

Union Calendar No. 619

119TH CONGRESS
2^D SESSION

H. R. 4801

[Report No. 119–713]

To establish AI Innovation Labs that permit certain persons to experiment with artificial intelligence without expectation of enforcement actions.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2025

Mr. HILL of Arkansas (for himself, Mr. TORRES of New York, Mr. STEIL, and Mr. GOTTHEIMER) introduced the following bill; which was referred to the Committee on Financial Services

JUNE 24, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 29, 2025]

A BILL

To establish AI Innovation Labs that permit certain persons to experiment with artificial intelligence without expectation of enforcement actions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Unleashing AI Innova-*
5 *tion in Financial Services Act”.*

6 **SEC. 2. DEFINITIONS.**

7 *In this section:*

8 (1) *AI TEST PROJECT.*—*The term “AI test*
9 *project” means a financial product, service, or activ-*
10 *ity—*

11 (A) *that falls under the jurisdiction of a fi-*
12 *nancial regulatory agency;*

13 (B) *that makes substantial use of artificial*
14 *intelligence;*

15 (C) *that is, or may be, subject to a Federal*
16 *regulation or Federal statute; and*

17 (D) *for which a regulated entity submits an*
18 *application for the waiver or modification of an*
19 *applicable regulation subject to an alternative*
20 *compliance strategy.*

21 (2) *APPROPRIATE FINANCIAL REGULATORY AGEN-*
22 *CY.*—*The term “appropriate financial regulatory*
23 *agency” means—*

24 (A) *the appropriate Federal banking agen-*
25 *cy, as defined in section 3 of the Federal Deposit*

1 *Insurance Act (12 U.S.C. 1813), with respect to*
2 *an institution described in subsection (q) of that*
3 *section;*

4 *(B) the Securities and Exchange Commis-*
5 *sion, with respect to an institution not described*
6 *in subparagraph (A) that is—*

7 *(i) any broker or dealer that is reg-*
8 *istered with the Commission under the Se-*
9 *curities Exchange Act of 1934 (15 U.S.C.*
10 *78a et seq.);*

11 *(ii) any investment company that is*
12 *registered with the Commission under the*
13 *Investment Company Act of 1940 (15*
14 *U.S.C. 80a–1 et seq.);*

15 *(iii) any investment adviser that is*
16 *registered with the Commission under the*
17 *Investment Advisers Act of 1940 (15 U.S.C.*
18 *80b–1 et seq.);*

19 *(iv) any clearing agency registered*
20 *with the Commission under the Securities*
21 *Exchange Act of 1934 (15 U.S.C. 78a et*
22 *seq.);*

23 *(v) any nationally recognized statis-*
24 *tical rating organization registered with the*

1 *Commission under the Securities Exchange*
2 *Act of 1934 (15 U.S.C. 78a et seq.);*

3 *(vi) any transfer agent registered with*
4 *the Commission under the Securities Ex-*
5 *change Act of 1934 (15 U.S.C. 78a et seq.);*

6 *(vii) any exchange registered as a na-*
7 *tional securities exchange with the Commis-*
8 *sion under the Securities Exchange Act of*
9 *1934 (15 U.S.C. 78a et seq.);*

10 *(viii) any national securities associa-*
11 *tion registered with the Commission under*
12 *the Securities Exchange Act of 1934 (15*
13 *U.S.C. 78a et seq.);*

14 *(ix) any securities information proc-*
15 *essor registered with the Commission under*
16 *the Securities Exchange Act of 1934 (15*
17 *U.S.C. 78a et seq.);*

18 *(x) the Municipal Securities Rule-*
19 *making Board established under the Securi-*
20 *ties Exchange Act of 1934 (15 U.S.C. 78a*
21 *et seq.);*

22 *(xi) the Public Company Accounting*
23 *Oversight Board established under the Sar-*
24 *banes-Oxley Act of 2002 (15 U.S.C. 7211 et*
25 *seq.);*

1 (xii) the Securities Investor Protection
2 Corporation established under the Securities
3 Investor Protection Act of 1970 (15 U.S.C.
4 78aaa et seq.); and

5 (xiii) any security-based swap execu-
6 tion facility, security-based swap data re-
7 pository, security-based swap dealer, or
8 major security-based swap participant reg-
9 istered with the Commission under the Se-
10 curities Exchange Act of 1934 (15 U.S.C.
11 78a et seq.);

