IIUSA
Regional Center BUSINESS JOURNAL
FALL 2026
Volume 15 | Issue #2

IIUSA: CHARTING THE FUTURE OF EB-5



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Message from THE CHAIR

Dear Readers,

Few seasons in recent memory have asked as much of the EB-5 community as this one. In the span of a few months, our industry absorbed a sweeping proposed rule, a final fee rule, the September 30 grandfathering deadline, and a renewed push on Capitol Hill to secure the program's long-term future. Through all of it, IIUSA's members did what they do best: They showed up, did the work, and made the case for a program that builds American projects and creates American jobs.

The State of EB-5
EB-5 demand remains strong, though USCIS data shows slowing adjudications, rising denials, and growing petition backlogs. With the September 2026 grandfathering deadline behind us, the industry shifts its focus to adapting to a new a new investment amount coming in January 2027. Meanwhile, the October Visa Bulletin brought welcome progress for investors, and an inflation-based increase in minimum investment amounts approaches in January 2027.
Long-term program stability remains IIUSA's top priority. Following nearly 50 congressional meetings in September, our advocacy efforts continue to focus on securing reauthorization through 2032, ensuring EB-5 remains a reliable tool for investment and economic development.

Advocacy at Work: IIUSA and the Rulemaking Agenda
The July 2, 2026 Notice of Proposed Rulemaking. DHS published its long-awaited proposed rule implementing the EB-5 Reform and Integrity Act. IIUSA answered with more than 150 pages of formal comments, filed before the August 31 deadline. The submission was built by member working groups and supported by member-supplied data. I was proud to be a team leader of one of the working groups and you can read more about this effort within these pages.

I want to thank every member who contributed. It was, as our staff aptly called it, a Herculean group effort.

The EB-5 fee rule. Since DHS proposed steep fee increases in October 2025, IIUSA pressed the agency to reconsider. The final rule, issued in late September, reflects that engagement. The I-526 filing fee was set at $7,615, down from the $9,625 originally proposed, with regional center investors paying $7,850. Fees still rise, and the new schedule takes effect November 30, 2026, but the reduction is a real win for investors and for the program.

USCIS Policy Memorandum PM-602-0199. Following the May 21, 2026 policy memorandum, IIUSA issued a statement raising concerns about its consistency with the statutory framework Congress enacted. Of particular concern are the adjustment-of-status provisions in INA §§ 245(n) and 245(k), on which many EB-5 petitioners rely. IIUSA continues to engage policymakers on this issue.

In This Issue
This edition explores some of the most pressing issues facing the EB-5 industry, from proposed regulatory changes to evolving legal and financial considerations. Contributors examine key themes emerging from public comments on the NPRM, including areas of industry consensus and disagreement. Other articles explore the anticipated 2027 investment amount adjustment, the often-overlooked tax implications of phantom income for EB-5 investors, and the potential securities law liabilities regional centers face despite compliance with USCIS requirements. Together, these articles offer timely analysis and practical insights into the regulatory, financial, and legal challenges shaping the industry's future.

I am grateful to each of our authors for sharing their expertise, and to the members of the editorial committee for the care they bring to every issue.

The months ahead will bring a final rule, a reauthorization debate, and continued pressure on adjudications. IIUSA will be at the table for each of them. I encourage every reader to join that work, whether through a working group, a visit to Capitol Hill, or an article for these pages.

Thank you for reading, and for your commitment to a strong, well-regulated EB-5 program.

