

118TH CONGRESS
2D SESSION

H. RES. 1600

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

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 26, 2024

Mr. MCHENRY (for himself and Ms. WATERS) submitted the following resolution; which was referred to the Committee on Financial Services

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 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 financial institutions' growing use of AI may create financial stability risks through increased herding behavior and market correlation;

Whereas the increasing use of AI may introduce vulnerabilities that could be exploited by malicious actors;

Whereas the use of AI in automated decision-making may lead to biased and discriminatory outcomes, and face explainability issues 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; and

Whereas financial institutions' use of AI may increase their direct and indirect reliance on third-party services: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Rep-
2 representatives 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 overseeing the adoption of artificial
7 intelligence (“AI”) in the financial services and
8 housing industries;

9 (2) the Committee on Financial Services must
10 ensure regulators apply and enforce existing laws,
11 including anti-discrimination laws, and assess regu-
12 latory gaps as market participants adopt AI;

13 (3) the Committee on Financial Services should
14 ensure the financial regulators have the appropriate
15 focus and tools to oversee new products and services;

16 (4) the Committee on Financial Services should
17 continue to consider how to reform data privacy laws
18 given the importance of data, especially consumer
19 data, to AI;

20 (5) the Committee on Financial Services should
21 work with financial regulators to understand AI’s
22 impact on the workforce; and

- 1 (6) the Committee on Financial Services should
- 2 ensure U.S. global leadership on AI development and
- 3 use.

