



October 26, 2026

Submitted via <https://coag.gov>

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 Revised 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”) revised proposed Automated Decision-Making Technology and Conversational Artificial Intelligence Service Rules, 4 CCR 904-6 (the “Revised 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 and on September 3, 2026, in response to the Proposed Automated Decision-Making Technology and Conversational Artificial Intelligence Service Act Rules, 4 CCR 904-6.³ We appreciate that the Revised Draft Rules incorporate several of SIFMA’s

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>.

³ SIFMA Letter to the Hon. Philip J. Weiser (September 3, 2026), <https://www.sifma.org/advocacy/letters/proposed-automated-decision-making-technology-and-conversational-artificial-intelligence-service-rules>

recommendations, and we offer and re-emphasize the comments below to identify matters that remain unresolved and should be addressed in the final rules.

SIFMA is a national trade association representing over 350 large, medium, and small broker-dealers, investment banks and asset managers, many of which have a strong presence in Colorado. In fact, almost 113,000 people in the state work in the finance and insurance industries, more than 26,700 of them work at securities firms, and 59 broker-dealer main offices call Colorado home.⁴

Executive Summary

SIFMA's comments below address the following matters which remain unresolved:

- The definition of "Financial or Lending Service" should be clarified to exclude servicing, maintenance, and collections activity.
- Rule 7's notice and disclosure requirements should be better harmonized with the ECOA and FCRA and should also be harmonized with Employee Retirement Income Security Act ("ERISA"); made less prescriptive; and paired with model notices and safe harbors.
- Rule 3.2(A)(2) should expressly confirm that compliance with the ADA and an institution's existing digital accessibility program satisfies the Rule, rather than establishing Web Content Accessibility Guidelines (WCAG) 2.2 as a freestanding state benchmark.
- The Revised Draft Rules should accommodate centralized enterprise intake, routing, and review processes rather than product-by-product channels.
- Existing review, dispute, complaint, servicing, and regulatory processes can and should satisfy the Meaningful Human Review requirements.
- The Department should set a January 1, 2028, enforcement date to allow a reasonable transition period for good-faith compliance efforts.
- Several provisions (Rule 7.4(B)(5), (6), (8), (9); Rule 8.6(D)'s Colorado Privacy Act ("CPA") appeal cross-reference) exceed the authority the ADMT Act grants the Department and should be removed or narrowed.
- Several provisions in Rule 8 should be further amended to promote cohesion, practicality, and statutory compliance.

⁴ Capital Markets in Colorado, <https://states.sifma.org/#state/co>.

- The terms “Material Influence” and “De Minimis Factor” should be more stringently defined to capture a more definite set of circumstances.
- Rule 6.1(B)(2) provides a method for rebutting the presumption of material influence when using an ADMT if the decision was based on “a hard cut-off or threshold” that was “consistently applied.” Several provisions (Rule 6.2(E), Rule 7.5(C)(2), and Rule 7.4(B)(2)(1-2)) undermine this principle and need to be removed or modified as discussed below.

SIFMA also appreciates the Department accepting several of the comments we made in our previous submissions, including the Rule 8.6 and 8.7 response timeframes, the Rule 3.2(A)(3) approach to notice languages, and the Rule 8.7(E) treatment of “commercially reasonable.”

Rulemaking Considerations

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

As previously highlighted in our September 3rd response, Rule 2.2 defines "Financial or Lending Service" as the extension of credit or a loan, transmitting or exchanging funds, the provision of deposit or checking accounts, check cashing, and installment payment plans. Consequently, Rule 2.2 inadvertently captures decisions that it was not intended to cover. SIFMA recommends removing “transmitting or exchanging funds” as well as “check cashing” from the definition. When these transactions fail or are denied, it is often because of a lack of funds or serious fraud or security concerns. Furthermore, allowing these categories to remain in Rule 2.2 could jeopardize firms’ antifraud and cybersecurity efforts. SIFMA also recommends removing “installment payment plans,” as this term risks sweeping in routine account activity rather than a financial or lending as contemplated by the statute.

Furthermore, Rule 7.5(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 Revised 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 remove the collections example from Rule 7.5(D)(1), in addition to revising Rule 2.2 to expressly state that servicing, maintenance, and collections activity fall outside "Financial or Lending Service."

