March 15, 2025

Faisal D'Souza, NCO
Office of Science and Technology Policy
1650 Pennsylvania Avenue NW
Washington DC, 20502

Re: Request for Information on the Development of an Artificial Intelligence (AI) Action Plan

The National Fair Housing Alliance® (NFHA™)[1] and the undersigned civil rights advocacy organizations appreciate the opportunity to submit comments in response to the Office of Science Technology and Policy (OSTP) February 6, 2025 Request for Information (RFI) on the Development of an Artificial Intelligence (AI) Action Plan[2]. We commend the OSTP for seeking input on this important topic and hope our comments below will help inform the OSTP's views.

The next few years will see the emergence of extremely powerful AI systems and agents fundamentally altering the economy, workforce, education systems, and social interactions in the United States of America. Maintaining US leadership in AI underscores the importance of testing systems, assessing their impact, and building guardrails to ensure positive change and mitigate risk of misuse. AI has the potential to lift Americans economically and provide opportunity for those that previously had very little, however the next step in successful adoption, beyond innovation lies in accepting the fundamental truths around AI and understanding the technologies' potential blind spots and risks. There are significant risks that AI systems can result in discriminatory or inequitable outcomes, but the risks are not insurmountable.

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[1] Founded in 1988, the National Fair Housing Alliance (NFHA) is the country's only national civil rights organization dedicated solely to eliminating all forms of housing and lending discrimination and ensuring equal opportunities for all people. As the trade association for over 170 fair housing and justice-centered organizations and individuals throughout the U.S. and its territories, NFHA works to dismantle longstanding barriers to equity and build diverse, inclusive, well-resourced communities.
[2] https://www.govinfo.gov/content/pkg/FR-2025-02-06/pdf/2025-02305.pdf

Our previously submitted comment letter[3] underscored that any comprehensive AI Action Plan must rigorously address civil rights concerns, ensuring that advancements in AI do not inadvertently perpetuate existing inequalities or introduce new forms of discrimination. It is essential that the plan includes clear, standardized criteria for testing and auditing AI systems, with specific attention to detecting and mitigating bias in AI-based decision-making systems. Such measures will help to safeguard the rights of historically marginalized communities and promote equitable outcomes across sectors, particularly in areas like housing and lending.

In addition to robust technical standards, our letter emphasizes the importance of transparency and accountability in the deployment of AI technologies. The AI Action Plan must mandate regular impact assessments and independent audits to verify that AI systems are operating as intended, without adverse consequences for civil rights. This proactive oversight is critical to maintaining public trust and ensuring that any negative outcomes are swiftly identified and addressed, reinforcing that innovation must be balanced with a commitment to fairness and justice.

The AI Action Plan must foster a collaborative governance model that actively engages diverse stakeholders—including civil rights advocates, community representatives, industry experts, and regulatory bodies—in its development and implementation. By integrating broad-based input and establishing mechanisms for continuous dialogue and revision, the AI Action Plan will not only drive technological advancement but also ensure that these innovations are accessible and beneficial to all Americans, reflecting our collective values of equity and inclusion.

Following are recommendations as to how the federal government can mitigate these risks in the pursuant AI Action Plan:

General Feedback

NFHA recommends that the administration take a risk-based approach to AI policy. While AI is largely used for good, like all powerful innovations, the risk of misuse remains. We strongly recommend that

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[3] NFHA's response to Request for Information and Comment on Financial Institutions' Use of Artificial Intelligence, including Machine Learning

the administration categorically require extensive impact assessments for AI systems and take action to mitigate their societal and economic harms. NFHA is concerned that

NFHA's response seeks to balance AI innovation with civil rights protections, ensuring that regulations support responsible AI development, deployment and adoption.