12 (C) the Bureau of Consumer Financial Pro-
13 tection, with respect to a covered person, as de-
14 fined in section 1002 of the Consumer Financial
15 Protection Act of 2010 (12 U.S.C. 5481), that
16 does not have an appropriate financial regu-
17 latory agency under subparagraph (A), (B), (D),
18 or (E) of this paragraph;

19 (D) the National Credit Union Administra-
20 tion, with respect to an insured credit union, as
21 defined in section 101 of the Federal Credit
22 Union Act (12 U.S.C. 1752); and

23 (E) the Federal Housing Finance Agency,
24 with respect to—

25 (i) a Federal Home Loan Bank;

1 (ii) *the Federal Home Loan Bank Sys-*
2 *tem;*

3 (iii) *the Federal National Mortgage As-*
4 *sociation; and*

5 (iv) *the Federal Home Loan Mortgage*
6 *Corporation.*

7 (3) *ARTIFICIAL INTELLIGENCE; AI.—The terms*
8 *“artificial intelligence” and “AI” have the meaning*
9 *given the term “artificial intelligence” in section*
10 *5002 of the National Artificial Intelligence Initiative*
11 *Act of 2020 (15 U.S.C. 9401).*

12 (4) *COMMISSION.—The term “Commission”*
13 *means the Securities and Exchange Commission.*

14 (5) *FEDERAL SECURITIES LAWS.—The term*
15 *“Federal securities laws” means—*

16 (A) *the Securities Act of 1933 (15 U.S.C.*
17 *77a et seq.);*

18 (B) *the Securities Exchange Act of 1934 (15*
19 *U.S.C. 78a et seq.);*

20 (C) *the Sarbanes-Oxley Act of 2002 (15*
21 *U.S.C. 7201 et seq.);*

22 (D) *the Trust Indenture Act of 1939 (15*
23 *U.S.C. 77aaa et seq.);*

24 (E) *the Investment Company Act of 1940*
25 *(15 U.S.C. 80a–1 et seq.);*

1 (F) the Investment Advisers Act of 1940 (15
2 U.S.C. 80b–1 et seq.);

3 (G) the Jumpstart Our Business Startup
4 Act (Public Law 112–106; 126 Stat. 306); and

5 (H) the Dodd-Frank Wall Street Reform
6 and Consumer Protection Act (Public Law 111–
7 203; 124 Stat. 1376).

8 (6) *FINANCIAL PRODUCT, SERVICE, OR ACTIV-*
9 *ITY.*—The term “financial product, service, or activ-
10 *ity*”—

11 (A) includes—

12 (i) a financial product or service, as
13 defined in section 1002 of the Consumer Fi-
14 nancial Protection Act of 2010 (12 U.S.C.
15 5481);

16 (ii) activities that are financial in na-
17 ture, as defined in section 4(k)(4) of the
18 Bank Holding Company Act of 1956 (12
19 U.S.C. 1843(k)(4));

20 (iii) any financial product or service
21 provided by a person regulated by the Com-
22 mission, as defined in section 1002 of the
23 Consumer Financial Protection Act of 2010
24 (12 U.S.C. 5481); and

1 (iv) the offer or sale of any security
2 subject to the Federal securities laws;

3 (B) includes any internal activity of a reg-
4 ulated entity that is carried out in furtherance
5 of the offering or sale of a product, service, or ac-
6 tivity described in subparagraph (A); and

7 (C) does not include the business of insur-
8 ance, as defined in section 1002 of the Consumer
9 Financial Protection Act of 2010 (12 U.S.C.
10 5481).

11 (7) *FINANCIAL REGULATORY AGENCY*.—The term
12 “financial regulatory agency” means—

13 (A) the Board of Governors of the Federal
14 Reserve System;

15 (B) the Federal Deposit Insurance Corpora-
16 tion;

17 (C) the Office of the Comptroller of the Cur-
18 rency;

19 (D) the Securities and Exchange Commis-
20 sion;

21 (E) the Bureau of Consumer Financial Pro-
22 tection;

23 (F) the National Credit Union Administra-
24 tion; and

25 (G) the Federal Housing Finance Agency.

