

U.S. Rep. Sensenbrenner: Remarks on Reforming the Investor Visa Program

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WASHINGTON, D.C. – Today, Congressman Jim Sensenbrenner delivered the following remarks during the House Judiciary Committee’s hearing on the Department of Homeland Security’s Proposed Regulations Reforming the Investor Visa Program:

Watch Congressman Sensenbrenner’s remarks [here](#).

See full transcript below:

For anyone looking for Cliff’s Notes on today’s hearing, I can summarize it at the outset into two major points that you’ll hear over and over again: First, the EB-5 investor visa program brings sustained foreign investment and quality jobs to the United States; and second, the program is out of date and has been subject to waste, fraud, and abuse.

Any time you have a valuable government program that isn’t working as well as it should, it’s time for reform. The days of last minute extensions in continuing resolutions are over. It’s time for all parties to come to the table so Congress can do the often dirty job of legislating.

The immigrant investor program has made great contributions to our economy. We should not look at its problems today and dismiss it as a failure. Its value was recognized as far back as 1981 by the Select Commission on Immigration and Refugee Policy. The Commission concluded that “admitting investors to the United States is in the national interest” and recommended the creation of “a small, numerically limited” visa program for immigrants who could contribute “a

substantial amount of investment.”

Congress listened and created the EB-5 investor program. Customs and Immigration Services has reported that, from its inception in 1990 until 2014, the EB-5 program has created at least 73,730 jobs and generated more than \$11.2 billion in investment. We want that capital and we need those jobs.

But even if I don't like to admit it, the world has changed since we created the program in 1990. The price of a stamp has doubled. So has the price of milk. The number of millionaires in America has more than tripled. And yet, the minimum investment amounts in the EB-5 program have not increased by even a nickel.

Other nations with investor visa programs require much higher investments. Australia's investor visa program requires up to 11 million U.S. dollars. Canada's program requires at least one and a half million U.S. dollars in addition to a required personal net worth of over seven million or more U.S. dollars. The United Kingdom's investor visa program requires at least two and a half million U.S. dollars and millions more for expedited citizenship.

There are, of course, some countries that offer cut-rate prices for investment visas, but I for one believe the value of U.S. citizenship is higher than any other country in the world, and I think the cost for becoming a U.S. citizen should be fairly valued at over \$500,000.

Demand supports my Patriotism because we currently have a seven to eight year backlog for the roughly 10,000 investor green cards available each year. I am not an economist, but when demand is that high, it means the price is too low. An increase in the investment amounts will cause considerably more capital to flow into the U.S.

Making matters worse, not only are the required investment levels 25 years out-of-date, but the system has been abused to require less capital than Congress intended. Congress intended the minimum investment for an EB-5 visa to be a million dollars. We then specifically sought to incentivize investments in rural and depressed areas by carving out an exception. In so-called “targeted employment areas,” Congress lowered the minimum investment amount to \$500,000.

Those incentives completely failed, however. The targeted boundaries were gerrymandered, and the million dollar investment level was almost completely ignored. The exception swallowed the rule, and all EB-5 visas are at the \$500,000

level, even though the majority of capital flows to affluent areas. Last year, the Department of Homeland Security attempted to address these and other concerns through its rulemaking process. I agree with the intent of DHS's proposed regulations, but Congress, not the Administration, is situated to weigh the policy considerations necessary to properly reform the investor visa program.

I thank the Chairman for holding this hearing. And I thank Senators Leahy and Grassley for crossing over to the wrong side of the tracks to testify here today. The four of us, along with Ranking Member Conyers, and many of the other members of this Committee, have worked to solve a lot of intractable problems over the years, and I look forward to working with you all to reform the EB-5 visa program.