September 3, 2026

The Honorable Philip J. Weiser
Attorney General
Colorado Department of Law
Ralph L. Carr Colorado Judicial Center
1300 Broadway
Denver, CO 80203

Re: Comments on the Proposed Automated Decision-Making Technology and Conversational Artificial Intelligence Service Rules, 4 CCR 904-6

Dear Attorney General Weiser:

The Securities Industry and Financial Markets Association ("SIFMA")[1] appreciates the opportunity to comment on the Colorado Department of Law's (the "Department") proposed Automated Decision-Making Technology and Conversational Artificial Intelligence Service Rules, 4 CCR 904-6 (the "Draft Rules"), filed with the Secretary of State on August 11, 2026 to implement the Automated Decision-Making Technology in Consequential Decisions Act, SB 26-189 (the "ADMT Act"), and the Conversational Artificial Intelligence Services Act, HB 26-1263 (the "Chatbot Safety Act"). SIFMA previously submitted comments on July 13, 2026, in response to the Department's Pre-Rulemaking Considerations Document.[2] We appreciate that the Draft Rules incorporate several of SIFMA's recommendations, and we offer the comments below to identify matters that remain unresolved and to raise concerns arising from the specific text of the Draft Rules.

SIFMA is a national trade association representing over 350 large, medium, and small broker-dealers, investment banks and asset managers, many of whom have a strong presence in Colorado. In fact, almost 113,000 people in the state work in the

[1] SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency.

[2] SIFMA Letter to The Hon. Philip J. Weiser (July 13, 2026), https://www.sifma.org/advocacy/letters/pre-rulemaking-considerations-document-for-the-colorado-automated-decision-making-technology-act.

finance and insurance industries, more than 26,700 of them work at securities firms, and 59 broker-dealer main offices call Colorado home.[3]

Executive Summary

SIFMA's comments below address the following matters, several of which remain unresolved from our July 13, 2026, pre-rulemaking submission and several of which arise from the specific text of the Draft Rules:

- The Department should adopt an interpretive human-involvement standard for "Materially Influence," recognize that automated out-sorting for human review does not materially influence a decision, and adopt (with SIFMA's suggested strengthening) the second of the two proposed "De Minimis Factor" standards for section 6-1-1701(13)(a), C.R.S.;
- Rule 6's notice and disclosure requirements should be harmonized with the ECOA, FCRA, and ERISA, made less prescriptive, and paired with model notices and safe harbors, and should not compel disclosures that would compromise cybersecurity, fraud, or financial-crimes compliance;
- Rule 6.2(A)(1)'s two-channel delivery mandate should be removed so Deployers may rely on existing ECOA/FCRA-compliant delivery methods;
- Rule 3.2(A)(2) should confirm that compliance with the ADA and an institution's existing digital accessibility program satisfies the Rule, rather than establishing WCAG 2.2 as a freestanding state benchmark;
- Rule 4.2's Midstream Developer framework should be supplemented with a "single accountable deployer" approach confirming that ordinary configuration of vendor-provided systems does not create Developer status, and that good-faith reliance on FHFA/HUD/FHA/VA or other agency-GSE rules satisfies documentation obligations;
- Rule 6.6(3) should permit disclosure of data sources by category where source-by-source tracing is not feasible;
- The Draft Rules should accommodate centralized enterprise intake, routing, and review processes rather than product-by-product channels;
- "Basic human need" in Rule 7.7(E)'s commercial-reasonableness presumption should be defined narrowly (food, shelter, clothing, medical care) and clarified not to extend to lending decisions;
- "Consumer," in the employment context, should be expressly limited to positions located in Colorado;
- The definition of "Financial or Lending Service" should be clarified to exclude servicing, maintenance, and collections activity, and to align with the Colorado Consumer Credit Code/Regulation P "personal, family, or household purpose" standard;

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[3] Capital Markets in Colorado, https://states.sifma.org/#state/co

- Competence and authority — not organizational separation — should be the touchstone for Meaningful Human Review, and existing business records should satisfy Rule 7.7(H) documentation requirements;
- The Department should set a January 1, 2028 enforcement date to allow a reasonable transition period for good-faith compliance efforts; and
- Several provisions (Rule 6.4(B)(5), (6), (8), (9); Rule 6.2's two-method mandate; Rule 7.6(D)'s Privacy Act appeal cross-reference; and Rule 7.4(D)/7.7(G)(1)'s stay requirements) exceed the authority the ADMT Act grants the Department and should be removed or narrowed.

