

## Recommendations to ensure AI systems help close the racial wealth gap.

The evidence presented in this report demonstrates that without deliberate and outcome-oriented interventions, AI will likely amplify the racial wealth gap rather than narrow it. To be clear, this does not have to be a foregone conclusion. AI technologies can produce positive outcomes when developed, tested, and adopted with principled and civil-rights-protective guardrails. But without safeguards, governance, and corrective measures, AI risks reinforcing existing disparities under the guise of neutrality and efficiency.

To address these concerns, transparency and accountability in algorithmic decision-making must be established across these three domains - housing, lending, and jobs - that contribute to the racial wealth gap.

### Tenant-Screening Recommendations

- **Strengthen oversight of fees and automatic charges.** Regulators must enforce clear, sufficiently advanced disclosure of all fees and automated withdrawals, and must routinely examine whether these charges are lawful and consistent with contracts. Where fees are hidden, misleading, or unauthorized, regulators should be able to halt their collection, order reimbursement, and impose penalties to deter future misuse.
- **Ensure strong enforcement.** States and localities should enforce these protections through attorneys general, housing agencies, proactive licensing regimes, and limited private actions focused on procedural violations.

## Homeownership and Lending Recommendations

- **Require appraisal- and AVM-oversight agencies to issue and enforce anti-bias standards.** Regulators, including the Federal Financial Institutions Examination Council (FFIEC), Consumer Financial Protection Bureau (CFPB), and other appraisal-oversight bodies, should issue guidance requiring lenders and AVM providers to document valuation disparities, conduct regular bias testing, and remediate models that produce racially disparate outcomes.
- **Expand reconsideration of value rights and ensure they apply to algorithmic valuations.** Borrowers should have a meaningful right to challenge AVM-generated valuations, with clear procedures for requesting human review and an obligation on lenders to consider additional comparables when bias may be a factor.
- **Center lived experience in oversight to ensure meaningful participation by affected communities.** Technical and regulatory reforms must be grounded in the experiences of those most likely to be harmed, particularly communities of color who encounter these systems in their daily lives. Community organizations, tenant unions, fair-housing groups, and legal advocates bring essential knowledge about how algorithmic harms manifest on the ground and what effective, context-sensitive remedies require.

## Jobs Recommendations

- **Use existing authorities, including over wages, hours, health, safety, and anti-discrimination practices, to investigate employers that rely on bossware.** Enforce consequences for companies that use constant monitoring, automated quotas, or opaque algorithmic pay systems, especially where workers report skipped breaks, unrealistic productivity targets, or unstable pay. When violations are found, require concrete remedies such as turning off or limiting certain surveillance features, banning algorithmic pay cuts that workers cannot verify, changing productivity algorithms that push workers to work at unsafe levels or speeds, and prohibiting the use of AI tools that have a documented disparate impact on workers of color.
- **Issue detailed guidance clarifying that employers (and AI companies) remain responsible for discrimination when they use AI in hiring and workforce management.** Prioritize enforcement in sectors where workers of color are heavily represented.
- **Set clear expectations that employers must document how their AI systems work.** These documentation practices should include data sources, validation and bias testing results, and human review processes. Ensure this information is produced during investigations or compliance reviews.