

Temporary Increase in 2021 Basic Allowance for Housing Rates

Questions and Answers as of September 30, 2021

Q. Where can I find information about what I need to know to be able to apply for an increase in my BAH?

A. Information is available from your military Service as follows:

Army: See supporting S1/personnel office for further guidance and application procedures.

Navy: <https://www.mynavyhr.navy.mil/References/Pay-Benefits/N130C/>

Air Force: <https://usaf.dps.mil/teams/RMSO/rmportal/rmf/SitePages/FunctionalAreaPage.aspx>

USMC: <https://www.manpower.usmc.mil/>

Space Force: <https://usaf.dps.mil/teams/RMSO/rmportal/rmf/SitePages/FunctionalAreaPage.aspx>

Also, in late September, those members who receive BAH based upon zip codes in the affected MHAs and are paid by the Defense Finance and Accounting Service (DFAS) or by the Marine Corps, will receive emails with more information.

Q. How can I find out which MHAs are affected, and what the temporarily increased BAH rates are?

A. Visit https://www.defensetravel.dod.mil/Docs/BAH_Temporary_Increase_Rates_Changes_Only.pdf where the increased BAH rates in the affected MHAs have been posted. General information on the Basic Allowance for Housing, program is at: <https://www.defensetravel.dod.mil/site/bah.cfm>.

Q. Do I have to apply to receive this rate increase? If so, what do I have to do to apply for a temporary BAH increase?

A. Yes, you must apply, the increase is not automatic. Please refer to your Service-specific guidance and procedures or contact your chain of command to find out how to apply. Army soldiers should visit their supporting S1/personnel office for guidance and application procedures.

Q. What are the effective dates of the BAH temporary increases?

A. The temporary BAH rate increases are effective as of October 1, 2021 and will expire on December 31, 2021. These temporary rates will be replaced by the regular 2022 BAH rates using standard, annual rate-setting procedures. The 2022 rates will go into effect on January 1, 2022.

Q. Will I be 'rate-protected' when the temporary BAH rates expire?

A. No. By law, BAH rate protection, which normally protects members from decreases in housing market costs, does not apply to the temporary rate increases. Therefore, members should not assume their temporarily increased BAH will continue into 2022.

Q. How long will it take for the Services to process and approve applications?

A. Application processing times may vary depending on Service-specific procedures and a member's individual application/circumstances. However, Services are doing all they can to process applications as quickly as possible.

Q. If I'm approved for an increase in my BAH, but not until after October 1st (when the temporarily increased BAH rates go into effect), will my higher BAH payment be retroactive back to October 1st? What's the earliest I can expect to see the higher BAH in my pay?

A. Eligibility for payment is retroactive to the first month where qualifying costs are established, but no earlier than October 2021. The earliest any approved member should expect to receive an increase in their BAH is the October 15 pay day. However, that assumes a member applies for the increase, is approved by their Service, and DFAS (or the member's applicable Finance Center/Pay System) receives notification of the approval in time to process the payment for the October 15 payday. For members who don't receive the increased BAH on October 15, they will receive a payment retroactive back to October 1, or the date of their increased housing costs (above their BAH) in the affected MHA, whichever is later.

Q. What are the eligibility criteria to qualify for the temporary BAH increase?

A: Service members who are a) receiving BAH based on one of the affected 56 MHAs and b) have verifiable housing cost increases attributable to COVID-19-driven housing market effects may be eligible for the temporary BAH rate increase, subject to Service specific implementation guidelines and approval of individual applications.

Once a member is approved for a higher BAH rate, their eligibility continues through December 31, 2021, unless a BAH status change occurs (e.g., promotion demotion, dependency change). Members experiencing a change in their BAH status will have to re-apply for the temporary BAH rate increase to determine whether they continue to meet the eligibility criteria.

Q. If a Service member's housing costs in an affected MHA increased but they are still less than the member's BAH, is the member still eligible to apply?

A. No. To be eligible for a temporary increase in BAH, a Service member's housing costs must exceed the BAH he/she receives based on a zip code in one of the affected MHAs, and the increased cost must be attributable to the circumstances attributable to the COVID-19 Pandemic.

Q. What is the latest date I can apply for the temporary BAH rate?

A. Please refer to your Service-specific guidance and procedures or contact the chain of command to determine the appropriate protocol.