I.   Transparency and Accountability

A risk-based approach to AI systems should distinguish between general risks associated with AI applications, such as those related to accuracy, hallucinations, content generation, and risks associated in a specific sector. Particularly AI used in tenant screening, dynamic rental pricing, credit scoring, insurance underwriting, and automated mortgage valuation models—requires transparency and accountability to ensure fairness, impartiality and integrity[4]. Building public trust in AI systems requires that the confidentiality and security of sensitive personal and financial data is protected, especially considering the vast amount of data processed by AI systems. Finally, the principles of transparency and accountability demand that users are made aware when they interact with an AI system to respect human autonomy and freedom of choice.

Recommendations:
- **Ensure strong civil and human rights protections:** The priorities of the AI Action Plan should reflect civil and human rights principles that are foundational to America's ideals of freedom and equality. Subsequent AI regulation should create equity to mitigate existing systemic barriers that unjustly harm underserved groups and communities.
- **Initiate an AI risk-management framework**. Establish policies to evaluate risk-relevant capabilities of AI and robustness of safety measures, both prior to deployment and on an ongoing basis, through internal and external evaluations[5]. This framework should be developed under the participation of multiple stakeholders such as policymakers, AI developers and users, civil rights advocates and consumer protection organizations. The guidelines should

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[4] Lisa Rice, NFHA President, Testimony on Artificial Intelligence and Housing: Exploring Promise and Peril, Subcommittee on Housing, Transportation, and Community Development, 2024.
https://www.banking.senate.gov/hearings/artificial-intelligence-and-housing-exploring-promise-and-peril
[5] NIST AI Risk Management Framework https://www.nist.gov/itl/ai-risk-management-framework

reflect and comply with the existing laws and regulations that ensure fair treatment in financial services and housing[6].

- **Incorporate fairness metrics.** Guidelines should not only relate to accuracy, reliability or robustness, but should also take into consideration specific measures regarding fairness as appropriate in specific sectors (such as lending, renting). NFHA recommends assessments of unwanted bias in the outcome of AI systems by developers and users alike[7]. Existing frameworks relating to measuring and mitigating disparate impact, disparate treatment, and proxy discrimination should guide further regulation of AI fairness[8].
- **Enable third party oversight**. The AI risk-framework should support, apart from transparency, third party oversight, enforcement and ensure compliance with the existing legal framework in a given sector, such as anti-discrimination and civil rights legislation for the housing sector.
- **Mandate regular impact assessments.** The AI Action Plan must mandate regular impact assessments and independent audits to verify that AI systems are operating as intended, without adverse consequences for civil rights. Evaluations should be not only done internally, but include third party oversight and appropriate enforcement measures in case of non-compliance. The collection of AI impact data should be done in regular intervals (at least once a year).
- **Ensuring public data access:** AI legislation should mandate public availability of key data, as the lack of such data hampers efforts to develop responsible automated systems in housing and financial services. This data usage must rightly balance privacy rights with the need to protect civil and human rights.

II. Education and Workforce Development

AI regulation should be supported through procurement policies, workforce development, and education initiatives. AI literacy and retraining programs will be essential to ensure that workers

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[6] Title VII of the Civil Rights Act, Fair Housing Act, Equal Credit Opportunity Act

[7] Ferrara, E. (2024). Fairness and Bias in Artificial Intelligence: A Brief Survey of Sources, Impacts, and Mitigation Strategies. Sci, 6(1), 3. https://doi.org/10.3390/sci6010003

[8] Nicholas Schmidt, Partner and Artificial Intelligence Practice Leader, BLDS, and Founder and CTO SolasAI, Testimony on Artificial Intelligence and Housing: Exploring Promise and Peril, Subcommittee on Housing, Transportation, and Community Development, 2024.
https://www.banking.senate.gov/hearings/artificial-intelligence-and-housing-exploring-promise-and-peril

remain competitive in an evolving job market. A recent World Economic Forum survey reports that 86% of employers expect AI technology to transform their businesses by 2030[9].

The risk of workforce displacement due to AI advancements is significant, particularly in industries that involve tasks related to reading, writing, mathematics, marketing, programming, and financial management. AI developers should consider whether AI solutions should replace human roles or augment them to improve outcomes.