SIFMA also confirms its support for several provisions of the Draft Rules that track our earlier recommendations, including the Rule 7.6 and 7.7 response timeframes, the Rule 3.2(A)(3) approach to notice languages, and the Rule 7.7(E) treatment of "commercially reasonable," each discussed further below.

Rulemaking Considerations

1. The Draft Rules should define "Materially Influence" through an interpretive human-involvement standard and provide objective indicators distinguishing covered ADMT from operational and compliance functions.

Rule 2.2 does not define "Materially Influence" or "Consequential Decision"; both terms simply cross-reference the statute. The proposed rules do not materially address use case concerns raised by the industry such as when automation is used to out-sort accounts, applications or transactions for human review. Use of automation to conduct this out-sort should not be viewed as materially influencing the human decision and furthermore makes human review at the initial stage significantly difficult, if not impossible.

The Draft Rules should be amended to expressly allow businesses to deny meaningful human review in situations where it is commercially unreasonable to reassess certain high-volume decisions like "employment application denials" or "credit card denials" as long as the adverse outcome disclosure clearly states what criteria led to the denial.

The notice of rulemaking hearing accompanying the Draft Rules identifies two competing standards for determining when an ADMT output is a "De Minimis Factor" under section 6-1-1701(13)(a), C.R.S., and solicits comment on which the Department should adopt. SIFMA urges the Department to reject the first standard, which defines a De Minimis Factor solely by reference to whether the ADMT output's own impact on the outcome was trivial or incidental, without regard to the role that independent human judgment played in reaching the decision. That formulation would continue to treat a wide range of operational, fraud-detection, and compliance functions as covered ADMT whenever an ADMT output is reviewed and happens to be consistent with the ultimate outcome, even where a qualified decision-maker independently evaluated the matter and exercised genuine judgment.

SIFMA directionally supports the second standard, which appropriately measures whether an ADMT output was a substantial factor relative to the other information reviewed by the decision-maker, and which expressly considers whether the decision-maker independently evaluated substantial information apart from the ADMT output, possessed the subject-matter expertise to do so, and had and exercised the authority to approve, modify, or override the output. SIFMA recommends that the Department further strengthen the second standard by clarifying that an ADMT output's mere review by, or consistency with, the decision-maker's ultimate determination does not, standing alone, establish a presumption of material influence, and by confirming that the presumption may be rebutted using the same independent-review factors used to establish that an output was a De Minimis Factor in the first instance. SIFMA also encourages the Department to clarify that a factor may be a De Minimis Factor if other relevant factors independent of the ADMT output played a significant role in the Consequential Decision, rather than a significantly larger role, in order to better target the Act’s impact towards the automated behavior that the Act seeks to regulate.

2. Rule 6’s notice and disclosure requirements should be harmonized with the ECOA, the FCRA, and ERISA, and made less prescriptive, with corresponding safe harbors.

While SIFMA appreciates Rule 6.7’s attempt to harmonize the Draft Rules with the Equal Credit Opportunity Act (“ECOA”) and the Fair Credit Reporting Act (“FCRA”), Rule 6 as a whole does not yet achieve that goal. As drafted, the Rule 6 notice and disclosure requirements present a risk of conflict with, and potential preemption by, the ECOA and FCRA, while separately imposing a level of content specificity and delivery redundancy that exceeds existing federal and ERISA practice. For example, ECOA’s Regulation B provides a model adverse action form that cannot be altered without creating risk under federal law, yet Rule 6.4’s disclosure requirements may require Deployers to depart from that model form in order to comply with state law. SIFMA recommends that the Department address this tension, together with the related concerns below, through the following changes to Rule 6.

