



DATA PRIVACY OVER GENERATIVE AI

Several federal agencies have released a policy statement on the use of artificial intelligence products under existing laws, particularly to ensure that consumers aren't discriminated against by the algorithms companies use for loans or other financial products.

The Consumer Financial Protection Bureau, Federal Trade Commission, Department of Justice Civil Rights Division and Equal Employment Opportunity Commission are enforcing existing laws and working collaboratively on AI risks.

- Companies are to ensure these tools do not result in unlawful discrimination against consumers.
- ACA International supports regulators and legislators in drafting guidance that protects consumers, which ultimately protects the overall credit ecosystem.
- However, the potential harms from generative AI are not only unlawful discrimination, but also risks to consumers' personal information.
- And the technology will probably grow in prominence at a quicker rate than expected, possibly in the next two years—given that regulators are starting conversations on it now.
- In this situation, ACA supports reaching across the aisle as consumer advocates for their data privacy to not only protect consumers, but also protect the accounts receivable management industry from algorithms and avatars overtaking our systems in terms of financial phishing and consumer disputes legal businesses.

CONCERNS ABOUT GENERATIVE AI FOR REGULATORS

- **Consumer harm from fraud or identity theft can result from these systems using a consumer's voice, name, image, and likeness can occur.**
- **Bad actors using generative AI and algorithms to attack financial systems and financial institutions for weaknesses can ultimately steal data or money. Regulators should be a partner with financial entities to prevent this from happening.**
- **Financial entities using generative AI and algorithms for bias, causing unlawful discrimination in lending, for example.**

The interagency guidance stands to address concerns on bias from the generative AI programs and fraud or identity theft, but algorithms used by bad actors will be more difficult to change once released.

"The number one concern for consumers is and will be Generative AI that can be used to produce voices, images, and videos that are designed to simulate real-life human interactions and that could impersonate them without their consent to commit fraud, identity theft, and reputation theft."

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