

EB 5 Regional Center Loses Status: Investor Guide

A comprehensive guide from EB5 Attorneys

Regional centers are the backbone of the EB 5 program, sponsoring the majority of EB 5 investment projects. But regional center designation is not permanent. USCIS can and does terminate regional centers that fail to meet compliance requirements established under the EB 5 Reform and Integrity Act of 2022 (RIA). When a regional center loses its designation, every investor with a pending or approved petition tied to that center faces immediate uncertainty. This guide explains what causes termination, how it affects investors, and what options exist to protect your case.

Contents

1. What Causes a Regional Center to Lose Its Designation
 2. How Termination Affects Investors with Pending I 526E Petitions
 3. Impact on Investors Who Already Have Conditional Green Cards
 4. The 180 Day Grace Period Under INA § 203(b)(5)(M)
 5. Transferring Your Investment to Another Regional Center
 6. Converting to a Direct EB 5 Investment
 7. Investor Protections Under the EB 5 Reform and Integrity Act
 8. Practical Steps to Protect Your Petition
 9. Frequently Asked Questions
-

What Causes a Regional Center to Lose Its Designation

USCIS may terminate a regional center's designation for several reasons under INA § 203(b)(5)(E), as amended by the RIA. The most common causes include failure to file the required annual statements (Form I 956G), failure to pay the annual compliance fee, material misrepresentation in filings, failure to maintain proper oversight of the new commercial enterprise (NCE) and job creating entity (JCE), and failure to comply with fund administration requirements under INA § 203(b)(5)(H). The RIA introduced a formal compliance framework that did not exist before March 2022. Regional centers must now submit annual certifications, maintain audited financial statements, comply with securities laws, and cooperate with USCIS compliance reviews. USCIS conducts site visits and audits funded by the Integrity Fund (discussed in a separate guide). A regional center that fails to respond to compliance inquiries, submits inaccurate information, or is found to have engaged in fraud or material misrepresentation faces termination proceedings. Before the RIA, USCIS terminated regional centers primarily for failure to submit the required annual certifications under the prior Form I 924A. Under the current framework, the grounds for termination are broader and enforcement has increased. USCIS publishes a list of terminated regional centers on its website, and investors should periodically verify their regional center's status.

How Termination Affects Investors with Pending I 526E Petitions

If your I 526E petition is pending and the regional center sponsoring your project is terminated, the impact depends on the timing and the specific grounds for termination. Under the RIA, INA § 203(b)(5)(M) provides a grace period for affected investors. If the regional center is terminated after your I 526E was filed, you are not automatically denied. Instead, you have a defined window to take corrective action. The RIA specifies that investors have 180 days from the date of regional center termination to take one of the following steps: transfer your investment to another approved regional center project, convert your petition to a direct EB 5 investment (if you can demonstrate that your investment independently meets the statutory requirements), or request a refund of your investment from the NCE. During this 180 day period, USCIS will hold your I 526E petition in abeyance rather than denying it. This protection was a significant improvement over pre RIA practice, when regional center termination could result in immediate denial of all associated petitions. However, the 180 day clock is firm. If you do not take corrective action within that period, USCIS will deny your petition. Your attorney must act immediately when a regional center termination is announced to evaluate your options and execute a strategy within the statutory timeframe.

Impact on Investors Who Already Have Conditional Green Cards

Investors who have already received conditional permanent residence based on an EB 5 regional center investment face a different set of concerns when the regional center is terminated. These investors still need to file Form I 829 to remove conditions on their green card, typically within the 90 day window before the second anniversary of receiving conditional status. The I 829 petition requires demonstrating that the investment was sustained, that the requisite jobs were created (or will be created within a reasonable time), and that the investor maintained their investment throughout the conditional period. If the regional center has been terminated, gathering the evidence needed for the I 829 can become difficult. The regional center may no longer be operational, project financial records may be harder to obtain, and the job creating entity may have ceased operations. Your attorney should proactively collect and preserve all documentation related to your investment, job creation, and the project's status before or immediately after termination occurs. USCIS has acknowledged in policy guidance that investors should not be penalized for circumstances beyond their control, but the burden of proof remains on the investor to demonstrate compliance with I 829 requirements regardless of the regional center's status.

