

S. 4428, No Aid for Ghost Students Act of 2026

Section 1. Short Title.

This Act may be cited as the “No Aid for Ghost Students Act of 2026.”

Section 2. Identity Fraud Detection System.

This section establishes an identity fraud detection system under Section 483 of the Higher Education Act of 1965. The Secretary of Education is directed to use this system to review each Free Application for Federal Student Aid (FAFSA) to determine if an application presents a reasonable suspicion of identity fraud.

Should the Secretary determine that a FAFSA presents reasonable suspicion of identity fraud, the Secretary must provide notice of this determination, the basis for such determination, notice that such determination will be provided to the institution of higher education, to the applicant. The applicant is also notified that they are subject to additional identity verification requirements.

All institutions of higher education that have been applied to by the applicant in question are notified of the suspicious applications and that the applications must be subject to additional identity verification requirements before the financial aid may be disbursed.

The Department of Education must submit a description of the identity fraud detection system to the authorizing committees in Congress. Any substantial changes to the system must be reported to the authorizing committees within 30 days of such change.

The Department must also submit an annual report on the use and effectiveness of the identity fraud detection system.

The additional verification requirements by institutions of higher education for suspicious applications are considered to be satisfied if:

- The school verifies the applicants identity using in-person verification OR live, synchronous audiovisual verification.
- The school notifies the Department that the applicant’s identity has been verified;
- And the school maintains a record of the individual’s identity.

The Department of Education is directed to establish guidelines with respect to identity verification procedures to be carried out by institutions of higher education with respect to the provisions of the No Aid for Ghost Student’s Act