Q. Information I've read on this says the increases in BAH rates are only temporary, what does that mean?

A. By law, the temporary increases in BAH rates will expire on December 31, 2021. They will be replaced by the regular 2022 BAH rates that will go into effect on the first of January. Because not all segments of a housing market increase or decrease at the same rate, the BAH rates for calendar year 2022 (effective as of the first of January), may differ from the temporarily increased 2021 rates. In some cases, 2022 BAH rates may be more than the temporarily increased 2021 BAH rates. In other cases, the 2022 BAH rates may be the same or may be less. BAH rate protection, which normally protects members from decreases in housing market costs, does not apply to temporary rate increases. Therefore, members should not assume these rate increases will continue into 2022.

Q. I PCS'd out of an MHA where I was receiving the temporary BAH increase. Do I get to keep the temporary BAH increase for the rest of the year?

A. No. Your eligibility for your temporary BAH increase ends on the date you are no longer authorized BAH for that location. However, if your new duty is in another affected MHA, you could potentially be eligible to submit a new application for an increased BAH rate based on your housing costs in the new MHA.

Q. Can I use a long term lease signed prior to March 13, 2020 as justification to receive the temporary increased BAH rate if my rent is higher than my current BAH?

A. No. Members in long-term leases, where rental rates were established prior to March 13, 2020, or those members who established mortgage payment rates prior to March 13, 2020, are not authorized for temporary BAH rate increases. For consideration of increased utility costs, or property taxes (if included in a mortgage payment) as a direct result of the COVID-19 pandemic, please refer to your Service-specific guidance and procedures or contact your chain of command to determine the appropriate protocol.

- **Q. Why is the March 13, 2020 date so important?**

A. This is the date the President declared a national emergency under the “Stafford Act” due to the ongoing COVID-19 pandemic. It is because this declaration that the law allows the Department to authorize temporary BAH rate increases as a result of the COVID-19 pandemic’s significant impact on rental housing costs in the 56 affected MHAs.

Q. Are Guard and Reserve Component members eligible to apply for the temporary increase?

A. Yes. Reserve component members who receive BAH at the full locality rate based on the zip code in one of the affected MHAs may be eligible for the increased rates in the same way as their regular component counterparts.

Q. What if a member PCS’s into an affected area during the October – December timeframe. Does the member get the 2021 BAH rates or the temporarily higher BAH rates?

A. Because the law requires a member assigned to one of the 56 affected MHAs to apply for the temporarily increased BAH rate, a member reporting to a new Permanent Duty Station (PDS) in one of the affected MHAs during October-December (the period when increased rates are in effect) will start off by receiving the 2021 BAH rate. However, if the member meets the eligibility requirements (e.g., has incurred a housing cost above his/her BAH rate attributable to the COVID-19 pandemic), he or she is free to immediately apply for the increased rate.

Q. If a member PCS’s into an area in August and is unable to find housing within the BAH rate and has to obtain housing at a higher rent than the 2021 BAH rate, does the member qualify for the temporarily higher BAH rates or just the 2021 BAH rates?

A. If the member’s verifiable increased rent can be shown to be attributable to the COVID-19 pandemic, the member will qualify for the increased BAH rate. However, because each member’s individual circumstance is unique, he or she should contact his or her chain of command or appropriate military Service headquarters for Service-specific implementing guidance, requirements, and procedures.

Q. Why could an O-6 qualify for the temporarily higher rate of BAH when they are not likely to be food insecure?

A. Pay grade is not a factor in determining whether a member qualifies for a temporarily increased BAH rate in one of the 56 affected MHAs. Qualification is based on active duty Service members (including full-time National Guard duty) being able to demonstrate they have housing costs above their current BAH and that those higher costs are attributable to the COVID-19 pandemic. While food insecurity is NOT an eligibility criterion, qualifying for, and receiving an increased BAH, may help relieve some of the financial pressures food insecure members may be experiencing.

Q. I’m assigned overseas, am I eligible for an increase in my housing allowance? What about if I receive BAH based on my dependents location or my old duty station in one of the affected MHAs?

A. The temporarily increased BAH apply only to Service members who received BAH based on one of the 56 affected MHAs in the United States. It does not apply to the Overseas Housing Allowance (OHA).

However, if you are stationed overseas, but received BAH based on the location of your dependents who reside in one of the affected MHAs, or based on your old duty station that is in one of the affected MHAs, you are eligible to apply to your military Service for an increased BAH rate.

Q. Why is DoD authorizing a temporary increase in 2021 BAH rates for only some Military Housing Areas (MHAs)?

A. Rental housing market data collected by the Department of Defense from March-August 2021 indicated that the COVID-19 pandemic has had a significant impact on rental housing costs in the 56 affected MHAs. Notably, low availability and turnover of rental housing stock during the spring and summer months led to rental cost increases in many locations. To help ease the financial burden of rising housing costs facing Service members moving to new duty stations or signing new leases, the Department moved quickly to assess market changes across the country, assess which markets are most affected, and implement a temporary change in BAH rates in those areas.