Sincerely,

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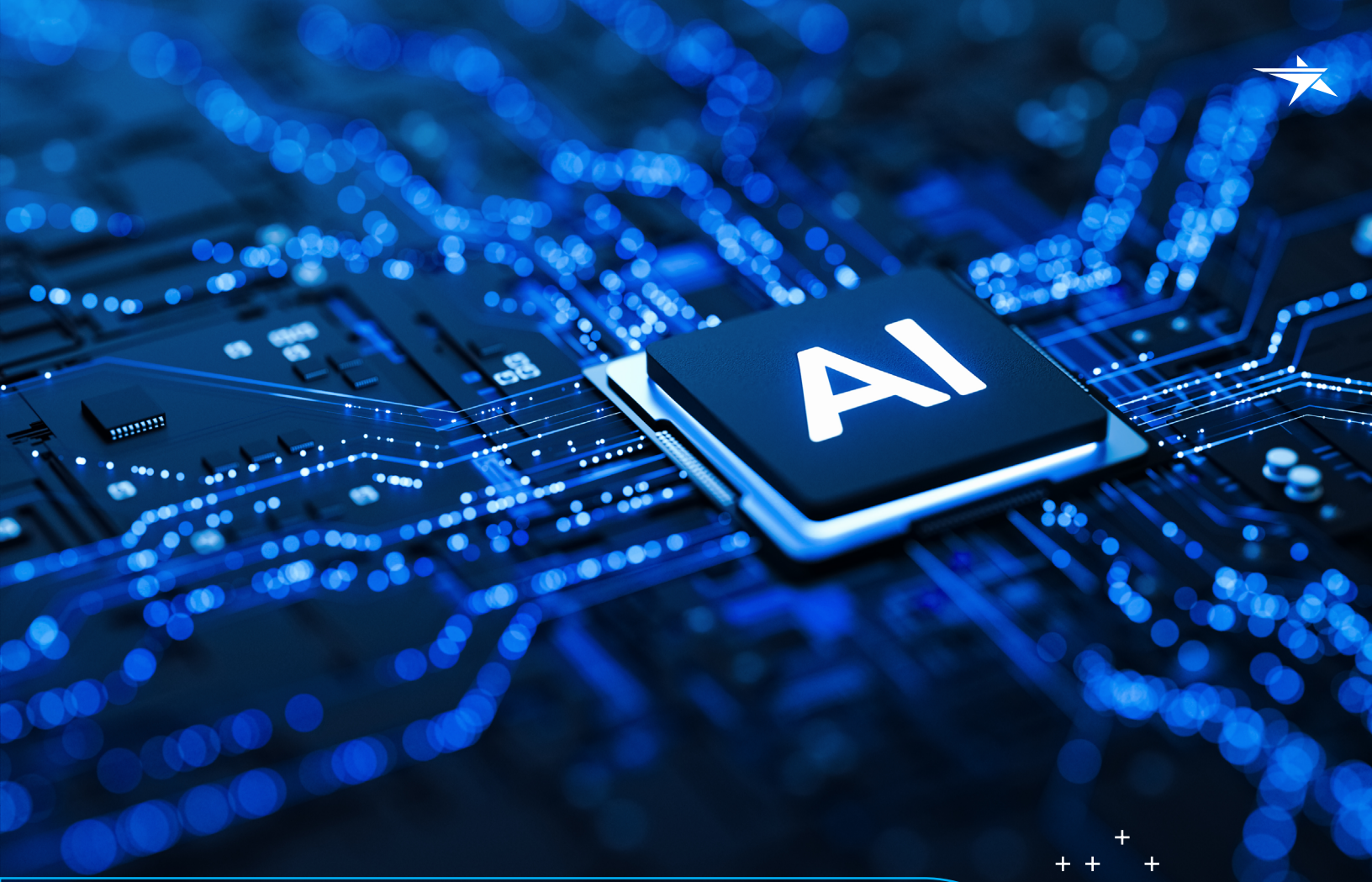

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ARTIFICIAL INTELLIGENCE AND THE EB-5 ECOSYSTEM

Adaptation, Responsibility, and the Future of Professional Value



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Artificial intelligence (AI) is everywhere right now, and the conversation around it tends toward extremes. Ask one person, and they will tell you it is the most transformative technology since the arrival of the internet. Ask another, and it is an existential threat that will hollow out entire professions. In EB-5, the question lands close to home. Immigration attorneys, broker-dealers, regional centers, fund administrators, escrow agents, migration agents, consultants, investors, practically everyone is wondering some version of the same thing: Is AI coming for my job?

I do not think so. But I also do not think the question is quite right.

During my decades on Wall Street and now in the EB-5 industry, I have witnessed several waves of technological innovation. We all anticipated that each wave would significantly transform how professionals perform their work. While each brought disruption, none eliminated the need for expertise. Instead, they changed the definition of expertise and where professionals created value.

The more interesting question is what we choose to do next. Every major technological shift in modern history has changed where professional value comes from, not whether it exists. The people who adapted became more productive. The ones who dug in and waited it out generally fell behind. There is no reason AI will be any different.

