

Union Calendar No. 583

119TH CONGRESS
2^D SESSION

H. R. 7892

[Report No. 119–669]

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

MARCH 12, 2026

Mr. OWENS introduced the following bill; which was referred to the Committee on Education and Workforce

MAY 26, 2026

Additional sponsors: Mr. KILEY of California, Mr. GROTHMAN, Ms. FOXX, and Mr. OBERNOLTE

MAY 26, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on March 12, 2026]

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”.*

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

7 *(a) IDENTITY FRAUD DETECTION SYSTEM.—Section*
 8 *483 of the Higher Education Act of 1965 (20 U.S.C. 1090)*
 9 *is amended by adding at the end the following:*

10 *“(e) IDENTITY FRAUD DETECTION SYSTEM.—*

11 *“(1) IN GENERAL.—In addition to or in conjunc-*
 12 *tion with other verification processes carried out*
 13 *under this title, the Secretary shall use an identity*
 14 *fraud detection system to review each application sub-*
 15 *mitted under this section on or after October 1, 2026,*
 16 *to determine whether the application presents a rea-*
 17 *sonable suspicion of identity fraud. If the Secretary*
 18 *determines that such an application presents a rea-*
 19 *sonable suspicion of identity fraud, the Secretary*
 20 *shall carry out notifications in accordance with para-*
 21 *graph (2).*

22 *“(2) NOTIFICATION OF REASONABLE SUSPICION*
 23 *OF IDENTITY FRAUD.—If the Secretary determines*
 24 *that an application submitted under this section pre-*

1 *sents a reasonable suspicion of identity fraud, the*
2 *Secretary shall—*

3 *“(A) provide the applicant with notice—*

4 *“(i) of such determination and the*
5 *basis for such determination;*

6 *“(ii) that the information described in*
7 *subparagraph (B) will be transmitted to*
8 *each institution of higher education des-*
9 *ignated by the applicant in the application;*
10 *and*

11 *“(iii) that the applicant is subject to*
12 *additional identity verification require-*
13 *ments in accordance with section*
14 *487(a)(15); and*

15 *“(B) transmit to each institution designated*
16 *by the applicant in the application, a notice—*

17 *“(i) that such application presents a*
18 *reasonable suspicion of identity fraud; and*

19 *“(ii) that the applicant is subject to*
20 *identity verification requirements to be car-*
21 *ried out by the institution in accordance*
22 *with section 487(a)(15)(B), before the insti-*
23 *tution may disburse Federal financial aid*
24 *under this title to such applicant.*

25 *“(3) CONGRESSIONAL NOTICES AND REPORT.—*

1 “(A) *NOTICES.—The Secretary shall submit*
 2 *to the authorizing committees—*

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

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

11 “(B) *ANNUAL EVALUATION AND REPORT.—*
 12 *Not later than October 1, 2027, and annually*
 13 *thereafter, the Secretary shall conduct an evalua-*
 14 *tion of the effectiveness of the identity fraud de-*
 15 *tection system carried out under this subsection,*
 16 *and submit to the authorizing committees a re-*
 17 *port on the use and effectiveness of such system.”.*

18 (b) *ADDITIONAL VERIFICATION REQUIREMENTS.—*

19 (1) *AMENDMENTS.—Section 487(a)(15) of the*
 20 *Higher Education Act of 1965 (20 U.S.C.*
 21 *1094(a)(15)) is amended—*

22 (A) *by striking “(15) The institution ac-*
 23 *knowledges” and inserting “(15)(A) The institu-*
 24 *tion acknowledges”; and*

1 (B) by adding at the end the following new
2 subparagraph:

3 “(B) Beginning on October 1, 2026, the institu-
4 tion will not disburse Federal financial aid under
5 this title to an applicant whose application under
6 section 483 presents a reasonable suspicion of identity
7 fraud under section 483(e), unless the institution, in
8 accordance with procedures established by the Sec-
9 retary—

10 “(i) determines that a reasonable suspicion
11 of identity fraud is not present by confirming
12 the identity of such applicant using in-person
13 verification or live, synchronous audiovisual
14 verification;

15 “(ii) notifies the Secretary that the identity
16 of the applicant has been verified; and

17 “(iii) maintains a record of such identity
18 verification.”.

19 (2) GUIDELINES ON INSTITUTIONAL
20 VERIFICATION PROCEDURES.—Not later than October
21 1, 2026, the Secretary of Education shall establish
22 guidelines with respect to identity verification proce-
23 dures to be carried out by institutions of higher edu-
24 cation under subparagraph (B) of section 487(a)(15)

- 1 *of the Higher Education Act of 1965 (20 U.S.C.*
- 2 *1094(a)(15)), as amended by paragraph (1).*

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