[DISCUSSION DRAFT]

118TH CONGRESS
2D SESSION

H. R. _____

To require the Federal financial agencies to carry out a study and report on standardized descriptions for vendor-provided artificial intelligence systems, and for other purposes.

_____

IN THE HOUSE OF REPRESENTATIVES

M__. _____ introduced the following bill; which was referred to the Committee on _____

_____

A BILL

To require the Federal financial agencies to carry out a study and report on standardized descriptions for vendor-provided artificial intelligence systems, and for other purposes.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. STUDY AND REPORT ON STANDARDIZED DE-**

4   **SCRIPTION FOR VENDOR-PROVIDED ARTIFI-**

5   **CIAL INTELLIGENCE SYSTEMS.**

6   (a) STUDY.—The heads of each covered agency may

7 coordinate with other covered agencies and consult with

1 other relevant Government agencies to carry out a study

2 that—

3   (1) establishes current and recommended defini-

4   tions and standards for categorizing artificial intel-

5   ligence data and methodologies used to train artifi-

6   cial intelligence models that are commonly utilized

7   by regulated entities;

8   (2) assesses current and recommended practices

9   for regulated entities and vendors to identify data

10   used to train artificial intelligence models that are

11   utilized by regulated entities;

12   (3) assesses current and recommended stand-

13   ards for the delineation and ratios of synthetic

14   versus genuine data in the training of artificial intel-

15   ligence models

16   (4) identifies the sources of such data;

17   (5) assesses how such models are designed and

18   function, including how the data submitted to such

19   models are incorporated and other ways in which the

20   data is typically used; and

21   (6) examines best practices for complying with

22   applicable Federal laws and regulations, including

23   anti-discrimination, consumer protection, and inves-

24   tor protection requirements with respect to internal

1   or vendor-provided artificial intelligence systems uti-

2   lized by regulated entities.

3   (b) REPORT.—Not later than the end of the 6-month

4 period beginning on the date of the enactment of this Act,

5 the heads of each covered agency shall issue a report to

6 the Committee on Financial Services of the House of Rep-

7 resentatives and the Committee on Banking, Housing, and

8 Urban Affairs of the Senate that contains—

9   (1) all findings and determinations made in car-

10   rying out the study required under subsection (a);

11   and

12   (2) recommendations on whether Federal stat-

13   utes, regulations, guidance, orders, supervisory prac-

14   tices, or any other administrative actions should be

15   revised with regard to the disclosures and standard-

16   ized descriptions of vendor-provided artificial intel-

17   ligence systems.

18   (c) EXISTING AUTHORITY.—After the issuance of the

19 report required under subsection (b), each covered agency

20 shall, if the agency determines it appropriate and deter-

21 mines the agency has the authority to act under another

22 provision of law, require—

23   (1) regulated entities and vendors providing ar-

24   tificial intelligence systems to regulated entities to—

25   (A) report to the covered agency—

1   (i) how the entity or vendor identifies

2   data used to train artificial intelligence

3   models;

4   (ii) the delineation and ratios of syn-

5   thetic versus genuine data in the training

6   of artificial intelligence models;

7   (iii) the sources of such data; or

8   (iv) how such models are designed and

9   function, including how the data submitted

10   to such models are incorporated and other

11   ways in which the data is typically used; or

12   (B) disclose all or part of the information

13   described under subparagraph (A) to the public

14   in such form as the covered agency determines

15   appropriate; or

16   (2) vendors seeking to provide artificial intel-

17   ligence systems to regulated entities to provide the

18   regulated entities with a standardized disclosure, as

19   determined by the covered agency, with information

20   described in paragraph (1)(A) for each artificial in-

21   telligence model the regulated entity seeks to utilize.

22   (d) SENSE OF CONGRESS.—It is the sense of the

23 Congress that a covered agency that determines the re-

24 quirements described under subsection (c) are needed

1 should not wait to implement such requirements until

2 after the issuance of the report under subsection (b).

3 (e) DEFINITIONS.—In this section:

4 (1) COVERED AGENCY.—The term "covered

5 agency" means the Board of Governors of the Fed-

6 eral Reserve System, the Bureau of Consumer Fi-

7 nancial Protection, the Federal Deposit Insurance

8 Corporation, the Office of the Comptroller of the

9 Currency, the National Credit Union Administra-

10 tion, and the Securities and Exchange Commission.

11 (2) REGULATED ENTITY.—With respect to a

12 covered agency, the term "regulated entity"

13 means—

14 (A) an entity with respect to which the

15 covered agency is the primary financial regu-

16 latory agency (as defined under section 2 of the

17 Dodd-Frank Wall Street Reform and Consumer

18 Protection Act);

19 (B) a State credit union or a Federal cred-

20 it union (as such terms are defined, respec-

21 tively, under section 101 of the Federal Credit

22 Union Act), with respect to the National Credit

23 Union Administration; and

24 (C) a covered person (as defined under sec-

25 tion 1002 of the Consumer Financial Protection

1   Act of 2010), with respect to the Bureau of

2   Consumer Financial Protection.