

[Banking and Finance Law Daily Wrap Up, FINANCIAL TECHNOLOGY— White House releases ‘Blueprint for AI Bill of Rights’, \(Oct. 5, 2022\)](#)

Banking and Finance Law Daily Wrap Up

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By Nora Macaluso

Consumer Reports called the document “a critical first step in addressing the potential harms” of artificial intelligence.

The White House released a framework designed to help developers of artificial intelligence systems design them in a way that protects the public’s rights. The “[Blueprint for an AI Bill of Rights](#)” is a white paper laying out priorities for areas that need protection as AI systems become more widespread—including privacy, safety, and disclosure—along with actions governments, companies, and the public can take to make sure these priorities are addressed.

“Among the great challenges posed to democracy today is the use of technology, data, and automated systems in ways that threaten the rights of the American public,” the Biden administration said in a [fact sheet](#) accompanying the announcement. Flaws have been found in algorithms used in health care, hiring, and credit scoring, and “unchecked social media data collection” has threatened privacy and opportunity, the White House said. “These outcomes are deeply harmful—but they are not inevitable,” the administration said.

Five principles. The White House Office of Science and Technology Policy (OSTP) identified five “principles” to guide the design, use, and deployment of AI systems: Safe and effective systems; algorithmic discrimination protections; data privacy; notice and explanation of when and why an automated system is being used; and the opportunity to opt out, “where appropriate.” The OSTP said it developed the framework after hearing from interested parties in academia, industry, government, civil society, and the public, including “listening sessions” and public events designed to promote public education and engagement.

Key initiatives. The administration emphasized it is taking action across the federal government to advance the protections outlined in the blueprint. Among the steps being taken:

- The Department of Housing and Urban Development will release guidance on the use of tenant-screening algorithms.
- Federal agencies that regulate mortgage financing will include a “nondiscrimination quality control standard” designed at ensuring valuation models don’t rely on biased data.
- The Labor Department released a document explaining what the blueprint means for workers and said it would ramp up enforcement of required surveillance reporting to protect worker organizing.
- The Equal Employment Opportunity Commission and Department of Justice released guidance on AI and disability inclusion. The EEOC and Labor Department are also collaborating on hiring and recruitment in the age of automated systems.
- The Federal Trade Commission is weighing rules to curb surveillance, discrimination, and security gaps that could violate Section 5 of the FTC Act.
- The Consumer Financial Protection Bureau is cracking down on “black-box” credit modeling and algorithmic discrimination in the financial sector.

Consumer Reports praised the blueprint. “The AI Bill of Rights is a critical first step in addressing the potential harms of AI,” [said](#) Nandita Sampath, policy analyst at the advocacy group. “American consumers need protections from these complex systems that are used to evaluate their knowledge and without a meaningful explanation as to why they arrived at certain decisions.” Sampath added, “We hope to see more federal and

state agencies implementing these recommendations, and also ask Congress to codify these recommendations into law.”

District of Columbia AG. Karl Racine, attorney general for the District of Columbia, also cheered the announcement. He [said](#) the document incorporates legislation he introduced that would ban bias in automated decision-making algorithms and require companies to disclose the personal information they collect and how it is used to make decisions. “We greatly appreciate that the White House is so receptive to our calls and is prioritizing stopping algorithmic discrimination at a federal level,” Racine said.

Companies: Consumer Reports

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