NAR Issue Summaries

Technologies / Artificial Intelligence

NAR Committee:

Federal Technology Policy Committee

What is the fundamental issue?

Congress must establish a light-touch national artificial intelligence (AI) regulatory framework that:

- Establishes clear, uniform federal standards and requires human oversight of AI;
- Protects consumer privacy, fair housing, and real estate intellectual property; and
- Holds AI developers responsible for design defects, inadequate training, undisclosed limitations, and insufficient safeguards in the black-box systems they build and control, rather than shifting liability to deployers and end users.

I am a real estate professional. What does this mean for my business?

AI is reshaping real estate by enhancing customer service, marketing, and productivity through tools such as generative AI, predictive analytics, lead generation, photo enhancement, and fraud detection.

However, key risks remain. Real estate professionals must navigate:

- how to use AI tools while complying with existing state and federal laws governing real estate and a growing patchwork of state AI laws;
- how to oversee AI tools and respond when a commercially available tool produces inaccurate, misleading, or discriminatory results; and
- how listing data, photos, and other content may be scraped, altered, and used to train AI models.

NAR Policy:

NAR supports a uniform, light-touch federal AI framework that replaces a confusing patchwork of state laws, includes fair housing, data privacy, cybersecurity, and copyright protections, and keeps transparency and liability obligations with the developers who have knowledge of and control over AI systems, rather than shifting them to end users and deployers.

Opposition Arguments:

Some argue that businesses using AI tools should share liability for harms, including hidden defects in the tools. Businesses should remain responsible for how they use AI, which is already governed by existing laws. But shifting more responsibility to end users who lack knowledge of how these "black box" systems are built, trained, or tested will not protect consumers. Instead, it will place undue liability on small businesses using AI to improve efficiency and customer service.

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Legislative/Regulatory Status/Outlook

The Administration is advancing a national AI framework as a blueprint for Congress to replace the patchwork of state laws with uniform federal standards, with certain exceptions. Congress is considering a range of AI legislative proposals addressing development, regulations, and safety, including these bipartisan measures:

- **FRONTIER Act (H.R. 9925):** Provides federal oversight of the largest AI developers, including risk-management, independent audit, and transparency requirements focused on catastrophic risks. Also preempts certain state laws on AI model development but preserves state authority to regulate how AI is deployed and used.
- **TRAIN Act (S. 2455 / H.R. 7209):** Provides a process for copyright owners to determine whether their works were used to train AI models.
- **AI Security and Innovation Act (H.R. 9363):** Establishes a new federal center to strengthen AI research, evaluation, security, and innovation. The House Science Committee unanimously passed this bill.
- **AI Kill Switch Act (H.R.9917)**: Requires developers of powerful AI models to maintain the technical capability to suspend, throttle or shut down the AI model if it behaves in an unintended or dangerous way.

On September 26, 2025, the White House Office of Science and Technology Policy (OSTP) issued a request for information on barriers to AI adoption and innovation. NAR submitted comments supporting a balanced federal approach that protects consumer data privacy, promotes fair housing, and preserves copyright protections for real estate content.

In December 2025, the White House issued Executive Order 14365 supporting national AI legislation that preempts or replaces most state AI laws, with limited exceptions for areas such as child safety, copyright, censorship, and community protections.

On June 2, 2026 the White House issued Executive Order 14409 directing federal agencies to strengthen government systems against AI-enabled cyber threats while promoting AI innovation.

On August 14, 2026, in response to a request for information from House Financial Services Committee Ranking Member Maxine Waters, NAR urged Congress to adopt a light-touch federal AI framework. NAR recommended that the framework preempt state AI laws, keep existing consumer protection and fair housing laws in place, require transparency from AI developers, and not create a new private right of action. NAR also urged that liability rest with the developers who build and control AI systems, not with the real estate professionals and businesses that use them.

NAR will continue to advocate for responsible AI development, use, and innovation while minimizing regulatory uncertainty and protecting consumer and real estate data and copyrights.

Current Legislation/Regulation (bill number or regulation)

- **H.R. 9925** - FRONTIER Act

- **S. 2455** – Transparency and Responsibility for Artificial Intelligence Networks (TRAIN) Act
- **H.R. 9363** - AI Security and Innovation Act
- **H.R. 9917** – AI Kill Switch Act

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