Recommendations:
- **Promote human-centric AI.** The AI Action Plan should emphasize human-centric AI development that retains human oversight to ensure ethical decision-making.
- **Promote AI literacy in the civilian workforce**. Workforce development must be a priority of policymakers. As the demands for skills relating to AI technologies grows, promoting AI literacy will be crucial for retraining the public and empowering workers to feel empowered to use AI tools.
- **Acknowledge the limitations of human-AI collaboration.** Guidelines should highlight the limitations of GenAI that can be effectively managed through human-AI collaboration, rather than pursuing complete automation of projected tasks or roles. Maintaining human oversight and decision-making is essential to ensure that AI deployment and outcomes align with the intended benefits.

III.   Research in AI Fairness & Algorithmic Bias

To be a global leader in AI, the United States should address potential bias and unequal treatment resulting from AI systems as discriminatory AI models could strip hard working Americans of opportunities. Ensuring fairness requires setting implementation standards that promote equal access and compliance with civil rights laws. Developing tools to detect and monitor bias as well as the search for least discriminatory algorithm (LDA) should be a priority.

Recommendations:
- **Fund national AI research initiatives.** The AI Action Plan should fund research initiatives that test and evaluate AI systems, develop tools to detect and monitor bias, and seek innovative

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[9] WEF, the Future of Jobs Report 2025

methods to mitigate algorithmic bias. Continue funding for national initiatives such as the National AI Research Resource Pilot (NAIRR Pilot)[10].

- **Encourage the search for Less Discriminatory Algorithms (LDAs).** The AI Action plan should encourage AI deployers to actively search for less discriminatory algorithms (LDAs). LDAs are algorithms that are equal in accuracy but demonstrate minimal disparate impact, making them a justifiable and necessary alternative[11].
- **Provide guidelines for LDAs.** Policymakers should provide comprehensive guidelines in key areas, including appropriate debiasing techniques, recommendations for the proper depth of LDA searches, valuable considerations for LDA viability, and suitable fairness metrics in a variety of different contexts.

IV.   AI Infrastructure & Environmental Impact

As the government increasingly invests in AI infrastructure, early signs indicate that the buildout of data centers places a significant strain on energy grids and the environment. The growing demand for data centers will affect local communities and regions' energy and water availability and cost and pose potential risks of harm for utility customers and communities. AI data centers are driving growth in energy usage, with data centers representing 4.4% of total US electricity consumption in 2023 and estimates show that data center energy consumption could reach between 6.7% and 12% of total US electricity consumption by 2028[12]. With increased electricity demand, there is the risk that energy bills will increase for consumers in addition to financial risks to consumers from overbuilding or sudden closure of a data center.

There are also environmental risks for the communities where these data centers are located. Back up generation to protect data centers from outages could increase air pollution (e.g., if the back generation is diesel). Cooling data centers requires water and this could affect water sources and

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[10] NAIRR Pilot https://nairrpilot.org/
[11] Emily Black (2023, October 31). Less Discriminatory Algorithms. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4590481
[12] LBNL 2024 United States Data Center Energy Usage Report (Dec. 2024), pp 6-7.
https://eta.lbl.gov/publications/2024-lbnl-data-center-energy-usage-report

also affect water bills for consumers (for example, if the water usage causes scarcity). The constant noise from a data center can be seen as a nuisance by residents[13].

Preventing an energy crisis will require better calibration of risks and resources as the United States will risk overspending on AI infrastructure if energy efficiency in model training and inference is not adequately considered and improvements implemented. To support sustainable AI development policymakers should address energy consumption, data center sustainability, and refining computing efficiency.