- a. Rule 7's notice and disclosure requirements should be better harmonized with ECOA and FCRA, also be harmonized with ERISA, and made less prescriptive, with corresponding safe harbors.**

While SIFMA appreciates Rule 7.7's directional improvements toward harmonization with the Equal Credit Opportunity Act ("ECOA") and the Fair Credit Reporting Act ("FCRA"), Rule 7 still fails to effectuate the statutory intent of Section 6-1-1704(6). As drafted, the Rule 7 notice and disclosure requirements still present a risk of conflict with, and potential preemption by, the ECOA and FCRA, while separately imposing a level of content and process specificity that is not compatible with existing federal practice. For example, ECOA Regulation B provides a model adverse action form that cannot be altered without creating risk under federal law, yet Rule 7.4'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 7.

- b. Supplement Rule 7.4 and Rule 7.5's disclosure-content requirements with model notices and a safe harbor.**

Rule 7.4(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 7.5 sector examples illustrate scores disclosed to two decimal points 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 and September 3 letters. We recommend that the Department (i) develop and publish model or sample disclosure language for the principal Covered Domains addressed in Rule 7.5, (ii) confirm that a disclosure substantially consistent with the Rule 7.5 examples constitutes a safe harbor under Rule 7.4, and (iii) clarify that the specificity examples in Rule 7.4(A)(4) illustrate a sufficiency threshold rather than the floor of detail required in every case, consistent with Rule 7.5(A)'s own statement that its examples are illustrative and non-exhaustive.

SIFMA also recommends that the Department ensure that its regulations fully reflect the statutory intent of Section 6-1-1704(6). In particular, the first sentence of Rule 7.7(A)(1) adds conditions in Rule 7.4(C) and (D) that the statute does not contain. Consistent with the statute, Rule 7.7 should read "... the Deployer complies with section 6-1-1704(3), C.R.S. Any supplemental information may be provided in a supplemental

disclosure delivered by the same means and at the same time as the ECOA or FCRA adverse action notice or risk-based pricing notice.”

c. Permit compliance with ERISA’s claims and appeals disclosure requirements to satisfy Rule 7 for benefits-related decisions.

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 7’s disclosure content requirements for consequential decisions relating to employee benefits.

2. 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 15.1, 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 expressly 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.

3. The Revised 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 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.

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

Rule 8.7(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.

Furthermore, Rule 8.7(C) requires that meaningful human review occurs with a reviewer that is "not subject to the steering by the upper management that would influence the reviewer's decision, and they must be shielded from potential retaliation." This requirement would significantly increase the compliance burden on deployers as it could be interpreted to require that human reviewers be in separate reporting lines from where the consequential decision is made, which increases operational costs required to develop and train for two processes for different teams covering the same decision. This requirement would be most significant for smaller deployers with limited resources. Therefore, SIFMA requests that the rule be revised to reflect these considerations.

5. 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. For large financial institutions, that window is difficult to reconcile with the operational work the Revised Draft Rules require: building WCAG 2.2-conformant notice infrastructure, negotiating and exchanging Rule 4 technical documentation with developers and vendors, staffing and training Meaningful Human Review functions under Rule 8.7, and updating disclosure content across numerous ADMT use cases consistent with Rule 7.4 and Rule 7.5.

The Cover Page accompanying the Revised Draft Rules acknowledged that "the Attorney General's policy has been to focus on egregious and intentional violations of the law."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.

6. The Revised Draft Rules exceed the authority granted by the ADMT Act.

Several provisions of the Revised 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 7.4(B)(5),

⁵ Automated Decision-Making Technology and Chatbot Safety Act Rulemaking Interim Draft rules, October 6, 2026, 2026.09.28-Interim-Rules-Cover-Letter updated-v2.docx

(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.

Separately, Revised Draft Rules require 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 CPA provision. The ADMT Act itself does not create a right to appeal a denied request, and importing the CPA'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. Rule 7.6(A)(5)'s requirement to provide the names of third-party personal data sources considered by the Covered ADMT and the presumption that a Deployer knows the source of any information it receives directly or that a vendor receives or uses to run a Covered ADMT should be removed from the Rule as this requirement goes beyond statutory authority and is highly impractical. Furthermore, Rule 7.6(A)(6)(a) should either be removed or amended to promote singularity with Rule 7.6(A)(1) which replaces the requirement to provide information on Covered ADMT within 15 days as opposed to immediately.

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 identifies the statutory basis for doing so or refer the issue to the General Assembly.

7. Rule 8 contains several ADMT consumer rights requirements that are impractical, burdensome, and/or beyond the authority of the statute.

SIFMA appreciates the amendments made to Rule 8 in the Revised Draft Rules, but several issues have not yet been addressed. First, Rule 8.3(B)(2) highlights that rights to access require disclosure of final rank, score, classification, recommendation, prediction, profiles, or other inferences. The requirement should instead apply to underlying Personal Data categories and should not require such disclosures.

