



BANK

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January 12, 2020

Board of Governors  
Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

**RE: Advance Notice of Proposed Rulemaking – modernizing the regulatory and supervisory framework for the Community Reinvestment Act (CRA) [Docket No. R-1723 and RIN 7100-AF94]**

To Whom It May Concern,

This comment letter is submitted by Axos Bank in response to the advance notice of proposed rulemaking, modernizing the regulatory and supervisory framework for the CRA (the “ANPR”) issued by the Federal Reserve Board of Governors (“Board”). Axos Bank supports CRA’s core mission of promoting economic well-being of communities in which it operates.

Axos Bank appreciates the opportunity to comment on the ANPR and provides Board with its perspective, as a mid-size Bank, on proposed CRA reform. Axos Bank is a digital bank with 20 years in the industry serving communities Nationwide. The Bank has three Branch locations (San Diego, CA; Las Vegas, NV; and Columbus, OH) and is committed to innovation and stellar service nationwide.

Axos believes that the changes noted in the ANPR reduce the CRA’s effectiveness by adding additional complexity and unpredictability to a program that should primarily be designed to ensure capital flows to historically underserved communities and borrowers in need.

Further, in its current form, the reform framework relies too heavily on geographic footprints associated with brick and mortar banks and does not consider the innovative, rapid, and flexible funding solutions offered by internet-based financial institutions with national footprints.



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Finally, the proposed reforms also fail to consider available synergies with other Federal programs (e.g. FEMA Disaster Declarations) and community designations (e.g. IRS Opportunity Zones) that share the CRA's core purpose of speeding capital investment to historically underserved communities and borrowers.

A far more effective expansion of CRA qualifying activity would designate such credit to all lending, service, and investment activity by a financial institution within Disaster or Opportunity census tracts regardless of the financial institution's geographic proximity to these census tracts.

Your time and consideration are greatly appreciated.

Warm regards,

A handwritten signature in blue ink, appearing to read "John C. Tolla".

John C. Tolla,  
Executive Vice President  
Chief GRC Officer