The 180 Day Grace Period Under INA § 203(b)(5)(M)

The grace period provision is one of the most important investor protections introduced by the RIA. Under INA § 203(b)(5)(M), when a regional center is terminated, affected investors receive 180 days to take corrective action. During this period, USCIS will not deny the investor's petition solely because of the termination. The 180 day period begins on the date USCIS issues the final termination notice. If the regional center appeals the termination, the effective date may be delayed, but investors should not assume an appeal will succeed. Plan as if the termination will stand and use the 180 days to secure an alternative. The statute identifies three options during the grace period. First, the investor can transfer their investment to a project associated with a different, approved regional center. This requires identifying a willing regional center, negotiating the transfer, and filing an amended or new petition. Second, the investor can convert to a direct EB 5 investment, which requires demonstrating that the investment independently meets the requirements of INA § 203(b)(5) without relying on the regional center methodology for job creation. Third, the investor can seek a return of their capital, although this option forfeits the immigration benefit. Each option has its own practical challenges, and your attorney must evaluate which is most viable given your specific investment, project status, and immigration timeline.

Transferring Your Investment to Another Regional Center

Transferring to a new regional center project is often the preferred option because it allows you to remain within the regional center program and potentially preserve your priority date. However, the transfer process is neither automatic nor simple. You must identify a regional center that is willing to accept your investment, and the new project must be approved by USCIS with an approved Form I 956F (Application for Approval of an EB 5 Investment in a Commercial Enterprise). The new project must also be located within the geographic scope of the new regional center's designation. The financial mechanics of the transfer can be complicated. Your original investment may be tied up in a project that is winding down, restructuring, or in dispute. Extracting your capital from the original NCE and reinvesting it in a new project within 180 days requires cooperation from the original fund administrator, the new regional center, and potentially multiple legal and financial advisors. Your attorney's role in a transfer scenario includes identifying potential receiving regional centers, conducting due diligence on the new project, negotiating transfer terms, and preparing the amended I 526E petition or new filing. If your attorney does not have relationships with other regional centers or experience with transfer situations, consider consulting additional counsel who specializes in EB 5 project transactions.

Converting to a Direct EB 5 Investment

Converting from a regional center investment to a direct EB 5 investment is theoretically possible but practically difficult in most cases. The fundamental difference between regional center and direct EB 5 is how job creation is measured. Regional center projects count indirect and induced jobs (calculated through economic modeling), while direct investments must demonstrate the creation of 10 full time positions for qualifying employees, documented through payroll records, tax filings, and other direct evidence. If your original regional center investment was in a large scale construction project or fund, converting that same investment to meet direct job creation requirements is unlikely to work. The investment structure, the job creating entity, and the business plan were all designed around the regional center methodology. A true conversion to direct EB 5 typically means withdrawing from the original project and making an entirely new investment in a business you own or manage directly. This new investment must meet the minimum investment threshold (\$1,050,000, or \$800,000 in a Targeted Employment Area as of April 2026), and you must demonstrate 10 direct full time jobs within approximately two years. Given these requirements, converting to direct EB 5 is most viable for investors who already operate or plan to operate a U.S. business and can redirect their capital accordingly.

Investor Protections Under the EB 5 Reform and Integrity Act

Beyond the 180 day grace period, the RIA introduced several other protections relevant to regional center termination. The Integrity Fund, financed by investor and regional center fees, pays for USCIS compliance and enforcement activities designed to prevent fraud before it harms investors. Regional centers must now undergo annual audits and certifications, and USCIS has the authority to conduct unannounced site visits. The RIA also requires regional centers to use independent fund administrators to manage investor capital, reducing the risk that funds are diverted or misused. Securities law compliance is now explicitly part of the regional center regulatory framework under INA § 203(b)(5)(H)(i). These requirements do not eliminate risk, but they create a regulatory infrastructure that makes early detection of problems more likely. For investors evaluating regional center projects before investing, the RIA compliance framework provides additional data points for due diligence. A regional center that is current on its annual certifications, has clean audit reports, and cooperates with USCIS compliance reviews is a lower risk partner than one with outstanding compliance issues. Your attorney should verify the regional center's compliance status as part of the pre investment due diligence process.

