Securities Regulation Daily Wrap Up, AI NEWS—Financial Services Committee leaders announce formation of AI Working Group, (Jan 12, 2024)

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The Working Group within the House of Representatives intends to explore the impact of artificial intelligence on the financial services and housing industries.

Representative Patrick McHenry (R-NC), Chairman of the House Financial Services Committee, along with Rep. Maxine Waters (D-Calif), the Committee's Ranking Member, announced the formation of a bipartisan Working Group on Artificial Intelligence (AI). The Working Group will be led by the Digital Assets, Financial Technology and Inclusion Subcommittee Chairman French Hill (R-Ark) and the Subcommittee's Ranking Member Stephen F. Lynch (D-Mass).

According to the announcement, the Working Group will continue the work that was conducted by the Task Force on Artificial Intelligence during the 116th and 117th Congresses. "The bipartisan AI Working Group will explore how artificial intelligence (AI) is impacting the financial services and housing industries, including the development of new products and services, fraud prevention, compliance efficiency, and the enhancement of supervisory and regulatory tools, as well as how AI may impact the financial services workforce," the announcement said. "The Working Group will also examine how existing regulation addresses the use of AI and how lawmakers can ensure that any new regulations consider both the potential benefits and risks associated with AI."

McHenry noted that, in exploring the potential of AI, the Working Group will specifically focus on the technology's adoption in the financial system. "It will also find ways to leverage artificial intelligence to foster a more inclusive financial system, while establishing the U.S. as the world leader in AI development and terms of use," McHenry said. Waters added that she was eager to work with both Democrat and Republican lawmakers "to examine the benefits and dangers of AI to ensure that this technology does not advance beyond our ability to regulate it, worsen existing inequities, and that consumers are properly protected from harm or abuse."

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