AI will automate many repetitive tasks that currently fill professional hours. That is not a threat, but an opportunity: increased capacity and bandwidth. Freed from lower-value tasks, professionals can spend more time on the things that actually matter: judgment, relationships, strategic thinking, and accountability. AI will not make expertise obsolete. It will make it easier to distinguish genuine expertise from the mere possession of information. It will also raise the bar for everyone.

That distinction is especially important in EB-5. The program touches immigration law, securities regulations, project finance, compliance, due diligence, investor relations, and ongoing reporting. No technology can fully replicate that level of complexity.

WE HAVE BEEN HERE BEFORE

The fear of technology disrupting everything is not new. When the internet went mainstream, the predictions were bleak. Retail would collapse. Traditional business models would disappear. Unemployment would surge. That is not what happened. New industries emerged. Small businesses found customers they never could have reached before. Entrepreneurship expanded rather than contracted.

Video conferencing tells a similar story. Before it became routine, companies spent enormous amounts on travel to have face-to-face meetings. Reducing that need did not diminish business activity. It made business activity more efficient. Geography stopped being a limiting factor. People gained access to opportunities that once depended heavily on location or substantial financial resources.

AI is the next step in that evolution. Like the internet, it puts capabilities in the hands of people who previously lacked access to them. Like virtual communication, it reduces time spent on routine tasks, allowing professionals to focus on work that creates greater value.

The calculator is worth considering here as well. When it arrived, there was genuine concern that people would lose the ability to perform arithmetic. Instead, it eliminated the drudgery of manual calculation and allowed engineers, scientists, and financial professionals to devote their energy to more complex problems. Education gradually shifted away from memorizing formulas toward understanding them well enough to apply them in new ways.

AI is likely to push us in the same direction. The professionals who thrive will be those who understand how to use these tools effectively, not simply those who have access to the information these tools provide.

Information is getting cheap. The ability to do something useful with it is not.

AI may narrow the gap between access to information and access to expertise. It does not eliminate the distinction between information and wisdom.

TECHNOLOGY AS A TOOL: THE RESPONSIBILITY OF CHOICE

Whenever I think about how to frame AI for clients or colleagues, I keep coming back to two analogies that I find genuinely useful.

The first is rain. Technological progress is going to continue whether any of us likes it or not. We have about as much influence over that as we do over the weather. Rain itself can be beneficial. In measured quantities, it sustains crops, fills reservoirs, and supports ecosystems. Communities build infrastructure specifically to capture and benefit from it.

But unmanaged water is also destructive. Floods wipe out communities. Hurricanes and tsunamis devastate lives and infrastructure. The water itself is not the variable. Preparation and management are.

That is where we stand with AI. We are not going to stop it. Our responsibility is to prepare thoughtfully, establish appropriate safeguards, and figure out how to use it well.

The second analogy is medicine or exercise. This one is different because it involves genuine choice. Properly prescribed medicine can heal. Exercise, done appropriately, strengthens us. Used recklessly, either can cause harm. The difference lies in the judgment behind its use.

Professionals retain meaningful control over how they bring AI into their practices. We decide which tools to adopt, where human oversight remains non-negotiable, and which applications carry risks that are not yet worth taking.

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The challenge in EB-5 is therefore twofold: adapting to technological changes already underway, while making deliberate and sound decisions about how these tools become integrated into work that affects people's money, immigration status, and futures.

GOVERNANCE, ACCOUNTABILITY, AND RESPONSIBLE ADOPTION

The debate about whether to use AI in EB-5 professional practice is largely over. Almost everyone is using AI. The better question is how, not whether.

Every firm should be asking several practical questions. What information can appropriately enter AI systems, and what absolutely cannot? What should a proper review process look like for work product assisted by AI? What cybersecurity protections should we implement? Where should human review and approval remain mandatory, regardless of what the technology suggests?

These are not abstract questions in EB-5. The fund source documentation contains some of the most sensitive financial information imaginable, including tax returns, business records, and asset histories. Offering materials carry securities law implications. Regional centers and service providers maintain extensive investor data.

Improper use of AI involving confidential information is not a hypothetical risk.

There is also something worth noting about how mistakes are perceived when AI is involved. Society often appears more forgiving of human error than of errors associated with AI-assisted processes. Whether that is fair is debatable. However, it reinforces an important principle. AI may support professional judgment, but it cannot replace it. Responsibility ultimately remains with the professional using the tool.

