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To: Clients and Friends

From: David F. Dulock

Subject: Request for Information and Comment on Financial Institutions' Use of Artificial Intelligence, Including Machine Learning

In the March 31, 2021 issue of the *Federal Register* ([86 FR 16837](#)), the FRB, CFPB, FDIC, NCUA, and OCC (the Agencies) published a request for information and comment (RFI) on financial institutions' use of artificial intelligence (AI), including machine learning (ML). The purpose of this RFI is to understand respondents' views on the use of AI by financial institutions in providing services to customers and for other business or operational purposes; appropriate governance, risk management, and controls over AI; and any challenges in developing, adopting, and managing AI. The RFI also solicits respondents' views on the use of AI in financial services to assist the Agencies in determining whether any clarifications from the Agencies would be helpful for financial institutions' use of AI in a safe and sound manner and in compliance with applicable laws and regulations, including those related to consumer protection.

The Agencies invite interested parties to submit written comments on or before June 1, 2021. The addresses and methods for submitting comments to one or more of the Agencies are set out on pages 16837 and 16838 of the above hyperlinked issue of the *Federal Register*.

The RFI consists of Questions 1 through 17 grouped under the following areas of interest: *Explainability* (Questions 1, 2 and 3); *Risks From Broader or More Intensive Data Processing and Usage* (Questions 4 and 5); *Overfitting* (Question 6); *Cybersecurity Risk* (Question 7); *Dynamic Updating* (Question 8); *AI Use by Community Institutions* (Question 9); *Oversight of Third Parties* (Question 10); *Fair Lending* (Questions 11 through 15); and *Additional Considerations* (Questions 16 and 17). The RFI also contains an Appendix that lists laws, regulations, supervisory guidance, and other statements issued by the Agencies that may be relevant to AI.

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