



August 13, 2025

The Honorable Mike Rounds
Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable French Hill
Chair
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Re: Letter in Support for the Unleashing AI Innovation in Financial Services Act

Dear Senator Rounds and Chairman Hill:

On behalf of the American Fintech Council (AFC),¹ I write to express our support for the Unleashing AI Innovation in Financial Services Act (S. 2528 and H.R. 4801)—collectively referred to as “the Act”. AFC believes that your bipartisan legislation will help foster responsible AI innovation in financial services by establishing innovation centers within financial regulatory agencies, providing regulated entities with a safe environment to test and develop technologies.

As you know, AFC is the premier trade association representing the largest financial technology (Fintech) companies and innovative banks who power them. It was a true honor and pleasure to host you both at our fintech policy summit last November where so many conversation around the future of AI in financial services took place. Our mission is to promote a transparent, inclusive, and customer-centric financial system by supporting responsible innovation in financial services and encouraging sound public policy. AFC members foster competition in consumer finance and pioneer products to better serve underserved consumer segments and geographies. Our members are lowering the cost of financial transactions, allowing them to help meet demand for high-quality, affordable products.

AFC has long advocated for pragmatic, context-specific regulation of AI within financial services and believes it is essential to foster responsible innovation and competition in the use of AI. AFC strongly advocates for the development of policies that provide innovative financial institutions and fintech companies with the ability to use AI as a tool to improve their products

¹ AFC’s membership spans technology platforms, non-bank lenders, banks, payments providers, loan servicers, credit bureaus, and personal financial management companies.

and services being offered for the benefit of consumers. Additionally, we have advocated for regulators to employ a risk-based approach to AI regulation, ensuring that guidelines are specific enough to address the complexities of AI systems, while being flexible to accommodate the diversity of applications in the market.

The AI Innovation Labs established under the Act would put AFC’s policy principles into practice. By creating supervised environments within the key federal financial regulatory agencies, the Act would enable innovative industry participants to develop, test, and deploy AI tools in partnership with regulators, ultimately ensuring new applications are evaluated in the proper context, with appropriate risk management, transparency, and consumer safeguards. This approach is well aligned with President Trump’s AI Action Plan released earlier this summer.² The Act is also closely aligned with AFC’s own comment letter to the Treasury Department regarding the uses and opportunities of AI in financial services, wherein we encourage the regulators to actively participate in innovation by providing clear “rules of the road” for industry participants.³

Additionally, the Act demonstrates good governance principles that align with AFC and its policy aims. Specifically, the Act advances coordinated, agency-level engagement that is an essential building block toward a unified federal regulatory framework for AI. The most crucial challenge to widespread adoption of AI is the navigation of regulatory compliance and the costs associated with this endeavor. Simply put, the existing regulatory environment is not conducive to encouraging the growth of AI technologies in the financial services industry. The current AI regulatory environment displays a distinct need for clear rules of the road and a unified approach. The competing and conflicting requirements promulgated by both state governments and those outside the U.S. pose significant compliance challenges to responsible innovators who will seek to comply with these requirements out of an abundance of caution even though these rules may lack jurisdiction over these firms. Further, to subject these AI technologies to a patchwork, state-by-state regulatory framework would create significant difficulties in the proper deployment of the technology in the financial services industry and would also discourage new entrants from the market due to high regulatory costs. By facilitating robust interagency engagement, the Act helps remedy the complexities of the existing patchwork AI regulatory framework in favor of an appropriately unified approach.

A unified federal approach to AI that uses a risk-based framework predicated upon the specific AI use case would provide clarity and consistency, enabling financial institutions to leverage AI technologies more effectively. A unified approach that integrates these diverse regulatory frameworks is crucial for American companies to compete and win in the global financial system. By embedding supervised innovation labs across federal financial regulators, the Act lays pragmatic groundwork for more consistent oversight practices and regulatory understanding of AI technologies in financial services.

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² The White House, *Winning the Race: America’s AI Action Plan*, (July 2025), available at <https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf>.

³ American Fintech Council, “Request for Information on Uses, Opportunities, and Risks of Artificial Intelligence in the Financial Services Sector” (Aug. 18, 2024), available at <https://www.fintechcouncil.org/advocacy/federal-ai-letter>.

We commend your efforts to introduce and advance this important legislation in both the House and Senate. The Unleashing AI Innovation in Financial Services Act represents a meaningful step toward a more pragmatic, pro-innovation regulatory framework that fosters crucial collaboration between the private sector and federal regulators and encourages AI innovations that can improve financial products and services while also ensuring strong consumer protections. Thank you for your continued leadership in supporting innovation, inclusion, and consumer protection in financial services at the federal level. We look forward to working with Congress to support its passage.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian P. Moloney", with a stylized flourish at the end.

Ian P. Moloney
SVP, Head of Policy and Regulatory Affairs
American Fintech Council

CC:

The Honorable Martin Heinrich, United States Senate

The Honorable Thom Tillis, United States Senate

The Honorable Andy Kim, United States Senate

The Honorable Ritchie Torres, United States House of Representatives

The Honorable Bryan Steil, United States House of Representatives

The Honorable Josh Gottheimer, United States House of Representatives