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News

Heather McArn Discusses Use of Artificial Intelligence to Manage Racial Bias Compliance Risks

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Hinshaw partner Heather McArn, former chief of staff and special counsel at the New York State Department of Financial Services, discussed in *American Banker* the potential of artificial intelligence ("AI") to aid financial companies in staying ahead of compliance risks related to racial prejudice.

The article reviews pioneering uses of AI to diagnose cases of bias in an institution's customer-facing teams. The CFPB recently indicated it intends to take "bold and swift action" to address issues of pervasive racial injustice and the long-term economic impacts of the COVID-19 pandemic on consumers.

McArn said firms are "smart to invest" in AI tools that sift through the CFPB's public complaint portal, as they can assist in making "real-time assessment and resolution" of bias complaints.

> "Complaints are a focal point for regulators and serve as a launchpad for investigations and enforcement against marketplace abuses," said McArn. "Consumer complaints are a gold mine compliance opportunity for any institution."

Read the full article on the *American Banker* website (*subscription required*)

"AI enables banks to spot bias claims in customers' complaints" was published by *American Banker*, April 19, 2021.