Q. What metric was used to determine the BAH increases?

A. The Department relied upon verified, quality-controlled rental housing cost data collected in over 300 Military Housing Areas (MHAs) across the country during the period March - August 2021 (when housing markets are most active) to make its decisions about whether temporary increases were needed, and where to apply them. Data was collected in every MHA for each of six housing types (1 & 2-bedroom apartments; 2 & 3-bedroom townhomes; and, 3 & 4-bedroom single family homes). For each housing type, the Department used the median total housing cost data to calculate the average rate of increase across the medians of all six housing types to determine whether an MHA should be considered for a temporary BAH increase. The rental cost data (BAH rates are based on costs in the rental housing market; not the purchase market) was collected as part of the annual process the Department uses to set BAH rates each January. A copy of the BAH Primer, which provides additional detail on the BAH data collection and rate setting process, can be found online at <https://www.defensetravel.dod.mil/Docs/perdiem/BAH-Primer.pdf>.

Q. Why were only 56 Military Housing Areas eligible to receive the temporary increase rather than all locations, since the COVID-19 pandemic is nationwide?

A. BAH is an integral component of an active Service member's pay. It is designed to provide these members with an allowance that allows them to obtain suitable, adequate, and available housing on the commercial rental market within the vicinity of their permanent duty stations. The BAH program considers each MHA separately, as there are distinct rental market conditions in each location. The data collected for some areas showed large increases in rental housing costs, which qualified them for the temporary BAH increases. Other areas may have experienced overall rental cost increases as well, but not to the same degree as the 56 affected MHAs. And, there were even some areas that showed no change or decreases in costs.

Q. Is there a process through which an MHA not included in the eligible 56 can request a reconsideration of the BAH increase?

A. No. The Department is currently in the process of setting 2022 BAH rates, which will be effective January 1, 2022. The 2022 BAH rates will reflect rental market cost changes for each housing type individually based on its own data.

Q. What are the DoD guidelines for determining whether a service member who bought a house would be eligible for the temporary increase?

A. Service members who are a) receiving BAH based on one of the affected 56 MHAs and b) have verifiable housing cost increases attributable to COVID-19-driven housing market effects may be eligible for the temporary BAH rate increase, subject to Service specific implementation guidelines and approval

of individual applications. Members who own a house and can show a verifiable housing cost increase attributable to the COVID-19-driven housing market effects, such as a utility fee imposed to recapture COVID-19 related costs, may be eligible. A housing cost increase due to a change in the rate on an adjustable rate mortgage, for example, would not qualify.

Q. Is it correct to assume that this doesn't apply to those who live in privatized housing, since their rent is based on their BAH and they wouldn't have experienced higher out of pocket costs?

A. In general, the temporarily increased BAH rates would not apply to members living in privatized housing, as their rents (which typically include utilities) are limited to their BAH. However, if a member's lease agreement does not include utilities and the member pays for utilities directly to one or more utility companies/providers, then increased utility costs, such as a fee or other rate increase imposed by a utility company due to the COVID-19 pandemic, could potentially qualify the member for a higher rate of BAH. Members in such situations, however, must still meet the basic eligibility criterion that their total housing costs must exceed their current BAH in order to qualify for the temporarily increased rates.

Links to information:

The temporarily increased BAH rates for the 56 affected MHAs can be found at:

https://www.defensetravel.dod.mil/Docs/BAH_Temporary_Increase_Rates_Changes_Only.pdf

Service-specific procedures on how to apply for the increased BAH rates, additional information, and guidelines can be found in the links below.

Army: See supporting S1/personnel office for further guidance and application procedures.

Navy: <https://www.mynavyhr.navy.mil/References/Pay-Benefits/N130C/>

Air Force: <https://usaf.dps.mil/teams/RMSO/rmportal/rmf/SitePages/FunctionalAreaPage.aspx>

USMC: <https://www.manpower.usmc.mil/>

Space Force: <https://usaf.dps.mil/teams/RMSO/rmportal/rmf/SitePages/FunctionalAreaPage.aspx>

General information on the Basic Allowance for Housing, program is at:

<https://www.defensetravel.dod.mil/site/bah.cfm>.

A copy of the BAH Primer, which provides detail on the BAH data collection and rate setting process, can be found at <https://www.defensetravel.dod.mil/Docs/perdiem/BAH-Primer.pdf>.