

119TH CONGRESS
2D SESSION

H. R. 7892

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

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

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

5 (a) IDENTITY FRAUD DETECTION SYSTEM.—Section
6 483 of the Higher Education Act of 1965 (20 U.S.C.
7 1090) is amended by adding at the end the following:

8 “(e) IDENTITY FRAUD DETECTION SYSTEM.—

9 “(1) IN GENERAL.—In addition to, or in con-
10 junction with, other verification processes carried
11 out under this title, the Secretary shall—

12 “(A) use an identity fraud detection sys-
13 tem to screen and assess each application sub-
14 mitted under this section on or after October 1,
15 2026, to determine whether the application pre-
16 sents a reasonable suspicion of identity fraud
17 based on one or more indicators associated with
18 suspected fraud risk; and

19 “(B) carry out notifications in accordance
20 with paragraph (2).

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

26 “(A) provide the applicant with notice—

1 “(i) of such determination;

2 “(ii) that the information described in
3 subparagraph (B) will be transmitted to
4 each institution of higher education des-
5 ignated by the applicant in the application;
6 and

7 “(iii) that the applicant is subject to
8 additional identity verification require-
9 ments in accordance with section
10 487(a)(15)(B); and

11 “(B) transmit to each institution des-
12 ignated by the applicant in the application, a
13 notice—

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

16 “(ii) that the applicant is subject to
17 additional identity verification require-
18 ments to be carried out by the institution
19 in accordance with section 487(a)(15)(B),
20 before the institution may disburse Federal
21 financial aid under this title to such appli-
22 cant.

23 “(3) CONGRESSIONAL NOTICES AND REPORT.—

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

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

5 “(ii) not later than 30 days after im-
6 plementing any substantial change to such
7 system, a written description and rationale
8 for such change.

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

17 “(4) RULE OF CONSTRUCTION.—Nothing in
18 this subsection shall be construed to prohibit the
19 Secretary from meeting the requirements of para-
20 graph (1), in whole or in part, through a capability
21 or system used by the Secretary on or before the
22 date of enactment of the No Aid for Ghost Students
23 Act of 2026.”.

24 (b) ADDITIONAL VERIFICATION REQUIREMENTS.—

1 (1) AMENDMENTS.—Section 487(a)(15) of the
2 Higher Education Act of 1965 (20 U.S.C.
3 1094(a)(15)) is amended—

4 (A) by striking “(15) The institution ac-
5 knowledges” and inserting “(15)(A) The insti-
6 tution acknowledges”; and

7 (B) by adding at the end the following new
8 subparagraph:

9 “(B) Beginning on October 1, 2026, the insti-
10 tution will not disburse Federal financial aid under
11 this title to an applicant with an application under
12 section 483 that presents a reasonable suspicion of
13 identity fraud under section 483(e), unless the insti-
14 tution, directly or through a contracted third-party
15 service provider and in accordance with procedures
16 established by the Secretary—

17 “(i) before the disbursement of such
18 aid—

19 “(I) determines that a reasonable
20 suspicion of identity fraud is not
21 present by confirming the identity of
22 such applicant using—

23 “(aa) in-person identity
24 verification;

1 “(bb) live, synchronous
2 audiovisual identity verification;

3 “(cc) identity verification
4 compliant with National Institute
5 of Standards and Technology
6 Identity Assurance Level 2
7 (NIST IAL2), or an equivalent
8 successor;

9 “(dd) any additional identity
10 verification method approved by
11 the Secretary that provides a
12 level of identity assurance that is
13 equal to or greater than the level
14 of assurance provided by an iden-
15 tify verification method described
16 in items (aa) through (cc); or

17 “(ee) a combination of two
18 or more of the verification meth-
19 ods described in items (aa)
20 through (dd); and

21 “(II) notifies the Secretary that
22 the identity of the applicant has been
23 verified; and

24 “(ii) maintains a record of such iden-
25 tity verification.”.

1 (2) GUIDELINES ON INSTITUTIONAL
 2 VERIFICATION PROCEDURES.—Not later than Octo-
 3 ber 1, 2026, the Secretary of Education shall estab-
 4 lish guidelines with respect to identity verification
 5 procedures to be carried out by institutions of higher
 6 education under subparagraph (B) of section
 7 487(a)(15) of the Higher Education Act of 1965 (20
 8 U.S.C. 1094(a)(15)), as amended by paragraph (1).

9 **SEC. 3. PROGRAM REVIEW PRIORITY CATEGORY.**

10 Section 498A(a)(2) of the Higher Education Act of
 11 1965 (20 U.S.C. 1099c–1(a)(2)) is amended—

12 (1) in subparagraph (E), by striking “and” at
 13 the end;

14 (2) by redesignating subparagraph (F) as sub-
 15 paragraph (G); and

16 (3) by inserting after subparagraph (E) the fol-
 17 lowing:

18 “(F) institutions that have demonstrated a
 19 pattern of disbursing, on or after October 1,
 20 2026, Federal financial aid under this title for
 21 an award year to students with an application
 22 under section 483 for such award year that pre-
 23 sented a reasonable suspicion of identity fraud
 24 under section 483(e), except that the Secretary
 25 shall exclude any institution that demonstrates

1 to the Secretary that the institution is in com-
2 pliance with the requirements of section
3 487(a)(15)(B); and”.

Passed the House of Representatives June 10, 2026.

Attest:

Clerk.

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