Zillow

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Hearing on regulation of high-risk use of artificial intelligence in the private sector
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Chair Gonzalez and Distinguished Members of the Committee,

Thank you for the opportunity to testify. My name is Ondrej Linda, and I serve as Senior Director of Artificial Intelligence and Engineering at Zillow. I am grateful for the opportunity to discuss how AI is being used in consumer-facing applications today, and how policymakers can support responsible innovation that benefits consumers.

My perspective today comes from more than a decade of experience working directly with AI systems, alongside Zillow's over 20 years of experience building and operating AI systems used by millions of Americans. My testimony focuses on the practical application of AI in housing, with the goal of helping the committee craft public policy that enables companies of all sizes to innovate responsibly while maintaining strong consumer protections.

At Zillow, our mission is to help people navigate one of the most meaningful and complex decisions of their lives: finding a home. Trust is essential in that process, which is why we approach AI not as an abstract concept, but as a set of tools that must be reliable, fair, and safe at national scale.

AI in Consumer Platforms and the Importance of Clear Definitions

Although artificial intelligence has existed for decades, recent advances in large language models have shifted how the term "AI" is often understood. While those tools are important, promising, and capture significant public attention, they are not the only way AI is being used across most consumer platforms today. We do not view AI as a new technology, but as an evolving and well-established one. It is already embedded in many modern consumer platforms, including at Zillow, where AI has been central to our products since our founding in 2006 with the launch of the Zestimate, one of the earliest large-scale consumer uses of machine learning in real estate. While technology has evolved, our consumer-focused approach to innovation has remained constant.

Today, more than 250 million unique users come to Zillow each month to dream, rent, tour, finance, buy, and sell homes.[1] We use AI in a variety of ways, including to surface patterns in large datasets, summarize information for consumers, personalize search results, and improve clarity and relevance in how information is presented. These

[1] https://investors.zillowgroup.com/investors/overview/default.aspx

tools vary in function and complexity, and are integrated into broader product workflows to *support* decision-making — not to replace human judgment.

This diversity of use cases underscores the importance of risk-based regulation, particularly when defining what constitutes an "AI system." Overly broad definitions of terms like "consequential decision" or "substantial factor" risk sweeping in low-risk or informational tools that do not meaningfully determine outcomes for consumers, or that are used primarily to assist human decision-making.

For housing and real estate, we support defining a "high-risk" AI system as one that is specifically intended to autonomously make a consequential decision, or to serve as the principal basis on which a consequential decision is made (e.g., the approval or denial of an offer to purchase or lease housing).

Importantly, S1169A acknowledges the distinction between low- and high-risk AI systems by providing consumers with a right to appeal decisions made by high-risk systems. Where an AI system is informational or assistive, an appeal would not alter the consumer's access to housing or the terms of a transaction. Therefore, those systems fall outside the scope of what should be considered "high-risk" and be subject to different compliance expectations.

Responsible AI in Practice at Zillow

At Zillow, responsible AI deployment is not a separate initiative or a set of aspirational principles; it is embedded into how we design, build, and operate products at scale. Because our tools support decisions related to housing, we place particular emphasis on fairness, transparency, privacy, and ongoing oversight.

All Zillow employees receive training on fair housing and privacy obligations, and employees who work directly with AI systems receive additional training focused on responsible AI development and deployment. These trainings are designed to ensure that teams understand the ethical, technical and legal considerations accompanied with the use of AI in housing-related contexts.

Before a comprehensive AI system is launched, Zillow conducts a structured model risk review that brings together engineering, product, legal, compliance, and policy stakeholders. These reviews evaluate the system's intended use, potential consumer impact, data sources, performance characteristics, and foreseeable risks. Particular attention is paid to fairness considerations, including whether a system could create disparities that materially and adversely impact one or more protected groups, or enable unlawful steering.

Once deployed, AI systems are subject to ongoing monitoring and periodic review. Because AI behavior can evolve over time, we do not treat deployment as the end of the governance process. Instead, we continuously evaluate system performance, consumer feedback, and compliance alignment, and we make adjustments as needed. Human oversight is maintained throughout the product lifecycle, and responsibility for outcomes remains with people – not algorithms.