In practical terms, immigration attorneys remain responsible for the quality of their filings. Broker-dealers remain accountable for their due diligence and regulatory obligations. Regional centers remain responsible for compliance and investor communications. Fund administrators own the disbursement authorizations they issue. Escrow agents remain responsible for safeguarding investor funds and releasing them only with proper authorization.

Source of funds review and investor due diligence, among the most sensitive and consequential work in EB-5, represent areas where the risks of AI over-reliance are especially high and where human judgment must remain firmly in the lead.

AI can make these professionals more efficient.

It cannot relieve them of responsibility.

As information becomes more widely accessible, the judgment required to interpret that information correctly becomes more valuable, not less.

HOW AI WILL CHANGE EB-5 ROLES

Immigration attorneys get some of the most obvious immediate benefits. AI reduces the administrative burden by organizing documentation, translating records, identifying missing information, and preparing initial drafts. The substantive work, however, remains demanding. Knowing which facts matter to an adjudicator, framing a complicated source of funds narrative persuasively, and identifying issues likely to trigger an RFE before they arise still require a seasoned eye. Those are precisely the aspects of the process that cannot simply be prompted away.

The result will not be fewer immigration attorneys.

It will be more efficient ones.

Broker-dealers are likely to find that investors arrive at conversations better prepared than they did in the past. In my experience, this is a positive development. Better-informed investors ask better questions and often make better decisions.

That said, information is not advice.

The experienced advisor remains the person who identifies risks buried deep within an offering memorandum, challenges assumptions that might otherwise go unquestioned, and recognizes structural concerns that become apparent only through experience. The value proposition shifts, but it does not disappear.

Regional centers, fund administrators, and escrow agents operate in a regulatory environment that continues to grow more complex. AI tools that improve disclosure processes, identify reporting anomalies earlier, and streamline investor communications can provide substantial benefits.

The same principle applies here as elsewhere in the industry: AI may assist the process, but the professional remains accountable for the final work product.

Investors benefit from all of this as well. Better tools, more accessible information, and more sophisticated questions contribute to a healthier ecosystem. However, being informed about EB-5 is not the same as understanding it. Immigration law, securities considerations, job creation methodologies, and compliance obligations take years to master.

Using AI to bypass experienced guidance in a program as complex as EB-5 is a risk that is not worth taking.

WHAT THIS MEANS FOR THE INDUSTRY

The honest bottom line is that AI will make it harder to be mediocre.

Routine work becomes automated. Basic information becomes increasingly accessible. If a professional's value depended primarily on possessing information that clients could not easily obtain elsewhere, that value proposition would weaken.

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What remains, and arguably becomes more valuable, is judgment, experience, accountability, and the willingness to provide advice that clients may not always want to hear.

Clients and investors will expect more: faster responses, sharper analysis, and clearer communication. Professionals who use these tools thoughtfully will deliver those outcomes. Those who ignore them may find it increasingly difficult to keep pace.

In my own practice, I initially approached AI cautiously. Like many professionals, I was concerned that clients and colleagues might judge mistakes made with AI assistance more harshly than ordinary human errors. Over time, however, I found that these tools significantly improved efficiency. Tasks that once consumed hours can often be completed in a fraction of the time, allowing more attention to be devoted to analysis, judgment, and client service.

What has not changed, and has arguably become even more important, is the human judgment that sits behind all of it.

The goal is not to adopt every tool that becomes available, nor is it to delegate important decisions to a machine. It is to integrate AI responsibly, protect confidential information, maintain meaningful human oversight, and uphold the standards that make the EB-5 industry function.

CONCLUSION

EB-5 investors are not going to stop needing guidance. The program is too complex, the stakes are too high, and the combination of immigration and investment risk is too specialized for individuals to navigate successfully on their own, regardless of the tools available to them.

Experienced professionals are not going anywhere. The investor is not going anywhere either.

What will change is how professionals deliver value and what clients expect in return.

The advantage goes to professionals who understand what AI can do, what it cannot, and who use it in the service of their clients rather than in place of their own judgment.

For those committed to excellence, this should not appear as a threat but rather as an opportunity.

AI will not replace experienced professionals in EB-5.

It will make clear which ones deserve the title.