1 (8) *REGULATED ENTITY.*—*The term “regulated*
 2 *entity” means an entity regulated, or insured in the*
 3 *case of a credit union, by any financial regulatory*
 4 *agency.*

5 **SEC. 3. AI INNOVATION LABS.**

6 *Each financial regulatory agency shall establish, or*
 7 *identify an office, division, or department of the agency*
 8 *that shall serve as, an “AI Innovation Lab” to enable regu-*
 9 *lated entities to experiment with AI test projects without*
 10 *unnecessary or unduly burdensome regulation or expecta-*
 11 *tion of enforcement actions, including enforcement actions*
 12 *that disincentivize the substantial use of artificial intel-*
 13 *ligence to enhance regulatory compliance practices, pursu-*
 14 *ant to the approval of an application under section 4.*

15 **SEC. 4. USE OF ARTIFICIAL INTELLIGENCE BY REGULATED**
 16 **FINANCIAL ENTITIES.**

17 (a) *APPLICATION SUBMISSION.*—

18 (1) *IN GENERAL.*—*Beginning one year after the*
 19 *date of enactment of this Act, a regulated entity may*
 20 *submit to the appropriate financial regulatory agency*
 21 *an application, on a form determined by the appro-*
 22 *priate financial regulatory agency, to engage in an*
 23 *AI test project through an AI Innovation Lab.*

24 (2) *CONTENTS.*—*An application submitted under*
 25 *paragraph (1) shall include—*

1 (A) a description of the AI test project pro-
2 posed to be carried out by the regulated entity,
3 including—

4 (i) the type and capabilities of the rel-
5 evant AI technologies, systems, and applica-
6 tions; and

7 (ii) the purposes and goals of the AI
8 test project;

9 (B) an alternative compliance strategy
10 that—

11 (i) identifies a regulation issued by a
12 financial regulatory agency that the regu-
13 lated entity requests to be waived or modi-
14 fied;

15 (ii) proposes an alternative method for
16 the regulated entity to comply with the Fed-
17 eral statute under which the regulation
18 identified in clause (i) is promulgated and
19 the purpose of such regulation, including an
20 explanation as to why the alternative meth-
21 od is essential to the operation of the regu-
22 lated entity and how the regulated entity
23 would effectively manage risks, including
24 cybersecurity risks, associated with the AI
25 test project;

1 (iii) describes applicable plans and
2 policies related to risk assessments, testing,
3 controls, documentation, and monitoring
4 and their role in managing risks described
5 under clause (ii); and

6 (iv) contains policies for the regulated
7 entity to maintain, consistent with applica-
8 ble law, cybersecurity standards, and con-
9 tractual limitations and obligations, records
10 of the activities of the AI test project, so
11 long as such policies do not require the reg-
12 ulated entity to maintain any records that
13 the regulated entity is not permitted to
14 maintain pursuant to another law or any
15 contractual limitation or obligation;

16 (C) an explanation of how under the strat-
17 egy described in subparagraph (B), the AI test
18 project—

19 (i) would serve the public interest, im-
20 prove consumer or investor access to a fi-
21 nancial product, service, or activity, or pro-
22 mote consumer or investor protection;

23 (ii) would enhance efficiency or oper-
24 ations, foster innovation or competitiveness,
25 improve risk management and security, in-

cluding cybersecurity, or enhance regulatory compliance;

(iii) would not present—

(I) a significant risk of loss to the Deposit Insurance Fund or the National Credit Union Share Insurance Fund where the regulated entity is an insured depository institution or insured credit union; or

(II) a systemic risk to the financial system of the United States;

(iv) is consistent with the purposes of the anti-money laundering and countering the financing of terrorism obligations under subchapter II of chapter 53 of title 31, United States Code; and

(v) would not present a national security risk to the United States;

(D) a proposed date on which the AI test project would terminate and an explanation why such termination date would be appropriate;

(E) proposed limitations on the size, scope, and growth of the AI test project;

(F) a detailed business plan; and

1 (G) *an estimate of the economic, market,*
 2 *operational, and public interest impact of the AI*
 3 *test project if approved.*

4 (3) *JOINT APPLICATIONS.—Two or more regu-*
 5 *lated entities may submit a joint application to the*
 6 *same financial regulatory agency under paragraph*
 7 *(2).*

8 (4) *REGULATIONS OF OTHER AGENCIES.—*

9 (A) *IN GENERAL.—Notwithstanding para-*
 10 *graph (2), a regulated entity may submit an ap-*
 11 *plication under this subsection for an alternative*
 12 *compliance strategy for a regulation issued or*
 13 *enforced by a financial regulatory agency that is*
 14 *not the appropriate financial regulatory agency*
 15 *for the regulated entity.*