Rules 8.3 and 8.4 should remove all provisions requiring a Deployer to provide a Consumer within 15 days of request (i) a list of all third parties that possess or control the Consumer's Personal Data; (ii) the categories of Personal Data each third party controls or possesses; and (iii) instructions on how the Consumer can exercise their CPA access, correction, and appeal rights. These requirements go beyond the statutory authority of the ADMT Act.

Next, in Rule 8.7(D)(2), the provisions that categorize the different types of human reviews must be removed. There is no statutory obligation to include such detail, and the prescriptive nature of the requirements will not benefit consumers.

Finally, the revised proposed Rule 8.7(E)(f) removed the ability to rebut the presumption of commercial reasonableness upon the showing that human review is “technically or financially impossible or could not change the Adverse Outcome.” SIFMA believes that this provision should be reinstated. If human review is impossible for technical or financial reasons, how can a Deployer provide such review? If human review cannot change an outcome, why should a Deployer provide the review, nonetheless?

8. The terms “Material Influence” and “De Minimis Factors” should be sufficiently clear as to regulate a more definite set of circumstances

While SIFMA appreciates the modified language, the revised draft Rule 6 retains an overly broad presumption of material influence which can be triggered in far more circumstances than warranted. Therefore, “Material Influence” should not include situations where the output was not a substantial factor and did not affect the outcome, contrary to the statute’s two-part definition. By prescribing a narrower presumption of “Material Influence” as well as adhering to the already established two-prong statutory test, those who interpret the Rule will be working within a clear and defined set of circumstances which will in turn promote regulatory clarity and uniformity. A failure to narrow Rule 6.1 highlights a conflation of correlation with causation, by allowing accurate human review to fall within the reach of the Rule’s penalization. SIFMA recommends that “consistent with the outcome” in Rule 6.1(A) be stricken and replaced with the existing factors found in Rule 6.1(B) as well as the De Minimis Factor Definition found in Rule 2.2.

In conjunction with that modification, it is also SIFMA’s recommendation that “de minimis factors” are also more stringently defined to give a more definite and measurable standard for those interpreting the rule. For example, the Rule should clarify that a “De Minimis Factor” is one where an ADMT output did not affect an outcome, or where other factors, in the totality of the circumstances, outweighed the ADMT output.

9. Several examples in the Revised Draft Rules undermine the mandate of Rule 6.1(B)(2)

While SIFMA appreciates the inclusion of a method for rebutting the presumption of a material influence when using an ADMT’s decision regarding a “hard cut off or threshold” that was “consistently applied,” several examples furnished in subsequent portions of the rules undermine this principle and must be modified or removed altogether.

a. Rule 6.2(E) must be modified to comply with Rule 6.1(B)(2)

Rule 6.2(E) notes that ADMT output had a Material Influence on the Consequential Decisions when a credit union uses an ADMT to create a risk score for

loan applicants and sets a hard cut off or threshold based on those scores and applies them consistently.

This rule should be modified to state that the use of the hard cut off or threshold consistently applied was NOT a Material Influence because it was consistent with Rule 6.1(B)(2).

b. Rule 7.5(C)(2) must be modified to comply with Rule 6.1(B)(2)

Rule 7.5(C)(2) describes a situation where an organization accepts applications for closing cost assistance and uses an ADMT to determine eligibility. If an applicant's income is above \$75,000, the ADMT denies the applicant based on a hard cut off or threshold consistently applied. The example treats this as a Covered ADMT and an Adverse Outcome.

This rule should be modified to state that an Adverse Outcome disclosure is not required because the organization consistently applied a hard cut off or threshold, which means the ADMT was not materially influential and thus not a Covered ADMT.

c. Rule 7.4(B)(2)(1-2) must be removed to comply with Rule 6.1(B)(2)

Subsections 1 and 2 of Rule 7.4(B)(2) are examples of descriptions of the role of a Covered ADMT required for the Adverse Outcome disclosure. Example (1) states that the applicant was denied because of a prior felony conviction, and example (2) states that the applicant was denied because the applicant's credit score was 580, which is too low. Both examples use hard cut offs or thresholds consistently applied, yet the examples treat both scenarios as Covered ADMT.

These examples should be removed. If the examples are modified to acknowledge that the cut offs or thresholds are not Covered ADMT, the Adverse Outcome disclosure would be superfluous. The Department should create new examples consistent with the entire rule.

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SIFMA appreciates the Department's continued engagement on these issues and the incorporation of several of our recommendations into the Revised 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 Revised Draft Rules without amendments to 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