

119TH CONGRESS
2D SESSION

S. _____

To amend section 498A of the Higher Education Act of 1965 to require the Secretary of Education to prioritize program reviews of institutions of higher education that disburse Federal financial aid under title IV of such Act without verifying the identity of a student whose FAFSA presents a reasonable suspicion of identity fraud.

IN THE SENATE OF THE UNITED STATES

Mr. HUSTED (for himself, Mr. CASSIDY, and Mr. TUBERVILLE) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend section 498A of the Higher Education Act of 1965 to require the Secretary of Education to prioritize program reviews of institutions of higher education that disburse Federal financial aid under title IV of such Act without verifying the identity of a student whose 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 “Student Aid Fraud
5 Oversight and Accountability Act of 2026”.

1 **SEC. 2. PROGRAM REVIEW PRIORITY CATEGORY.**

2 (a) PROGRAM REVIEW PRIORITY CATEGORY.—Sec-
3 tion 498A(a)(2) of the Higher Education Act of 1965 (20
4 U.S.C. 1099c–1(a)(2)) is amended—

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

7 (2) by redesignating subparagraph (F) as sub-
8 paragraph (G); and

9 (3) by inserting after subparagraph (E) the fol-
10 lowing:

11 “(F) institutions identified under para-
12 graph (4); and”.

13 (b) IDENTIFICATION OF INSTITUTIONS.—Section
14 498A(a) of the Higher Education Act of 1965 (20 U.S.C.
15 1099c–1(a)) is amended—

16 (1) in paragraph (3), by striking the period at
17 the end and inserting “; and”; and

18 (2) by adding at the end the following:

19 “(4) shall identify each institution that has dis-
20 bursed, on or after October 1, 2026, Federal finan-
21 cial aid under this title for an award year to any
22 student whose application under section 483 for
23 such award year presented a reasonable suspicion of
24 identity fraud, as determined by the identity fraud
25 detection system used by the Secretary, except that
26 the Secretary shall exclude from such identification

1 any institution that demonstrates to the Secretary
2 that, with respect to each such student, before the
3 disbursement of Federal financial aid to the student,
4 the institution, in accordance with procedures estab-
5 lished by the Secretary, determined that a reason-
6 able suspicion of identity fraud was not present by
7 confirming the identity of such student using in-per-
8 son verification or live, synchronous audiovisual
9 verification and notified the Secretary that the iden-
10 tity of the student has been verified, and maintains
11 a record of such identity verification.”.

12 (c) SPECIAL CONSIDERATIONS.—Section 498A of the
13 Higher Education Act of 1965 (20 U.S.C. 1099c–1) is
14 further amended by adding at the following:

15 “(f) SPECIAL CONSIDERATIONS.—Identification of an
16 institution under subsection (a)(4)—

17 “(1) may be used to inform program reviews,
18 audits, investigations, and other oversight activities
19 authorized under this title; and

20 “(2) shall not, by itself, constitute a determina-
21 tion that an institution has failed to meet the re-
22 quirements of this title.”.