

The Honorable French Hill  
Chairman  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee  
4340 O'Neill House Building  
Washington, DC 20515

December 10, 2025

Re: Oppose the Unleashing AI Innovation in Financial Services Act (Rep. Hill H.R. 4801/Sen. Rounds S. 2528)

Dear Chairman Hill and Ranking Member Waters:

The undersigned 64 civil rights, consumer, community, tech accountability, and other organizations urge you to oppose the Unleashing AI Innovation in Financial Services Act (H.R. 4801). The legislation would allow regulated financial firms to deploy artificial intelligence (AI) systems without regulatory supervision, oversight, or enforcement. Virtually any company that uses AI — as nearly all soon will do — would be able to request full waivers of consumer and investor protection laws with hollow alternatives that could expose consumers, customers, competitors, investors, the financial industry, and the economy to substantial risks with few or no regulatory safeguards or accountability.

The use of AI in the financial sector has the potential to reduce costs, improve efficiency, detect and prevent fraud, and increase the access, quality, and choice of financial services and products. But these potential benefits for consumers, customers, investors, markets, and the financial system can only materialize if people are protected from the many risks of AI in financial services through the consistent application and enforcement of federal civil rights, consumer protection, investor protection, market integrity, and financial supervision statutes and regulations.

The financial industry has already been deploying AI within the bounds of federal laws and regulations across its business lines from customer service to automated underwriting to securities trading to risk management and more. These legal and regulatory regimes are designed to protect people and the financial system from predatory practices, market manipulation, and economic instability. There is no justification for allowing companies to deploy AI systems that would otherwise violate federal laws and pose risks to people and the economy. Nor does the use of AI, however trivial, justify broad waivers of our consumer and investor protection laws.

The risks of AI to consumers are real and substantiated, including well-documented racial and other biases in accessing affordable credit. AI credit underwriting and decision-making systems tend to amplify existing patterns of discrimination against Black, Latino, Asian American, and Indigenous people; women; and people with disabilities in the approval, pricing, and terms of credit products like student loans, mortgages, and other credit products. AI-powered debt collection can expose people to increasingly abusive collection tactics and disproportionately target people of color for collection lawsuits. Automated fraud detection and identity matching can subject people to unfair account freezes and closures and result in consumers and businesses losing their bank accounts.

Emerging concerns like agentic AI — which acts on consumers' behalf to make purchases or transactions — present growing problems and the potential for new risks and harms. AI-powered consumer relations chatbots can give incorrect or misleading answers to complex questions and AI-powered consumer fraud has become an increasing problem for the financial industry. Problems of accountability, including for assessing liability when fraud occurs, can be made more difficult when

multiple AI systems interact on a single transaction. When systems are opaque, and the rationale for their decisions is not explainable, resolving their mistakes may be difficult or impossible. These concerns underscore the need to retain supervision and enforcement of AI technologies.

Similarly, AI can exacerbate risks to investor protection, market integrity, and financial stability. AI-powered high-speed trading can manipulate markets and harm investors. Banks that rely on opaque black-box AI risk management models may substantially underestimate risks, similar to the presumption that subprime mortgages posed little risk to the financial system prior to the financial crisis. And the small number of AI firms providing services to the financial sector can exacerbate fragility and instability if the widespread use of only a few models drives the industry to pursue correlated and self-reinforcing business strategies that can create unstable asset bubbles and crashes.

Unless regulators can supervise and enforce how these technologies are brought to market, the right to privacy will be under constant threat. AI systems rely on collecting and storing massive amounts of data about consumers and businesses to operate. Already, many of these Big Tech firms are pushing past existing privacy protection boundaries, challenging regulators' ability to close the loopholes these firms are exploiting. With each new incursion on privacy, surveillance of private decisions intensifies. Privacy is a foundational right in our society, but unless we give regulators the power to protect it, it will steadily erode.

The legislation does little to protect people from these risks. The modest nods to consumer protection, fraud, investor protection, anti-money laundering, and financial stability are woefully inadequate to safeguard people or the economy. The mere increase in "access" to dangerous products would justify waivers of the law. Even if an agency determines there is an "immediate danger" to consumers or investors, the agency could not rescind a waiver without seeking a court order. By the time they get the court order the harm will be widespread and likely irreversible given the speed of the technology.

The legislation does not even pretend to address the endemic biases against Black, Latino, Asian American, and Indigenous people; women; and people with disabilities in AI systems. It does not require financial firms to disclose the use of AI to their customers, require customers' consent to collect personal data, or provide any remedies for inaccuracies or data errors.

H.R. 4801 would allow financial firms to profit by capturing most of the benefits of AI but force their customers and the economy to bear the burdens from the risks and the harms of AI deployment in the financial sector. We urge the Committee and the Congress to oppose this legislation that provides broad immunity for unlawful practices or outcomes that can substantially harm people, communities, and the economy.

Sincerely,

AFT  
AI Now Institute  
American Civil Liberties Union  
American Economic Liberties Project  
Americans for Financial Reform  
Brooklyn Cooperative Federal Credit Union  
California Advocates for Nursing Home Reform  
CAMEO Network  
Center for Democracy & Technology

Center for Digital Democracy  
Center for Economic Integrity  
Center for Independence of the Disabled, New York (CIDNY)  
Citizen Action of New York  
Coalition on Human Needs  
Communication Workers of America (CWA)  
Consumer Action  
Consumer Federation of America  
Consumer Reports

Consumer Watchdog  
Consumers for Auto Reliability and Safety  
Data & Society  
DC Consumer Rights Coalition  
Delaware Community Reinvestment Action  
Council, Inc.  
Economic Action Maryland Fund  
Economic Security Project Action  
Electronic Privacy Information Center (EPIC)  
Equal Rights Advocates  
HEAL (Health, Environment, Agriculture,  
Labor) Food Alliance  
Hip Hop Caucus  
Housing Action Illinois  
Housing and Economic Rights Advocates  
Investor Alliance for Human Rights  
The Leadership Conference on Civil and  
Human Rights  
League of United Latin American Citizens  
(LULAC)  
Legal Action Chicago  
Legal Aid Center of Southern Nevada  
Metropolitan Interfaith Council on Affordable  
Housing  
NAACP Legal Defense and Educational Fund,  
Inc. (LDF)  
National Action Network  
National Association of Consumer Advocates

National CAPACD — National Coalition for  
Asian Pacific American Community  
Development  
National Community Reinvestment Coalition  
(NCRC)  
National Consumer Law Center (on behalf of  
its low-income clients)  
National Fair Housing Alliance  
National Hispanic Media Coalition  
New Economy Project  
New York Legal Assistance Group  
New Yorkers for Responsible Lending  
NJ Appleseed Public Interest Law Center  
Oregon Consumer Justice  
Oregon Consumer League  
Progressive Leadership Alliance of Nevada  
Public Citizen  
Public Good Law Center  
Racial Justice Investing Coalition  
Seventh Generation Interfaith Coalition for  
Responsible Investment  
South Carolina Appleseed Legal Justice Center  
TechTonic Justice  
Tzedek DC  
UnidosUS  
Virginia Citizens Consumer Council  
Virginia Poverty Law Center  
Western Center on Law and Poverty  
Woodstock Institute

cc. Senate Banking Committee Chairman Tim Scott and Senate Banking Committee Ranking Member  
Elizabeth Warren