a. Clarify that an ECOA- or FCRA-compliant notice satisfies Rule 6’s notice requirements. Rule 6.7 should provide that a Deployer that provides an adverse action or risk-based pricing notice pursuant to the ECOA or FCRA satisfies Rule 6’s notice requirements by providing that notice, without modification. At minimum, the Rule should confirm that such a Deployer satisfies Rule 6 by providing (i) a notice that complies with the ECOA or FCRA and (ii) a supplemental Colorado disclosure limited to any terms required by section 6-1-1704(3)(b)–(c), C.R.S. and Rule 6.4(C)–(D) that are not already reflected in the ECOA or FCRA notice, which may be delivered at the same time and by the same means permitted under the ECOA and FCRA.

b. Supplement Rule 6.4 and Rule 6.5's disclosure-content requirements with model notices and a safe harbor. Rule 6.4(A) requires Deployers to disclose the specific numerical risk score or profile underlying a decision, to identify and explain individual inferences, and to identify automatic-denial factors and effective dates with considerable granularity; the Rule 6.5 sector examples illustrate scores disclosed to two decimal points (e.g., "82 out of 100") and inference chains tied to specific categories of personal data. This level of detail exceeds existing ECOA and FCRA adverse-action practice and creates a meaningful risk that Deployers using multiple overlapping disclosure regimes for the same decision will produce inconsistent consumer-facing statements, generating UDAP/UDAAP-type exposure of the kind SIFMA flagged in its July 13 letter. We recommend that the Department (i) develop and publish model or sample disclosure language for the principal Covered Domains addressed in Rule 6.5, (ii) confirm that a disclosure substantially consistent with the Rule 6.5 examples constitutes a safe harbor under Rule 6.4, and (iii) clarify that the specificity examples in Rule 6.4(A)(4) illustrate a sufficiency threshold rather than the floor of detail required in every case, consistent with Rule 6.5(A)'s own statement that its examples are illustrative and non-exhaustive.

c. Clarify that Rule 6 does not require disclosures that would compromise cybersecurity, fraud prevention, or financial crimes compliance. The disclosure of risk scores, together with the profiles, inferences, and inputs required under Rules 7.3 and 7.6, could collectively reveal proprietary credit, trade secret, or security information, and could help bad actors learn to circumvent the fraud and security models financial institutions use to protect consumers; disclosure at this level of granularity may also be difficult to scale across a large ADMT portfolio. In addition to reducing the prescriptive nature of Rule 6 as described above, the Department should effectuate section 6-1-1704(7), C.R.S. by clarifying that Deployers are not required to make disclosures, provide explanations, or furnish information that would compromise cybersecurity, fraud prevention, anti-money laundering, counter-terrorism financing, or economic sanctions compliance activities.

d. Remove Rule 6.2(A)(1)'s requirement to deliver adverse outcome disclosures through two channels. Proposed Rule 6.2(A)(1) requires that adverse outcome disclosures be provided through at least two methods where a Deployer has two methods of communicating with a consumer. This requirement imposes an unnecessary burden on Deployers, exceeds the requirements under the ECOA, the FCRA, and their implementing regulations, and risks confusing consumers who may be unaccustomed to receiving related notices through separate channels. Where applicable, Deployers should be permitted to satisfy this requirement by delivering the notice through a single channel required or permitted under the ECOA or FCRA. SIFMA recommends that the Department remove this requirement.

e. Permit compliance with ERISA's claims and appeals disclosure requirements to satisfy Rule 6 for benefits-related decisions. The Employee Retirement Income Security Act ("ERISA") already provides a structured process for appealing denied benefits claims: when a claim is denied, the plan administrator must provide a written notice detailing the reasons for denial, including the specific plan provisions supporting the decision. SIFMA recommends that the Department clarify that a Deployer's compliance with ERISA's claims-procedure disclosure and appeals requirements satisfies Rule 6's disclosure content requirements for consequential decisions relating to employee benefits.