16 (B) *REQUIREMENTS.—An application de-*
 17 *scribed in subparagraph (A) shall be subject to*
 18 *the same requirements as an application de-*
 19 *scribed in paragraph (2), except that—*

20 (i) *the regulated entity shall submit the*
 21 *application to—*

22 (I) *the appropriate financial reg-*
 23 *ulatory agency; and*

24 (II) *any other financial regu-*
 25 *latory agency that—*

1 (aa) issued the regulation
2 that is the subject of the alter-
3 native compliance strategy and
4 has jurisdiction over the regulated
5 entity with respect to such regula-
6 tion; or

7 (bb) enforces the regulation
8 that is the subject of the alter-
9 native compliance strategy with
10 respect to the regulated entity;
11 and

12 (ii) the AI test project may not take ef-
13 fect unless the application is jointly ap-
14 proved by—

15 (I) the appropriate financial reg-
16 ulatory agency; and

17 (II) each other financial regu-
18 latory agency described in clause

19 (i)(II).

20 (5) NOTICE.—A regulated entity that is regu-
21 lated by, or subject to regulations that are enforced
22 by, more than 1 financial regulatory agency shall
23 provide notice of any application submitted to the ap-
24 propriate financial regulatory agency under this sec-
25 tion to each such financial regulatory agency not

1 *later than 5 business days after the regulated entity*
2 *submits the application to the appropriate financial*
3 *regulatory agency.*

4 (6) *NOTICE OF INTERVENING AGENCY.—*

5 (A) *NOTICE OF INTERVENTION.—A finan-*
6 *cial regulatory agency that receives a notice*
7 *under paragraph (5) with respect to an applica-*
8 *tion regarding a regulation that such agency*
9 *issued or enforces may, within 30 days of receiv-*
10 *ing such notice, issue a notice of intervention to*
11 *the regulated entity and the appropriate finan-*
12 *cial regulatory agency of such regulated entity.*

13 (B) *JOINT APPROVAL REQUIRED.—If a fi-*
14 *nancial regulatory agency issues a notice of*
15 *intervention described in subparagraph (A), the*
16 *applicable AI test project may not take effect un-*
17 *less such financial regulatory agency, jointly*
18 *with the financial regulatory agencies described*
19 *in paragraph (4)(B)(ii), approves the applica-*
20 *tion.*

21 (7) *AGENCY REVIEW.—*

22 (A) *IN GENERAL.—Except as provided in*
23 *subparagraph (D), not later than 120 days after*
24 *the date on which a complete application is re-*
25 *ceived by a financial regulatory agency under*

1 *this subsection, the financial regulatory agency*
2 *shall—*

3 *(i) review the application and assess,*
4 *to the extent reasonably practicable, the ap-*
5 *plicant's ability to satisfy the standards de-*
6 *scribed in subparagraphs (B) and (C) of*
7 *paragraph (2); and*

8 *(ii) submit to the applicant in writing*
9 *a determination of the agency.*

10 *(B) APPROVAL.—*

11 *(i) IN GENERAL.—If the applicant*
12 *shows that it is more likely than not that*
13 *the application meets the requirements for*
14 *establishing an alternative compliance*
15 *strategy and satisfies the standards de-*
16 *scribed in subparagraphs (B) and (C) of*
17 *paragraph (2), the financial regulatory*
18 *agency shall approve the application and*
19 *notify the applicant in writing of—*

20 *(I) the regulation that is the sub-*
21 *ject of the alternative compliance strat-*
22 *egy;*

23 *(II) the terms of the alternative*
24 *compliance strategy for the AI test*
25 *project;*

1 (III) the date on which the AI test
2 project will terminate;

3 (IV) any limitations on the size,
4 scope, or growth of the AI test project;
5 and

6 (V) any additional limitations or
7 conditions on the AI test project, as de-
8 termined by the financial regulatory
9 agency.

