**[DISCUSSION DRAFT]**

119TH CONGRESS
1ST SESSION

# H. RES. _____

Expressing the sense of the House of Representatives with respect to the use of artificial intelligence in the financial services and housing industries.

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## IN THE HOUSE OF REPRESENTATIVES

M__. _____ submitted the following resolution; which was referred to the Committee on _____

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# RESOLUTION

Expressing the sense of the House of Representatives with respect to the use of artificial intelligence in the financial services and housing industries.

Whereas generative artificial intelligence ("AI") has the potential to provide significant opportunities as well as risks across the financial services and housing industries;

Whereas AI is playing a significant role in the financial services and housing industries and continues to be adopted in various forms;

Whereas regulatory sandboxes are an important policy tool for unlocking the potential of AI to improve Americans' financial lives while mitigating relevant risks and expand-

ing knowledge of governance and regulatory best practices;

Whereas the United States capital markets market participants are leveraging AI to enhance research capabilities, market surveillance, and trading and execution;

Whereas the United States housing market participants are using AI to enhance underwriting, mortgage servicing, and tenant screening;

Whereas United States financial institutions are exploring the use of AI to enhance customer service capabilities, expand the pool of loan applicants, increase repayment rates, and decrease fraudulent payments;

Whereas United States financial firms are leveraging AI to streamline compliance with the Bank Secrecy Act and sanctions laws as well as enhance cybersecurity operations from evolving threats;

Whereas the use of generative AI is enhancing both employee productivity and consumer experiences across the financial services and housing industries;

Whereas regulators should understand any financial stability risks related to financial institutions' growing use of AI;

Whereas AI can be exploited by malicious actors;

Whereas the use of AI in automated decision-making does not relieve financial institutions from their obligations under anti-discrimination laws, and may lead to explainability challenges due to the complexity and opacity of certain AI models;

Whereas small community financial institutions, such as rural depository institutions, minority depository institutions, and community development financial institutions may

lack the resources to develop, train, and deploy AI models compared to larger institutions;

Whereas financial institutions' use of AI may increase their direct and indirect reliance on third-party services; and

Whereas markets should determine the most valuable use cases for AI in financial services and housing, with risk-based regulatory and legislative guardrails provided where necessary: Now, therefore, be it

1    *Resolved,* That it is the sense of the House of Rep-
2 resentatives that—

3       (1) given the critical role of the financial and
4       housing markets, the Committee on Financial Serv-
5       ices of the House of Representatives should play a
6       leading role in making public policy regarding the
7       adoption of AI in the financial services and housing
8       industries;

9       (2) the Committee on Financial Services should
10      consider how to promote a dynamic, pro-innovation
11      culture for AI across the financial services and hous-
12      ing industries;

13      (3) the Committee on Financial Services must
14      ensure regulators apply and enforce existing laws,
15      including anti-discrimination laws, and assess regu-
16      latory gaps and undue burdens as market partici-
17      pants adopt AI;

1 (4) the Committee on Financial Services must
2 ensure regulators assess the impact on innovation
3 and cost effectiveness before issuing AI-related rules;

4 (5) the Committee on Financial Services must
5 ensure any regulatory framework related to AI does
6 not disproportionately burden smaller firms and is
7 tailored to all sizes of market participants;

8 (6) the Committee on Financial Services should
9 ensure the financial regulators have the appropriate
10 focus and tools to oversee new products and services;

11 (7) the Committee on Financial Services should
12 continue to consider how to reform data privacy laws
13 for financial institutions and firms given the impor-
14 tance of data to AI;

15 (8) the Committee on Financial Services should
16 continue to consider how to strengthen cybersecurity
17 standards for AI systems;

18 (9) the Committee on Financial Services should
19 work with financial regulators to understand AI's
20 impact on the workforce; and

21 (10) the Committee on Financial Services
22 should ensure United States global leadership on AI
23 development and use.