Statement of the Massachusetts Bankers Association Regarding
H.77, An Act fostering artificial intelligence responsibility;
H. 81, An Act relative to artificial intelligence disclosure;
H. 90, An Act regulating provenance regarding artificial intelligence;
H. 94, An Act to ensure accountability and transparency in artificial intelligence systems;
S. 35, An Act fostering artificial intelligence responsibility;
& S. 37, An Act promoting economic development
with emerging artificial intelligence models and safety
Joint Committee on Advanced Information, Technology, the Internet and Cybersecurity
September 11, 2025

On behalf of our more than 120 commercial, savings and cooperative banks and federal savings institution members with more than 72,000 employees located throughout the Commonwealth and New England, the Massachusetts Bankers Association (MBA) appreciates the opportunity to provide our comments regarding H.77, *An Act fostering artificial intelligence responsibility;*
H. 81, *An Act relative to artificial intelligence disclosure;* H. 90, *An Act regulating provenance regarding artificial intelligence;* H. 94, *An Act to ensure accountability and transparency in artificial intelligence systems;* S. 35, *An Act fostering artificial intelligence responsibility*; and S. 37, *An Act promoting economic development with emerging artificial intelligence models and safety*, amongst others.

The financial services industry has long been at the forefront of developing and implementing safeguards to ensure all advancements in technology are used responsibly and appropriately. MBA's members and their use of technology, including AI, occurs within the confines of one of the most highly-regulated industries. Compliance needing to adhere to the principles of explainability, privacy, risk management, and fairness within existing legal frameworks, including the Equal Credit Opportunity Act (ECOA), which governs both traditional and AI-assisted lending practices, existing state privacy regulations and laws, amongst others. It is for this reason that we would like to highlight some concerns that have been previously raised by others, including the Electronic Transactions Association (ETA), the world's leading trade association representing the payments industry, which many of our members are affiliated with.

First, the scope of included activities potentially attributed to financial services appears too broad as the bills are currently drafted. As you know, many artificial intelligence proposals are applicable to activities defined simply as "a financial or lending service," which MBA believes is overly broad and is likely to ensnare even low risk AI uses that benefit consumers. Therefore, MBA supports language focusing on "lending or credit services." In our view, this will enable companies to take a risk-based approach and avoid overly burdensome requirements for low-risk AI uses that provide key end-consumer services. It will also avoid redundancies because our members already adhere to strict state and federal regulations regarding privacy, cybersecurity, data protection, and ethical standards as previously mentioned.

Similarly, MBA would like to suggest better alignment with existing laws. With the alteration of financial services to lending decisions, consumers have existing rights to appeal credit or lending decisions under the Fair Credit Reporting Act (FCRA) and the Equal Credit Opportunity Act (ECOA), which do not need to be duplicated in further legislation. MBA therefore supports using existing processes and uniform language regarding credit and/or privacy to address appeals and inquiries for AI. Along those same lines,

we also support continuing to allow existing regulatory authorities to handle cases of this nature due to the sensitivity of the information that is involved.

Additionally, MBA would advocate for a focus to protect consumers through the use of advance fraud protection techniques. As you can imagine, AI has the ability to be a valuable tool used for the detection and prevention of financial crimes, and we strongly support language to clarify that AI can be used for anti-fraud efforts in order to ensure bad actors do not obtain access to funds. MBA respectfully submits that "anti-fraud technology" be included under the list of exempted activities in AI legislation. Anti-fraud technology, along with cybersecurity procedures, aims to safeguard the use of AI and protect Massachusetts residents. Moreover, requiring notification to consumers at or before the time AI is being used could allow bad actors to manipulate the system to avoid detection or prevention of scams and fraud – a clear unintended consequence of the notification provisions. MBA, therefore, respectfully requests that "anti-fraud technology" be exempted from any AI legislation.

Finally, in recognition of the multitude of existing laws and regulations the financial industry already adheres to, MBA would encourage the Committee to explore amending any advancing AI bill to include Gramm–Leach–Bliley Act (GLBA) language that would, at a minimum, exempt financial institutions at the entity level where appropriate. The inclusion of a GLBA-type exemption not only serves as an acknowledgment of the industry's commitment to information security but also as a safeguard that the banking industry is not unnecessarily disrupted by the piling-on of unnecessary regulations.

For these reasons, MBA recommends the following language be included in any AI bills the Committee may advance this session:

> **(This chapter shall not apply to) "a financial institution subject to Title V of the federal Gramm-Leach-Bliley Act of 1999 (15 U.S.C. §6801 et seq.), and the implementing regulations promulgated thereunder."**

Thank you for considering our comments on H.77, *An Act fostering artificial intelligence responsibility;* H. 81, *An Act relative to artificial intelligence disclosure;* H. 90, *An Act regulating provenance regarding artificial intelligence;* H. 94, *An Act to ensure accountability and transparency in artificial intelligence systems;* S. 35, *An Act fostering artificial intelligence responsibility*; and S. 37, *An Act promoting economic development with emerging artificial intelligence models and safety*, amongst others. We look forward to working with the Committee on these bills, and other policy initiatives in the future.