Recommendations:
- **Prioritize community engagement.** The AI Action Plan should include community engagement, strategies to ensure consumers' electric and water bills are protected from AI-related increases and low-income consumers, in particular, have access to affordable and reliable electricity and water.
- **Reduce energy consumption through hardware solutions.** Encouraging the use of more efficient hardware should be a priority. Regulations such as power capping for data centers would incentivize companies to adopt more energy-efficient systems, reducing energy expenditure and alleviating the costs associated with training AI models[14]. Additionally, policymakers should consider a layout for model training requirements and introduce site assessment mandates for first-time data centers to prevent excessive spending on infrastructure.
- **Promote data center sustainability.** Data center developers should be required to disclose energy and water consumption at regional and state levels to allow for more accurate projections of power needs and assess the impact on local grids[15].
    - Data centers should seek independence from local electricity grids.

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[13] Virginia Joint Legislative Audit and Review Commission, "Data Centers in Virginia 2024, Report to the Governor and General Assembly of Virginia (Dec. 9, 2024), Executive Summary.
[14] MIT Lincoln Library (2023, October 5). New tools are available to help reduce the energy that AI models devour. https://news.mit.edu/2023/new-tools-available-reduce-energy-that-ai-models-devour-1005
[15] American Council for an Energy Efficient Economy (2024, October). Turning Data Centers into Grid and Regional Assets chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.aceee.org/sites/default/files/pdfs/Turning%20Data%20Centers%20into%20Grid%20and%20Regional%20Assets%20-%20Considerations%20and%20Recommendations%20for%20the%20Federal%20Government,%20State%20Policymakers,%20and%20Utility%20Regulators.pdf

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o   Policymakers should also promote recycling initiatives to conserve municipal water supplies, mitigate the scarcity of rare elements, and reduce hazardous waste in compliance with legal frameworks.
- **Prioritize computing efficiency.** Promoting advancements in hardware as well as in software efficiency is crucial. AI algorithms should be designed to rely on less input data, thereby reducing the resources needed for training and deployment.

V.   Open-Source Development

Open-source AI applications provide a wide range of benefits, including increased transparency, competition, and adaptability. However, the 'openness' of AI systems follows a spectrum, and not all AI models are equally accessible or equally safe. Ensuring that Americans have a fair and facilitated access to AI innovation should be a policy priority. While the marginal risk associated with open-source systems remains low, we encourage the administration to monitor potential risks associated with models that can be widely adopted and modified.

Recommendations:
- **Ensure that open-source applications comply with existing legal frameworks**. The AI Action Plan should ensure that open-source AI tools remain widely accessible while complying with civil rights protections.
- **Consider the various components of open foundation models**. Policymakers should consider that access to different component parts of open foundation models may change the balance of risk and benefit[16]. For example, access to model weights alone may present a limited risk, while access to model weights plus source code could marginally increase the risks of a model. NFHA recommends that the Action Plan establishes a policy framework for analyzing the Marginal Risk of Open Foundation Models similar[17].
- **Monitor the risks of open foundation models**. Policymakers should carefully monitor security risks associated with open-source and foundation models. Best practices for AI safety may include red-teaming AI models or conducting vulnerability testing before release[18].

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[16] Prompt Engineering Institute. (2023, December 1). Openness in Language Models: Open-Source vs Open Weights vs Restricted Weights. https://promptengineering.org/llm-open-source-vs-open-weights-vs-restricted-weights/
[17] Stanford HAI. (2024, February 27). On the Societal Impact of Open Foundation Models. https://crfm.stanford.edu/open-fms/
[18] RAND. (2024, January 25). The Operational Risks of AI in Large-Scale Biological Attacks. https://www.rand.org/pubs/research_reports/RRA2977-2.html

VI.   AI Safety & Security

Given the enormous investment in AI system development, ensuring system reliability through robust testing should be a priority. Preventing errors in AI applications, such as AI hallucinations, misapplications, and bias, will require the implementation of clear standards for testing, training, and certification. The United States should prioritize global leadership in the development and practice of AI standards.

