EB-5 Financing Lawyer: What JMBM does to help developers with EB-5 financing

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What JMBM does for developers with EB-5 financing

by
Jim Butler, Hotel & EB-5 Finance Lawyer

Focus on helping developers

Client confidentiality precludes us from listing clients and projects we have assisted with this program, but suffice it to say that some of the best known names in the business are tapping into this funding source to fill out their capital stack at a favorable cost. And we have helped some of the biggest and highest profile players.

JMBM has closed more than $1.5 billion of EB-5 financing and has sourced more than half of that for our development clients.

We specialize in representing developers and projects that we believe can qualify for “preferred” status. This concept is discussed in great detail in this article: “Development financing: How to win the race for EB-5 capital.”

For developers and projects that qualify for “preferred” status, we provide business and legal advice to guide the developer through the entire capital raising process. This includes validating that the developer can qualify for the favorable financing and actually sourcing the capital.

Here is a more complete list of how we can usually assist:

- Source EB-5 financing
- Evaluate EB-5 threshold feasibility
- Optimize developer profile and project structure
- Assemble the right “EB-5 team” with best players
- Help size and structure the capital stack
- Negotiate optimal deal terms with current input on what is “market”
- Negotiate and finalize funding documents with the capital source
- Validate EB-5 funding strategy
- Oversee issues in the capital raising process
- Close the financing

As the developer’s counselor, we negotiate a fairly complex loan or preferred equity transaction in a regulatory environment that requires compliance with USCIS, SEC, & FINRA. This process also necessitates identifying, selecting,
negotiating and coordinating with an immigration law firm, an economist, various hotel consultants and one or more regional centers to get your loan properly sized and documented.

**From TEA designation through loan closing**

As part of the financing process, for each EB-5 financing project, we work with each client and appropriate members of the EB-5 team to do the following:

- Obtain a TEA designation and letter of authorization
- Manage “new job count” issues for direct, indirect, and induced jobs to ensure compliance with EB-5 requirements of the USCIS to support the size of your EB-5 financing
- Assist in developing the proper business plan for your project
- Verify calculations from the economist and regional center and strategize best way to maximize loan size and terms for the developer
- Drive loan size to maximize the financing opportunity for the developer and optimize the capital stack
- Negotiate loan commitment and loan documents that reflect proper collateral, have appropriate escrow release provisions and security so terms will be acceptable to both the developer and to traditional construction lenders who may be in a senior lien position
- Negotiate and finalize inter-creditor agreements, escrow agreements, completion guarantees, various security agreements (depending upon collateral provided by the developer), and other related financing documents

If you are an experienced developer with a great track record and project, we may be able to help you access “preferred” status on EB-5 financing. If you would like to explore this EB-5 financing opportunity now, please contact us as indicated below.

**How to get help evaluating and executing on EB-5 financing.**

We have a lot of practical experience in helping our developer clients raise EB-5 funding. If you would like some help to evaluate whether EB-5 could work for you, or what strategy is best for you, then give us a call. There is no cost for an initial discussion.

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For more information about EB-5 financing, including the latest updates, go to www.HotelLawBlog.com, scroll down the right-hand side under LEARN MORE ABOUT and click on "EB-5 Financing" where you will find all the articles on the subject.

For your convenience, here are a few popular EB-5 articles that may be of interest:

- President’s Trump’s budget deal includes extension of EB-5 through 12-8-17
The Hotel Developer’s EB-5 Handbook

FAQs: Essentials of EB-5 construction financing for developers

EB-5 construction financing term sheet for top developers

More than $1.5 billion of EB-5 construction financing closed for JMBM clients

Are hotels still the darling of EB-5 financing?

The 5 questions every developer is asking about EB-5 financing

Tips to avoid the 6 most common mistakes developers make with EB-5

Why you do NOT want to form your own regional center

What does JMBM do to help with EB-5 construction financing?

This is Jim Butler, author of www.HotelLawBlog.com and hotel lawyer, signing off. Please contact us if you would like to discuss any issues that affect your hotel interests or see how our experience might help you create value and avoid unnecessary pitfalls. Who’s your hotel lawyer?

Jim Butler is a founder of the JMBM law firm and chairman of its Real Estate Department. He founded and chairs the Firm’s Global Hospitality Group® and its EB-5 Finance Group which provide business and legal advice to owners, developers and investors of commercial real estate, particularly hotels, resorts, restaurants, spas and senior living. This advice covers purchase, sale, development, financing, franchise, management, labor & employment, litigation, ADA, IP, and EB-5 matters for such properties.

Jim is recognized as one of the top hotel lawyers in the world and has led the Global Hospitality Group® in more than $87 billion of hotel transactions and more than 3,900 hotel properties located around the globe. They have helped clients with more than 1,000 hotel management agreements, 1,000 hotel franchise agreements and more than 100 hotel mixed-use projects.

JMBM’s EB-5 Finance Group has advised on more than 100 EB-5 projects, closed more than $1.5 billion of EB-5
financing, and sourced more than half of that for our clients. EB-5 Investors Magazine named Jim one of the top 25 EB-5 lawyers in the United States, and Jim serves on the Public Policy Committee of the IIUSA, the EB-5 industry’s trade group for regional centers.

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David Sudeck is a partner at JMBM, and a senior member of its Global Hospitality Group® and real estate department with extensive experience handling all types of commercial residential properties, including the complex issues associated with hotels, resorts, vacation ownership properties, restaurants, golf courses and spas. David represents clients in the purchase and sale, development, construction, financing (with extensive experience in EB-5 financing), leasing, and sale-leaseback of properties, and advises them on their operations, including management and ADA compliance issues.

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Hotels we have worked on over the years. Visit our hotel photo gallery to see some of the more than 3,900 properties around the globe that the hotel lawyers of the Global Hospitality Group® have been involved with, on behalf of our clients. For a more comprehensive list of hotels properties and projects we have worked on, see our Credentials.