visa interview or I-485 status adjustment (may include waiting for visa number)		from = 4 months (eg. I-485 time) to 2+ years (if waiting for a visa number)
Investor departs	(D) Two-year conditional permanent residence period	Investment must be sustained and at risk, job creation must occur, material change may be ok	24 months exactly (file I-829 after Month 23)
File I-829 to remove conditions	(E) Wait for USCIS to process I-829 petition		= 18 months average now (supposed to be 90 days)
Investor with approved I-829 petition returns green card	(F) Permanent residence	No longer subject to EB-5 program requirements	

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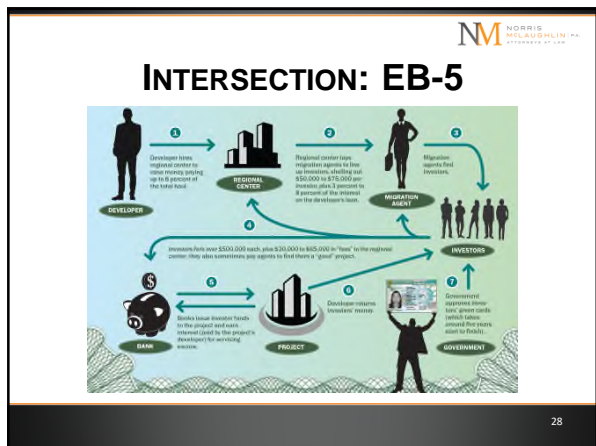
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INTERSECTION: EB-5

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      Investors[INVESTORS] -- Equity --> RCC[Regional Center Company]
      RCC -- Interest Payments --> Investors
      RCC -- Loan --> EB5[EB-5 Project]
      EB5 -- Interest Payments --> RCC
      RCC -- Interest Payments --> RC[Regional Center]
  
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Q&A

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