3. SIFMA supports the response timeframes adopted in Rule 7.6(A) and Rule 7.7(G).

SIFMA appreciates that Rule 7.6(A) sets a 45-day response deadline for access and correction requests, and that Rule 7.7(G) adopts a 10-day acknowledgment and 45-day final-response standard for requests for Meaningful Human Review, consistent with SIFMA's July 13 recommendation and with timeframes financial institutions already administer under analogous privacy and adverse-action regimes.

4. Rule 3.2(A)(2) should confirm that compliance with the ADA and existing digital accessibility programs satisfies the Rule's accessibility expectations.

Rule 3.2(A)(2) directs Deployers to the Web Content Accessibility Guidelines, version 2.2, incorporated by reference at Rule 14.1, as the accessibility benchmark for online disclosures. Many financial institutions already maintain accessibility programs designed to satisfy the Americans with Disabilities Act and applicable Department of Justice guidance, which do not uniformly reference a specific WCAG version. SIFMA requests that the Department confirm that compliance with applicable federal accessibility requirements and an institution's existing digital accessibility program satisfies Rule 3.2(A)(2), rather than establishing WCAG 2.2 as a freestanding, independently enforceable state benchmark.

5. SIFMA supports Rule 3.2(A)(3)'s approach to notice languages.

SIFMA appreciates that Rule 3.2(A)(3) ties notice languages to the languages in which a Deployer ordinarily conducts business and previously interacted with the Consumer, rather than imposing a fixed list of required languages untethered to the Deployer's actual customer base, consistent with SIFMA's July 13 recommendation.

6. Rule 4.2's Midstream Developer framework should be supplemented with an express clarification that ordinary deployer configuration does not create Developer status.

Rule 4.2 addresses the documentation obligations of a Midstream Developer that integrates Covered ADMT as a component of its own product, but it does not address the distinct question SIFMA raised in its July 13 letter: whether a Deployer's ordinary configuration of a vendor-provided system converts that Deployer into a Developer. SIFMA requests that the Department add an express clarification that configuration within vendor-provided parameters, prompt design, integration with internal systems, use of APIs, business-rule setup, retrieval augmentation, testing, or ordinary customization does not convert a Deployer, white-label reseller, or intermediary into a Developer, unless the party permanently modifies model weights or materially changes the system's intended purpose.

SIFMA also recommends the Department align the final rules with a clear "single accountable deployer" framework, specifying that the entity making the consequential decision (or who the decision is made on behalf of) is responsible for consumer-facing obligations, while vendors must provide contractual and operational support (documentation, versioning, input/source lineage, explanation artifacts) necessary for deployers and developers to comply. Furthermore, where a Deployer is required by FHFA, HUD/FHA, VA, or other federal entity or supervisor to use an ADMT for salability, insurance, or guarantee, we request that the Department confirm that the Deployer complies with the documentation obligations by good-faith reliance on the agency/GSE's rules/guides.

The Department should also implement a safe harbor that allows deployers to satisfy disclosure elements through standardized vendor-provided disclosures, provided the deployer remains accountable for accuracy and delivery.

7. The Draft Rules should permit disclosures of data sources by category when source-by-source tracing is not feasible.

Rule 6.6(3) requires Deployers to identify each data source by name. Financial institutions may receive data through a variety of sources including credit bureaus, fraud vendors, identity providers, affiliates, public records sources, and internal systems. As such, financial institutions may not be able to identify each source of personal data by name. The Department should permit disclosures of data sources by category in Rule 6.6 when source-by-source tracing is not operationally feasible or would create security, fraud, proprietary, or legal concerns.

8. The Draft Rules do not contemplate a need for centralized enterprise portals or intake processes.

The rules appear to require links, webforms, and request channels tied closely to specific notices or products. Financial institutions will likely need centralized enterprise intake, routing, complaint, and review processes to avoid unnecessary product-by-product builds and to support consistent compliance controls. A safe harbor or flexibility should be given to enable financial institutions to comply with the law based on business feasibility and practicality.

