NFHA's AI Policy Principles

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Purpose: Algorithmic systems are rapidly redefining who gets access to housing, credit, and economic opportunities. Just as a zip code shouldn't determine a consumer's life outcomes, neither should an algorithm. AI systems should instead take you to the places you want to go in life by giving you greater access to fair and affordable housing, credit, and all other economic opportunities. To protect consumers and foster an equitable digital economy, the National Fair Housing Alliance (NFHA) relies on this core framework to analyze AI legislation, guide regulatory action, and shape national advocacy. These foundational tenets are encapsulated by the mnemonic AI PLACES.

I. **Alignment** AI systems must align with applicable laws across their development lifecycle covering the following phases: design, model buildout, deployment, monitoring, and updates. This means ensuring that the systems are compliant with civil rights, fair housing and lending, and consumer protection laws, including the prohibitions on disparate treatment, disparate impact, and proxy discrimination throughout the model's lifecycle.

II. **Infrastructure** The buildout of AI infrastructure should be conditioned on negotiated, meaningful, practical and measurable community-centered benefits before shovels hit the ground. Developers and regulators must ensure that siting, permitting, and impact assessment processes for AI infrastructure are community-led. AI infrastructure should not be concentrated in underrepresented communities in the face of community opposition. AI infrastructure should provide meaningful jobs and pathways to economic opportunities for all residents. AI Infrastructure should not burden residents with higher costs for housing, utilities, and municipal services.

III. **Protection** AI systems must be governed by a privacy and cybersecurity framework that limits the collection, sale, and use of consumer data in AI-enabled decisions and ensures that personal data collected from individuals is not used in ways that entrench harms or evade civil rights protections. AI developers must exercise duty of care and be responsible for ethical handling and safekeeping of consumer data, company models, and the consumer profiles summarized as insights generated from the models.

IV. **Liability** Civil rights, fair housing and lending, and consumer protection laws must apply to every actor in the AI ecosystem, with clear legal responsibilities and liability allocation based upon roles. This includes developers, deployers, third-party vendors, and users. In addition, policymakers should require accessible records that explain what an AI system was trained on, how it was built, and how it's monitored, so liability can be fairly assigned across roles.

V. **Autonomy** Consumers must retain the right to decline AI-driven processing without facing a denial of service, diminished quality, or financial penalty. Systems where AI is incorporated should be fully accessible to persons with disabilities and others without the capability to access the system. To ensure this right is meaningful, service providers must offer non-algorithmic or human-driven alternatives when an individual opts out of automated systems. Policymakers should mandate clear disclosures when AI is used in consequential decisions and guarantee that a refusal to consent to AI processing never becomes a barrier to accessing opportunities.

VI. **Concentration** Healthy AI ecosystem requires a competitive marketplace where small businesses and emerging startups can innovate within the law without facing unfair or insurmountable barriers to entry. To prevent market dominance from stifling this innovation, policymakers should develop mechanisms that enable antitrust scrutiny of acquisitions that consolidate AI capital, talents, and influence.

VII. **Enforcement** Policymakers should ensure that enforcement agencies, individuals protecting their own rights, and private organizations who enforce civil rights, fair housing and lending, and consumer protection laws have the authority, resources, and guidance necessary to actively detect and challenge algorithmic harms. Regulatory rollbacks that narrow the reach of existing civil rights law undermine the ability to address AI-driven harm and should be opposed. Policymakers should establish proactive supervisory tools, including pre-deployment review and independent third-party auditing, and clear access rights to internal information about the system, including third-party audits and legal and compliance reviews.

VIII. **Safety** AI safety and evaluation science must embed civil rights principles from the start. Policymakers should require independent safety audits for all AI models, not only frontier models, before they are deployed. Policymakers should encourage and incentivize the development of domain-specific guidance and benchmarks for sectors including but not limited to housing, lending, criminal justice, child welfare, education, and employment as priority domains for evaluation.

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