Practical Steps to Protect Your Petition

Protecting your EB 5 petition from regional center termination risk starts before you invest and continues throughout the petition process. Before investing, conduct thorough due diligence on the regional center's compliance history, financial health, and track record. Ask your attorney to verify that the regional center's designation is current and that all annual certifications and fees are up to date. After investing, stay informed about your regional center's status. USCIS publishes termination notices, and your attorney should monitor these. Maintain copies of all investment documents, subscription agreements, operating agreements, and financial statements related to your project. If the regional center is terminated, having these documents readily available accelerates your ability to respond within the 180 day window. If you learn that your regional center is under investigation or facing compliance issues, consult your attorney immediately. Do not wait for formal termination. Early awareness gives you more time to evaluate alternatives and potentially negotiate a voluntary transfer before the situation becomes urgent. Your attorney should have a contingency plan for regional center failure as part of your overall immigration strategy, especially if your investment timeline extends several years and the risk of regulatory changes or enforcement actions is nonzero.

Frequently Asked Questions

1. How do I find out if my regional center has been terminated?

USCIS maintains a list of approved and terminated regional centers on its website at uscis.gov. Your attorney should monitor this list and notify you of any changes affecting your regional center. You can also check the list yourself by searching for your regional center's name. Additionally, the regional center itself is required to notify investors of material changes to its status, though you should not rely solely on the regional center for this information.

2. Can I get my investment money back if the regional center is terminated?

The RIA provides that investors may seek a return of their capital during the 180 day grace period following termination. However, the ability to recover your funds depends on the financial condition of the new commercial enterprise and the terms of your subscription agreement. If the project has already deployed your capital into construction or operations, a full and immediate refund may not be available. Your attorney and a securities lawyer should review your specific agreements and the project's financial status to advise you on recovery options.

3. Does regional center termination automatically cancel my green card?

No. If you have already received unconditional permanent residence (your I 829 has been approved and conditions removed), regional center termination does not affect your green card status. If you hold a conditional green card and still need to file or complete the I 829 process, the termination complicates your case but does not automatically revoke your status. You will need to demonstrate job creation and sustained investment through the I 829 process with whatever evidence is available.

4. What happens to my priority date if I transfer to a new regional center project?

Under the RIA's grace period provisions, investors who transfer to a new project within 180 days of termination may retain their original priority date. The specific mechanics depend on whether you file an amended petition or a new petition. Your attorney should structure the transfer to preserve your priority date, which is especially important for investors from countries with long visa backlogs such as China, India, and Vietnam.

5. Can a terminated regional center be reinstated?

Potentially, but it is uncommon. A regional center can appeal its termination through administrative proceedings with USCIS and, ultimately, through federal court. If the termination is reversed, investors associated with that regional center may benefit from the reinstatement. However, the appeal process can take months or years, and investors should not rely on reinstatement as their primary strategy. Use the 180 day grace period to secure an alternative path.

6. Is it possible to switch from a regional center investment to a direct EB 5 investment after termination?

Yes, the RIA explicitly provides this as one of the three options during the 180 day grace period. However, a direct EB 5 investment requires demonstrating the creation of 10 full time direct jobs, which is a different standard than the indirect and induced job counting used in regional center projects. This conversion is most practical for investors who plan to operate their own U.S. business. Consult your attorney about whether your specific circumstances make this option viable.

Disclaimer: This guide is provided for general informational purposes only and does not constitute legal advice. Every immigration case is unique. Consult a qualified immigration attorney for advice specific to your circumstances.

© 2026 EB5 Attorneys. All rights reserved.

Source: <https://eb5attorneys.com/guides/eb5-regional-center-designation-loss>