9. SIFMA supports Rule 7.7(E)'s confinement of the "commercially reasonable" standard to the Meaningful Human Review right.

SIFMA appreciates that Rule 7.7(E) applies the "commercially reasonable" standard, with its multi-factor test and presumption of reasonableness for severe and irreversible harm, specifically to the right to Meaningful Human Review, while Rule 7.6(A) imposes an unqualified 45-day response obligation for access and correction requests. This approach is consistent with SIFMA's recommended reading of section 6-1-1705(1)(a), under which the "commercially reasonable" qualifier applies to the provision of human review and does not limit a Deployer's obligation to receive, process, and respond to access and correction requests.

SIFMA is concerned, however, that Rule 7.7(E) presumes that Meaningful Human Review is commercially reasonable "When the harm to a consumer resulting from an Adverse Outcome is a severe and irreversible denial of a basic human need." "Basic human need" is not defined and without a definition, anything could be misinterpreted to be a "basic human need." This definition should focus on "basic human needs" as commonly understood in our society, such as food, shelter, clothing, and medical care. Importantly, the term should avoid any ambiguity that it could apply to lending decisions, for which requiring meaningful human review cannot be squared with the law's concept of "commercial reasonableness."

10. The Draft Rules should clarify that "Consumer," in the employment context, is limited to positions located in Colorado.

Rule 2.2 does not include a definition of "Consumer," and the Rule 6.5(F) employment examples do not address the geographic scope of the term. Absent clarification, a multistate employer could be required to apply ADMT obligations to any hiring or employment decision touching a Colorado resident, regardless of whether the position itself is in Colorado. SIFMA renews its request that the Department clarify that "Consumer," as applied to employment or employment opportunities, is limited to individuals applying for, or working in, positions located in Colorado.

11. The definition of "Financial or Lending Service" is overly broad.

Rule 2.2 defines "Financial or Lending Service" narrowly — limited to the extension of credit or a loan, transmitting or exchanging funds, the provision of deposit or checking accounts, check cashing, and installment payment plans. Notwithstanding that definition, Rule 6.5(D)(1) treats a bank's referral of a delinquent account to collections as an illustrative Adverse Outcome within the Financial or Lending Services domain, and the Draft Rules elsewhere do not distinguish routine servicing, account maintenance, or collections activity from the origination and underwriting decisions the statute and Rule 2.2's own definition contemplate. Debt collection, loan servicing, and account maintenance are governed by their own extensive federal and state frameworks — including the Fair Debt Collection Practices Act, Regulation F, and analogous servicing regulations — and are not "Financial or Lending Services" as Rule 2.2 defines that term. Extending Covered Domain treatment to these activities through illustrative examples, rather than through the definition itself, creates uncertainty as to the actual scope of Rule 2.2 and risks sweeping routine post-origination servicing and collections activity into the ADMT Act's disclosure and consumer-rights requirements without statutory or regulatory basis for doing so.

SIFMA recommends that the Department either remove the collections example from Rule 6.5(D)(1) or revise Rule 2.2 to expressly state that servicing, maintenance, and collections activity fall outside "Financial or Lending Service" unless they independently satisfy the definition's enumerated categories.

12. The Draft Rules should clarify the consumer-use context of "Financial or Lending Service."

"Consumer" is defined as acting in an "individual and household context". Existing laws and frameworks, including the Colorado Consumer Credit Code and Regulation P, define consumer financial or lending services as those used "primarily for a personal, family, or household purpose." Rule 2.2 should be clarified to be consistent with this standard to promote consistency and to minimize the risk of confusion and conflicting interpretations.

13. Competence and authority should be the key requirements for Meaningful Human Review.

Rule 7.7(C) requires that "A Meaningful Human Review must be conducted by an independent reviewer who did not make the original decision and who is not a subordinate of the original decision-maker, whenever feasible." This rule should not be interpreted to require that a reviewer must be situated in a separate organizational structure. The key importance of a meaningful human review should be the reviewer's competence, expertise and ability to conduct a meaningful review. The Department should also clarify that existing consumer review, dispute, complaint, servicing, and regulatory process can satisfy the Meaningful Human Review requirements.