In addition to internal governance, Zillow has invested in increasing AI responsibility in the real estate industry writ large. We have open-sourced our Fair Housing Classifier, a tool designed to help detect and prevent discriminatory language and unlawful steering in housing-related content. By releasing this tool under an open-source license, Zillow has enabled other real estate platforms, researchers, and academic institutions to adopt similar safeguards, helping raise standards across the ecosystem.

These operational practices are relevant when considering audit and reporting requirements for AI systems. Uniform third-party audit mandates and recurring reporting obligations tied to vaguely defined concepts would require near-constant reassessment and filing by companies, even where underlying risk has not meaningfully changed. In practice, these requirements could divert resources away from improving systems and toward managing processes, ultimately slowing product development and improvement that benefits consumers.

Zillow supports an approach that emphasizes internal risk management programs, documented assessments, and accountability within the development and deployment lifecycle. Under this approach, deployers would maintain clear internal documentation of system purpose, use context, foreseeable risks, and mitigation measures, and update those materials as systems evolve. This model preserves accountability, supports rapid iteration of consumer-facing improvements, and avoids unnecessary exposure of proprietary information, while still enabling meaningful oversight when genuine risk indicators are presented.

Purpose-Driven AI Use and Risk-Based Oversight

In practice, AI is not always deployed as a single, autonomous system, but rather a range of distinct, purpose-driven capabilities that are integrated into broader product workflows and designed to serve specific functions. At Zillow, these capabilities vary significantly in how they operate and in the considerations they raise. For example, we use AI to:

- **Organize and structure large volumes of housing data**, such as normalizing listing information or identifying duplicate or inconsistent records to improve data quality.
- **Summarize and surface relevant information** for consumers, including generating concise descriptions or highlights to help users understand complex housing information.
- **Improve search and discovery experiences**, such as by interpreting natural-language queries or ranking results to reflect consumer-specified preferences.
- **Identify patterns or anomalies** that warrant further review, including signals that may indicate potential errors, fraud, or non-compliant content.
- **Support compliance and fairness safeguards**, such as detecting potentially discriminatory language or practices that could raise fair housing concerns.

Each of these uses serves a narrow, defined purpose and operates within specific constraints. Some are informational, some are assistive, and others are designed to flag issues for human review. Treating all AI-enabled functionality as a single category risks obscuring these differences and may lead to requirements that are misaligned with actual risk.

This distinction is particularly important when considering consumer notice, opt-out, and adverse action requirements. Fixed timelines and system-by-system opt out requirements may be difficult to apply in products that are dynamic or continuous, rather than discrete, single-decision events. Similarly, adverse action obligations are most effective when applied in contexts where an appeal could plausibly change the outcome of a consequential decision, rather than where AI is used in an informational or non-determinative way.

Risk-based rules grounded in purpose, context, and impact allow safeguards to be targeted where they matter most.

Enforcement and Oversight Considerations

Zillow also believes that strong consumer protection is best supported through clear regulatory guidance and enforcement. Concentrating enforcement authority with the Attorney General promotes consistent interpretation, prioritization, and oversight, while reducing uncertainty that can arise from expansive private litigation models.

As one of the first states to engage deeply on these issues, New York can help establish practical, workable definitions and requirements that may inform broader alignment in the future and promote more consistent consumer protections across the country.

Conclusion

Artificial intelligence has the potential to enhance consumer experiences, improve access to information, and help address systemic challenges in the housing industry. Realizing that potential depends on responsible deployment and on policy frameworks that are clear, practicable, and informed by on-the-ground experience.

We appreciate New York's leadership in engaging early on these issues. Zillow stands ready to share real-world insights, data, and technical expertise with policymakers to ensure that AI serves consumers equitably and transparently.

Thank you and we look forward to continued engagement and partnership with the committee on this issue.

Sincerely,

Ondrej Linda