August 11, 2026

The Honorable Kathy Hochul
Governor of New York State
New York State Capitol Building
Albany, New York 12224

Re: Request to Veto Artificial Intelligence Warning Legislation

Dear Governor Hochul,

On behalf of the American Fintech Council (AFC),[1] I respectfully urge you to veto the recently passed Assembly Bill 3411-B (A.3411-B), the same as Senate Bill 934-A (S.934-A), collectively referred to as the "artificial intelligence (AI) warning legislation."[2] AFC shares the Legislature's goal of promoting transparency and protecting consumers in their interactions with AI, however the bill would impose a one-size-fits-all notice across materially different technologies and use cases, create substantial compliance uncertainty, and risk diminishing consumer trust in responsible and carefully governed artificial intelligence tools.

A standards-based organization, AFC is the largest and most diverse trade association representing financial technology companies and innovative banks. On behalf of more than 150 member companies and partners, AFC promotes 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 that better serve underserved consumer segments and geographies. They also share a commitment to the responsible development and deployment of emerging technologies, including AI, in a manner that promotes consumer protection, operational resilience, and regulatory accountability.

The AI warning legislation passed by the New York Legislature establishes overly expansive definitions that do not take account of the existing laws and regulations under which financial services companies operate. Thus, creating duplicative and potentially conflicting requirements for these companies. These concerns are particularly acute where AI is deployed by entities already subject to comprehensive regulatory and supervisory requirements. Financial institutions and financial technology companies operate within extensive frameworks governing consumer disclosures, privacy, data security, third-party risk management, recordkeeping, and unfair or deceptive practices. Particularly, financial institutions and fintech companies are subject to federal and state laws covering unfair or deceptive acts or practices. Further, given that

[1] American Fintech Council's (AFC) membership spans EWA providers, BNPL and other lenders, banks, payments providers, loan servicers, credit bureaus, and personal financial management companies.
[2] See, New York State Senate, S. 934-A, 2025–2026 Leg., Reg. Sess. (N.Y. 2025), and New York State Assembly, A. 3411-B, 2025–2026 Leg., Reg. Sess. (N.Y. 2025), https://www.nysenate.gov/legislation/bills/2025/S934/amendment/A; https://www.nysenate.gov/legislation/bills/2025/A3411/amendment/B.

innovative financial institutions and fintech companies may partner with providers outside the financial services space, they may also experience additional requirements related to those sectors. For example, healthcare providers and their technology partners may be subject to overlapping requirements administered under HIPAA, the Food and Drug Administration's authorities, and state professional oversight. A categorical warning layered onto these existing regimes could create confusion without supplying consumers with additional, actionable protection. It may also discourage responsible organizations from using carefully governed tools that improve access, responsiveness, and efficiency.

Specifically, these bills would require the owner, licensee, or operator of a generative AI system to clearly and conspicuously notify users that the system's outputs may be inaccurate. That requirement sweeps far more broadly than the apparent concern underlying the legislation. It does not meaningfully distinguish between general-purpose consumer chatbots and purpose-built tools that are designed for limited functions, validated for specific applications, or deployed within regulated environments. Nor does the bill differentiate among public-facing systems, customer service applications, internal productivity tools, and systems operated through accountable third parties. By treating these distinct technologies alike, the legislation substitutes a generalized warning for a risk-based framework calibrated to the nature and context of the application.

The proposed notice may also undermine, rather than enhance, informed consumer decision-making. A warning that every output "may be inaccurate" provides little practical guidance regarding when caution is warranted, what limitations are material, or how a user should evaluate the information presented. Repetition across routine interactions is likely to produce warning fatigue, causing consumers to disregard the notice even in circumstances where a targeted disclosure might be important. Conversely, consumers who heed the warning may unnecessarily distrust accurate and useful information, including account information, payment details, scheduling assistance, benefits information, care navigation, or other routine support. Either result would frustrate the bill's stated consumer-protection purpose.

The AI warning legislation also creates unresolved implementation questions for conversational and voice-based systems. Its direction to display a notice "on the system's user interface" presumes a visual interface and does not establish when or how a spoken notice must be delivered.[3] Businesses would be left to determine whether a voice agent must provide the warning at the beginning of a call, before each response, or at another point in the interaction. That ambiguity would invite inconsistent compliance practices and unnecessary legal exposure while offering no corresponding benefit to consumers engaged in routine transactions.

Sound AI policy should be precise, technology-neutral, and proportionate to the risks presented by a particular system and use case. Unfortunately, the AI warning legislation passed by the New York State Legislature does not meet that standard. At a minimum, any future proposal should focus on general-purpose AI systems, establish workable requirements for voice and conversational interfaces, and exempt internal, productivity, and ordinary customer service applications that are already subject to established legal and regulatory protections. Such an

[3] Ibid.

approach would preserve meaningful transparency without converting ubiquitous warnings into background noise or discouraging beneficial innovation.

For these reasons, AFC respectfully requests that you veto the AI warning legislation discussed in this letter. AFC stands ready to work with your office, legislative leaders, regulators, consumer advocates, and other stakeholders to develop a more targeted and workable framework that protects New Yorkers while preserving the benefits of responsible artificial intelligence.

Sincerely,

Ashley B. Urisman

Ashley Urisman
Director of State Government Affairs
American Fintech Council