

April 9, 2026

Illinois State Senate
Senate AI & Social Media Committee
State Capitol Building
Springfield, IL 62706

Re: SB 2255 Surveillance-Based Price and Wage Discrimination Act

Dear Chair and Members of the Committee:

We write on behalf of the American Financial Services Association (AFSA)¹ to express our opposition to SB 2255 and to urge careful reconsideration of legislation that would significantly restrict well-established, risk-based pricing practices in the financial services marketplace. SB 2255 would broadly prohibit the use of “surveillance data” as part of an automated decision system to inform individualized pricing for goods or services. While we appreciate the goal of protecting consumers from unfair or discriminatory practices, the bill as drafted would have unintended consequences for legitimate and beneficial pricing practices that are fundamental to the extension of credit.

Financial institutions rely on a wide range of data points to assess risk and offer appropriately priced products to consumers. These considerations often include income, assets, and other indicators of financial health that are essential to determining a consumer’s ability to repay. By broadly restricting the use of such data in pricing decisions, SB 2255 risks undermining risk-based pricing models that expand access to credit and ensure that consumers receive products tailored to their individual financial circumstances.

Although the bill includes a limited exemption related to the Fair Credit Reporting Act (FCRA), that exemption is not sufficiently broad to capture the full range of data and analytics used in modern underwriting and pricing practices. As a result, financial institutions may face significant uncertainty regarding compliance, which could lead to more conservative lending practices, reduced product offerings, or higher costs for consumers overall.

The bill also creates a private right of action, exposing businesses to significant litigation risk. Given the ambiguity surrounding key definitions, such as “surveillance data” and “automated decision system,” this provision could invite costly and burdensome litigation even where companies are acting in good faith and in compliance with existing federal and state laws.

¹Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle financing, mortgages, and payment cards. AFSA members include national banks and non-bank state licensed financial institutions. AFSA does not represent payday lenders, title lenders, or credit unions.

Additionally, the bill’s vague and undefined terminology raises further compliance concerns. Key terms such as “surveillance data” and “automated decision system” are not clearly defined, leaving financial institutions without clear guidance as to what conduct may be prohibited or how to ensure compliance. The bill’s reference to the “continuous, systematic collection, analysis, and interpretation of information for action” appears to borrow from public health or law enforcement concepts, but it is unclear how that framework is intended to apply to traditional lending practices. This creates confusion for lenders that rely on established credit models and third-party data sources, including widely used credit scoring systems. As a result, institutions may not know whether standard, long-standing underwriting practices could be swept into the scope of the bill.

As a practical matter, this uncertainty may push lenders to rely more heavily on traditional credit scores, even where more comprehensive or innovative models may better assess a consumer’s ability to repay. This is particularly concerning given that many institutions rely on proprietary models and third-party data sources that are not easily reduced to a single metric.

In addition, the breadth and ambiguity of the bill’s language could invite overly expansive enforcement, encouraging investigations to absent clear standards rather than targeting clearly harmful conduct.

SB 2255 appears to conflate harmful discriminatory practices with legitimate, pro-consumer pricing strategies. Risk-based pricing is not only a cornerstone of the financial services industry, but also a tool that enables broader access to credit by aligning pricing with individual risk profiles. Limiting these practices could ultimately harm the very consumers the bill seeks to protect by reducing access to affordable financial products.

For these reasons, we respectfully urge you to oppose SB 2255 or to amend the bill to exempt financial services from its requirements. Thank you for your consideration. Please do not hesitate to contact us if we can provide additional information or further discuss these concerns.

Sincerely,

A handwritten signature in black ink that reads 'Elora Rayhan'. The signature is fluid and cursive, with the first name 'Elora' and last name 'Rayhan' clearly distinguishable.

Elora Rayhan
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