14. The Department should provide a reasonable transition period and a good-faith compliance safe harbor given the compressed timeline between final rule adoption and the ADMT Act's statutory effective date.

The ADMT Act takes effect January 1, 2027, by statute, and SIFMA recognizes that the Department cannot extend that date through rulemaking. The Draft Rules were not filed until August 11, 2026, written comments are not due until October 5 and October 26, 2026, and the rulemaking hearing is not scheduled until October 26, 2026 — leaving covered entities a compressed window, potentially only a matter of weeks, between issuance of a final rule and the date on which Rules 3 through 7 become enforceable. For large financial institutions, that window is difficult to reconcile with the operational work the Draft Rules require building WCAG 2.2-conformant notice infrastructure, negotiating and exchanging Rule 4 technical documentation with developers and vendors, staffing and training independent Meaningful Human Review functions under Rule 7.7, and updating disclosure content across numerous ADMT use cases consistent with Rule 6.4 and Rule 6.5.

SIFMA respectfully requests that the Department set an enforcement date of January 1, 2028 - one year after the effective date to allow for a reasonable transition period following the final rules' effective date for entities that can demonstrate documented, good-faith progress toward compliance. Comparable transition relief has been extended by other regulators implementing new disclosure and technology-governance regimes on similarly compressed timelines and would allow covered entities to prioritize substantive compliance over defensive posturing during the initial rollout. For example, California extended the compliance date due to the complexity and burden of those narrower ADMT regulations.

15. The Draft Rules exceed the authority granted by the ADMT Act.

Several provisions of the Draft Rules exceed the authority the ADMT Act grants the Department to "clarify and implement" the post-adverse outcome disclosure requirements and the requirements for a Meaningful Human Review. Rule 6.4(B)(5), (6), (8), and (9) require disclosure of specific risk scores, individualized inference chains, and automatic-denial factors that go well beyond the content section 6-1-1704(3)(a), C.R.S. actually requires — a plain-language description of the Consequential Decision, the role the Covered ADMT played, instructions for obtaining additional information, and an explanation of Consumer Rights.

Rule 6.2's requirement that Adverse Outcome disclosures be delivered through at least two methods likewise creates a new operational mandate with no textual basis in section 6-1-1704(3), C.R.S. Separately, Rule 7.6(D) requires a Deployer that denies an ADMT Consumer Rights request to provide appeal instructions "in accordance with section 6-1-1306(3), C.R.S." — a Colorado Privacy Act provision. The ADMT Act does not itself create a right to appeal a denied request, and importing the Privacy Act's appeal mechanism into the ADMT Act's consumer-rights framework by cross-reference is not a permissible exercise of the Department's authority to clarify and implement the ADMT Act's own terms.

Finally, Rule 7.4(D) and Rule 7.7(G)(1) require that an Adverse Outcome be "stayed," where possible, pending a correction request or a request for Meaningful Human Review, respectively — a substantive obligation with no counterpart in section 6-1-1705, C.R.S., which grants Consumers a right to request review and correction but does not require a Deployer to suspend the underlying decision while a request is pending. SIFMA recommends that the Department remove or narrow each of these provisions to align with the specific authority the ADMT Act confers, and, where the Department believes broader consumer protections are warranted, that it identify the statutory basis for doing so or refer the issue to the General Assembly.

Conclusion

SIFMA appreciates the Department's continued engagement on these issues and the incorporation of several of our recommendations into the Draft Rules. The recommendations above are offered to further the interoperability, clarity, and workable-compliance principles that have guided this rulemaking, and are, in SIFMA's view, achievable through further refinement of the Draft Rules without amending the ADMT Act. We welcome the opportunity to discuss these comments further and to serve as a resource as the rulemaking proceeds.

Sincerely,

Melissa MacGregor

Melissa MacGregor
Deputy General Counsel & Corporate Secretary

cc: Kim Chamberlain, Managing Director, State Government Affairs, SIFMA