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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Higher Education Act of 1965 to require to the Secretary of Education to use an identity fraud detection system to review each FAFSA to determine whether the FAFSA presents a reasonable suspicion of identity fraud.

IN THE HOUSE OF REPRESENTATIVES

Mr. OWENS introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend the Higher Education Act of 1965 to require to the Secretary of Education to use an identity fraud detection system to review each FAFSA to determine whether the FAFSA presents a reasonable suspicion of identity fraud.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Aid for Ghost Stu-
5 dents Act of 2026”.

1 **SEC. 2. IDENTITY FRAUD DETECTION SYSTEM.**

2 (a) IDENTITY FRAUD DETECTION SYSTEM.—Section
3 483 of the Higher Education Act of 1965 (20 U.S.C.
4 1090) is amended by adding at the end the following:

5 “(e) IDENTITY FRAUD DETECTION SYSTEM.—

6 “(1) IN GENERAL.—In addition to or in con-
7 junction with other verification processes carried out
8 under this title, the Secretary shall use an identity
9 fraud detection system to review each application
10 submitted under this section on or after October 1,
11 2026, to determine whether the application presents
12 a reasonable suspicion of identity fraud. If the Sec-
13 retary determines that such an application presents
14 a reasonable suspicion of identity fraud, the Sec-
15 retary shall carry out notifications in accordance
16 with paragraph (2).

17 “(2) NOTIFICATION OF REASONABLE SUSPICION
18 OF IDENTITY FRAUD.—If the Secretary determines
19 that an application submitted under this section pre-
20 sents a reasonable suspicion of identity fraud, the
21 Secretary shall—

22 “(A) provide the applicant with notice—

23 “(i) of such determination and the
24 basis for such determination;

25 “(ii) that the information described in
26 subparagraph (B) will be transmitted to

1 each institution of higher education des-
2 igned by the applicant in the application;
3 and

4 “(iii) that the applicant is subject to
5 additional identity verification require-
6 ments in accordance with section
7 487(a)(15); and

8 “(B) transmit to each institution des-
9 igned by the applicant in the application, a
10 notice—

11 “(i) that such application presents a
12 reasonable suspicion of identity fraud; and

13 “(ii) that the applicant is subject to
14 identity verification requirements to be
15 carried out by the institution in accordance
16 with section 487(a)(15)(B), before the in-
17 stitution may disburse Federal financial
18 aid under this title to such applicant.

19 “(3) CONGRESSIONAL NOTICES AND REPORT.—

20 “(A) NOTICES.—The Secretary shall sub-
21 mit to the authorizing committees—

22 “(i) not later than November 1, 2026,
23 a written description of the identity fraud
24 detection system required under this sub-
25 section; and

1 “(ii) not later than 30 days after im-
2 plementing any substantial change to such
3 system, a written description and rationale
4 for such change.

5 “(B) ANNUAL EVALUATION AND RE-
6 PORT.—Not later than October 1, 2027, and
7 annually thereafter, the Secretary shall conduct
8 an evaluation of the effectiveness of the identity
9 fraud detection system carried out under this
10 subsection, and submit to the authorizing com-
11 mittees a report on the use and effectiveness of
12 such system.”.

13 (b) ADDITIONAL VERIFICATION REQUIREMENTS.—

14 (1) AMENDMENT.—Section 487(a)(15) of the
15 Higher Education Act of 1965 (20 U.S.C.
16 1094(a)(15)) is amended—

17 (A) by striking “(15) The institution ac-
18 knowledges” and inserting “(15)(A) The institu-
19 tion acknowledges”; and

20 (B) by adding at the end the following new
21 subparagraph:

22 “(B) Beginning on October 1, 2026, the
23 institution will not disburse Federal financial
24 aid under this title to an applicant whose appli-
25 cation under section 483 presents a reasonable

1 suspicion of identity fraud under section 483(e),
2 unless the institution, in accordance with proce-
3 dures established by the Secretary—

4 “(i) determines that a reasonable sus-
5 picion of identity fraud is not present by
6 confirming the identity of such applicant
7 using in-person verification or live, syn-
8 chronous audiovisual verification;

9 “(ii) notifies the Secretary that the
10 identity of the applicant has been verified;
11 and

12 “(iii) maintains a record of such iden-
13 tity verification.”.

14 (2) INSTITUTIONAL VERIFICATION PROCE-
15 DURES.—Not later than October 1, 2026, the Sec-
16 retary of Education shall establish guidelines with
17 respect to identity verification procedures to be car-
18 ried out by institutions of higher education under
19 subparagraph (B) of section 487(a)(15) of the High-
20 er Education Act of 1965 (20 U.S.C. 1094(a)(15)),
21 as amended by paragraph (1).