10 (ii) *EFFECT OF APPROVAL.*—With re-
11 spect to an AI test project, beginning on the
12 date on which an application submitted
13 under paragraph (1) is approved and end-
14 ing on the date described in clause
15 (i)(III)—

16 (I) the appropriate financial reg-
17 ulatory agency may enforce a regula-
18 tion described in clause (i)(I) only in
19 the manner set out in the alternative
20 compliance strategy described in clause
21 (i)(II), subject to limitations or condi-
22 tions described in subclauses (IV) and
23 (V) of clause (i); and

24 (II) except as provided in clause
25 (iii), a financial regulatory agency

1 *that is not the appropriate financial*
 2 *regulatory agency may not enforce a*
 3 *regulation described in clause (i)(I).*

4 *(iii) ENFORCEMENT BY ANOTHER FI-*
 5 *NANCIAL REGULATORY AGENCY.—With re-*
 6 *spect to an AI test project, a financial regu-*
 7 *latory agency other than the appropriate fi-*
 8 *nancial regulatory agency may enforce a*
 9 *regulation described in clause (i)(I) if—*

10 *(I) such other financial regulatory*
 11 *agency issued or enforces such regula-*
 12 *tion;*

13 *(II) the approval of such other fi-*
 14 *nancial regulatory agency was re-*
 15 *quired for the AI test project under*
 16 *paragraph (4)(B)(ii)(II) or (6)(B);*
 17 *and*

18 *(III) the alternative compliance*
 19 *strategy described in subclause clause*
 20 *(i)(II) provides for enforcement by such*
 21 *other financial regulatory agency.*

22 *(C) DENIAL, RESUBMITTAL, AND RELIEF.—*

23 *(i) IN GENERAL.—If a financial regu-*
 24 *latory agency denies an application, the fi-*
 25 *nancial regulatory agency—*

1 (I) shall submit to the applicant a
2 written notice explaining the reason
3 for denial; and

4 (II) may not take an enforcement
5 action related to the proposed AI test
6 project against the applicant earlier
7 than the date that is 30 days after the
8 date on which the financial regulatory
9 agency submits such written notice.

10 (ii) *RESUBMITTALS*.—Each time an
11 application submitted under paragraph (1)
12 is denied, the regulated entity—

13 (I) may submit an amended ap-
14 plication after receiving feedback from
15 the financial regulatory agency making
16 such denial; and

17 (II) may not resubmit more than
18 2 applications that are substantially
19 similar to the denied application.

20 (iii) *INJUNCTIVE RELIEF*.—Notwith-
21 standing clause (i)(II), a financial regu-
22 latory agency, by and through its own at-
23 torneys, may file a civil action in an ap-
24 propriate United States district court to en-
25 join an active AI test project if the finan-

1 *cial regulatory agency determines that the*
2 *AI test project—*

3 *(I) presents an immediate danger*
4 *to consumers or investors; or*

5 *(II) presents a risk—*

6 *(aa) to financial markets;*

7 *(bb) in the case of an AI test*
8 *project engaged in by an insured*
9 *depository institution or an in-*
10 *ured credit union, of loss to a*
11 *Federal deposit or share insurance*
12 *fund;*

13 *(cc) of a violation of anti-*
14 *money laundering and countering*
15 *the financing of terrorism obliga-*
16 *tions under subchapter II of chap-*
17 *ter 53 of title 31, United States*
18 *Code; or*

19 *(dd) to the national security*
20 *of the United States.*

21 *(iv) RULE OF CONSTRUCTION ON CER-*
22 *TAIN ADMINISTRATIVE ORDERS.—Nothing*
23 *in clause (iv) shall be construed to limit a*
24 *financial regulatory agency's authority to*
25 *issue an administrative order to cease the*

1 *activity of an active AI test project where*
2 *the agency determines such activity is caus-*
3 *ing unmitigable or irreparable harm to con-*
4 *sumers, investors, or financial stability.*

5 (D) *EXTENSION; FAILURE TO MAKE A DE-*
6 *TERMINATION.—If a financial regulatory agency*
7 *determines additional time is needed to make a*
8 *determination on a complete application received*
9 *under this subsection, the financial regulatory*
10 *agency may extend the 120-day deadline by one*
11 *additional 120-day period. If the financial regu-*
12 *latory agency does not approve or deny the ap-*
13 *plication by the end of the initial 120-day period*
14 *(or the 240-day period, in the case of extension),*
15 *the financial regulatory agency shall be deemed*
16 *to have approved the application.*

17 (E) *ADDITIONAL INFORMATION.—During*
18 *the applicable 120-day determination period (or*
19 *the 240-day period, in the case of extension), a*
20 *financial regulatory agency may request addi-*
21 *tional information from the regulated entity.*

22 (F) *RULE OF CONSTRUCTION ON FRAUD*
23 *AND MARKET MANIPULATION AUTHORITY.—Noth-*
24 *ing in subparagraph (B) or (C) may be con-*
25 *strued to limit the authority of a financial regu-*

latory agency to take an enforcement action against a regulated entity with respect to fraud or market manipulation or for engaging in an unsafe or unsound practice.