Recommendations:
- **Preserve the AI Safety Institute**. NFHA urges policymakers to preserve the key function of the AI Safety Institute. It is essential that the AI Safety Institute remains independent and well-funded to carry out its mission of overseeing AI safety, mitigating risks, and setting clear regulatory standards.
- **Cybersecurity & AI**. The AI Action Plan should also explore AI-driven solutions for improving cybersecurity. AI security remains a paramount concern, particularly as AI systems are increasingly integrated into government services that process sensitive data. Protecting AI systems from cyber threats—such as malicious prompt engineering and data poisoning—will be critical.
- **Initiate robust AI governance frameworks**: Develop stringent policies requiring federal agencies and AI developers to implement **secure-by-design** principles, ensuring AI systems are built with strong security protections from inception[19].

VII.   AI in Government & Procurement

The federal government should prioritize AI adoption to enhance and accelerate the administrative and operational capabilities of agencies. Departments such as the Department of Housing and Urban Development (HUD) and the Department of Justice (DOJ) have opportunities to leverage AI for

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[19] DHS (2024, November 14). Groundbreaking Framework for the Safe and Secure Deployment of AI in Critical Infrastructure Unveiled by Department of Homeland Security.
https://www.dhs.gov/archive/news/2024/11/14/groundbreaking-framework-safe-and-secure-deployment-ai-critical-infrastructure

improving investigative processes such as to determine potential violations of the Fair Housing Act and other civil rights laws. To achieve these goals, the government must effectively identify areas where AI can enhance efficiency and decision-making.

Recommendations:
- **Promoting effective training for the federal workforce:** The AI Action Plan should support comprehensive training on technology and AI fairness for federal regulators and enforcement agencies and ensure the federal workforce has the equipment and resources needed to enforce U.S. laws and regulations.
- **Utilize AI for data-driven decision-making**: AI can help analyze policy impacts, predict trends, and optimize resource allocation to improve government efficiency and responsiveness. Maximizing AI utility may involve hiring more tech talent in necessary agencies.
- **Conduct an AI needs assessment across federal agencies**: Agencies should evaluate existing challenges and inefficiencies where AI could improve workflows, such as streamlining paperwork, automating administrative tasks, and improving response times.
- **Reliability testing**: Conduct extensive testing to verify that AI systems perform consistently across different scenarios and datasets.

- **Designing procurement actions.** Ensure that AI systems in the government protect privacy, civil rights, and civil liberties.

VIII.   Regulatory Harmonization & Global AI Governance

The United States must take charge in creating a strong regulatory AI framework that will align with its allies to establish global governance, mitigate risks, and implement AI safeguards. The current regulatory landscape is fragmented, resulting in uncertainty, compliance burdens, and access barriers for other countries. As AI development progresses, advancing standardization, providing legal certainty, and furthering AI-driven diplomacy will be critical in maintaining a leadership role in AI technology.

Recommendations:
- **Initiate global standards for AI regulation and governance.** Policymakers should continue to maintain US leadership role in providing a framework for global AI governance as has been laid

out in UN resolution[20] and in the Recommendation of the Council on Artificial Intelligence by OECD[21] to promote the diffusion of safe, secure and trustworthy AI systems worldwide.

- **Promote democratic principles through AI diplomacy.** Harness the propagation of safe AI technology in US diplomacy to promote democratic principles, human rights and enhance equity among nations.
- **Work with allies to harmonize existing AI regulation.** The administration should seek to collaborate with allies using AI as a tool for diplomacy to further harmonize regulatory requirements and avoid a fractured global landscape.

Thank you for considering our views,

Sincerely,

National Fair Housing Alliance
Japanese American Citizens League
National Consumer Law Center on behalf of its low-income clients

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[20] United Nations General Assembly (2024, March 11). Seizing the opportunities of safe, secure, and trustworthy artificial intelligence systems for sustainable development. https://docs.un.org/en/A/78/L.49

[21] OECD (2019, June 22). Recommendation of the Council on Artificial Intelligence https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0449