(8) *DATA SECURITY*.—All data supplied by sponsors of AI test projects to a financial regulatory agency submitted under this section shall be stored and maintained in a secure manner by the financial regulatory agency, consistent with applicable data security standards.

(9) *REGULATIONS*.—Not later than 180 days after the date of enactment of this Act, each financial regulatory agency shall promulgate regulations implementing this Act that—

(A) shall be published in the Federal Register and provide a 60-day period for public notice and comment; and

(B) include—

(i) procedures for submitting applications for AI test projects and for modifying the AI test projects that are approved by the agency;

(ii) consequences for failure to comply with the terms of an alternative compliance strategy;

1 (iii) a requirement that an AI test
2 project will include a specified termination
3 date;

4 (iv) procedures to extend the termi-
5 nation date described in clause (iii) for a
6 specified time period;

7 (v) requirements for regulated entities
8 to report the status and progress of AI test
9 projects at a frequency reasonably necessary
10 for carrying out this Act and the rules pro-
11 mulgated thereunder;

12 (vi) requirements for regulated entities
13 to make disclosures reasonably appropriate
14 to inform consumers or investors regarding
15 any direct interaction with an AI test
16 project, which shall be tailored to the scale,
17 scope, and risks thereof and describe the na-
18 ture of the AI test project and its applicable
19 alternative compliance strategy;

20 (vii) procedures for maintaining, as
21 appropriate and consistent with applicable
22 law, the confidentiality, security, and pri-
23 vacy of information;

24 (viii) consideration of the type and ca-
25 pabilities of proposed AI test projects' rel-

1 *evant AI technologies, systems, and applica-*
2 *tions in the development of applicable guid-*
3 *ance and requirements;*

4 *(ix) procedures for assigning appro-*
5 *priate personnel to serve as liaisons and*
6 *points of contact for regulated entities with*
7 *approved AI test projects; and*

8 *(x) procedures for coordinating deci-*
9 *sions relating to applications submitted*
10 *jointly by multiple regulated entities or ap-*
11 *plications submitted to more than one fi-*
12 *nancial regulatory agency.*

13 *(b) INTERAGENCY COORDINATION AND CONSULTA-*
14 *TION.—The financial regulatory agencies shall consult,*
15 *share information, and coordinate, and may enter into a*
16 *joint memorandum of understanding, in order to—*

17 *(1) facilitate any joint approvals of applications;*

18 *(2) understand and establish best practices with*
19 *respect to—*

20 *(A) AI innovation Labs;*

21 *(B) promulgating and updating guidance*
22 *and rules related to financial products, services,*
23 *and activities that make substantial use of artifi-*
24 *cial intelligence based on the lessons learned*
25 *from AI test projects; and*

1 (C) *AI test project applications, approvals,*
2 *alternative compliance methods, conditions,*
3 *terms, reporting, disclosures, oversight, and guid-*
4 *ance; and*

5 (3) *avoid unnecessary, duplicative, or conflicting*
6 *processes or efforts with respect to AI test project ap-*
7 *plications, approvals, reporting, and disclosures.*

8 **SEC. 5. ANNUAL REPORT.**

9 (a) *IN GENERAL.*—*Not later than 2 years after the*
10 *date of enactment of this Act, and each year for 7 years*
11 *thereafter, each financial regulatory agency shall submit to*
12 *the Committee on Banking, Housing, and Urban Affairs*
13 *of the Senate and the Committee on Financial Services of*
14 *the House of Representatives an annual report on the out-*
15 *comes of AI test projects. A report under this subsection*
16 *shall include aggregated findings, trends, and lessons*
17 *learned from the AI test projects.*

18 (b) *CONFIDENTIALITY.*—*A report under this section—*

19 (1) *may not include the names of participating*
20 *entities or any proprietary or confidential business*
21 *information; and*

22 (2) *where appropriate, may contain a classified*
23 *annex.*

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