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U.S. Department
of Veterans Affairs



Forever GI Bill: Monthly Housing Allowance Guide

A photograph of four graduates in caps and gowns, seen from behind, looking out over a bright, hazy horizon. The graduates are wearing dark blue gowns with white stoles and black caps with tassels.

**How changes to Monthly Housing
Allowance rates may impact you**

Dear GI Bill Beneficiary,

VA is currently in the process of updating our education claims processing systems so that we may pay you and other GI Bill beneficiaries in accordance with Sections 107 and 501 of the Colmery Act, otherwise known as the “Forever GI Bill.” These sections, detailed below, may affect your Monthly Housing Allowance (MHA) rates. On December 1, 2019, our system updates will launch. As we approach this date, we want to provide as much clarity as possible so you can make informed decisions as you plan and budget for the school year. Below are some frequently asked questions to guide your understanding of Sections 107 and 501, and the coming changes. As always, please reach out to your School Certifying Official if you have any questions about your VA education benefits.

Respectfully, VA Education Service

What is the Forever GI Bill?

The Harry W. Colmery Veterans Education Assistance Act, also known as the “Forever GI Bill,” was signed into law on August 16, 2017. This legislation brings significant updates to VA education benefits. Sections 107 and 501 change how VA calculates Post-9/11 GI Bill® Monthly Housing Allowance (MHA) payments.

What is a Monthly Housing Allowance?

The MHA payments you receive for the Post-9/11 GI Bill are based on the Department of Defense’s (DoD) Basic Allowance for Housing (BAH) rates for an E-5 with dependents. DoD adjusts the BAH rate every calendar year (January 1) based on changes to housing costs across the country. Your MHA is based on the zip code for your school. MHA rate changes are effective August 1 (the beginning date of the academic year).

What is Section 501 (Monthly Housing Allowance Rate)?

Effective January 1, 2018, the Post-9/11 GI Bill MHA rate is the same as the DoD E-5 with dependents BAH rate.

- If you first used your Post-9/11 GI Bill benefits on or after January 1, 2018, you will receive the DoD E-5 with dependents BAH rate.
- If you started using your Post-9/11 GI Bill before January 1, 2018, you will continue receiving payments based on the slightly higher VA rate eliminated by this change.

What Is Section 107 (Location-Based Housing Allowance)?

Previously, GI Bill beneficiaries were paid MHA based on the main or branch campus of the school where enrolled. If you attended classes at more than one location, you were paid the rate that was most advantageous.

Now, MHA is based on the campus location **where you physically attend** the majority of your classes.

Why is my MHA rate going down?

Per Section 107, if you attend the majority of your classes at an extension campus and your extension campus has a lower MHA than the main campus, your MHA rate may decrease. Section 501 aligned MHA with DoD E-5 with dependents BAH rate for those who first started using the Post-9/11 GI Bill on or after January 1, 2018.

VA did not have the capability to make the rate change immediately, so VA is paying you at the slightly higher VA housing rate and will continue to do so until the IT solution is in place on December 1, 2019.

How do I find out what my new MHA payment will be?

The best way to determine your MHA rate is to check the GI Bill Comparison Tool at [VA.gov/gi-bill-comparison-tool/](https://va.gov/gi-bill-comparison-tool/). This tool provides MHA rates for main and branch campuses. If you take courses in more than one location, you will be paid the rate for the location where most of your classes are taken. If your courses are not taken at a main or branch campus, enter the city of the location where you take the majority of your classes.

What happens before December 1, 2019 (before system updates are launched)?

VA will continue to pay MHA rates at current 2019 rates. For some students, this means they will continue to be overpaid.

What happens on December 1, 2019 (system updates go-live)?

On December 1, updates will go-live in VA's education claims processing systems and all claims will be processed in accordance with Sections 107 and 501.

What happens after December 1, 2019 (after system updates go-live)?

Once system updates are live, VA and schools will go back to determine if you were overpaid, underpaid or paid the correct rate between August 1, 2018 and December 1, 2019.

Section 501: VA will identify students whose MHA should have been the same rate as the DoD E-5 with dependents BAH rate, but instead received MHA payments based on the slightly higher VA rate.

- All students will receive a letter informing them of whether they were underpaid, overpaid or not impacted. All students' MHA will be calculated and paid according to **Section 501** going forward.

Section 107: Once systems are live, VA will need additional information from schools in order to identify students who were not paid the housing rate of the campus where they physically attended the majority of classes.

- Schools will be required to re-submit enrollments of students who took courses outside the main or branch campus location from August 1, 2018 to December 1, 2019.

1

If I was underpaid, when am I going to be paid?

If you were underpaid because you took a majority of your classes away from the main or branch campus as previously reported to VA, you will be issued a retroactive payment in 2020. This process will take place over a series of months and the timeframe of payments will vary from school to school.

2

If I was overpaid, will I owe VA money?

No. If you were overpaid because of these changes, VA will automatically review your overpayment for the debt waiver, and provide additional information on the process for you.

3

Will I have to apply or appeal to receive my corrected payment?

For **Section 501**, VA will identify whether you were overpaid, underpaid or not impacted.

For **Section 107**, VA will need schools to provide additional information for those impacted by a change in campus for enrollments from August 1, 2018 to December 1, 2019.

- Once schools have resubmitted the enrollment information, claims will be processed in accordance with **Section 107**, and VA will be able to identify students who were impacted. VA will provide additional information on this process.
- All students will receive a letter informing them of whether they were overpaid, underpaid, or not impacted.

Starting in December, you may see your rate change depending on how you are impacted by **Section 107** and/or **Section 501**.



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Additional Resources

VA Website	VA.gov
VA Education and Training Web Page	benefits.VA.gov/gibill
VA Forms	VA.gov/vaforms
VA Education and Training Benefits Frequently Asked Questions	gibill.custhelp.VA.gov/app/answers/list
Submit a Question	gibill.custhelp.va.gov/app/utils/login_form/redirect/ask
Education Call Center	1-888-GI-BILL-1 (1-888-442-4551) (inside the U.S) 001-918-781-5678 (outside the U.S.)
Veterans Crisis Line	1-800-273-8255 and press 1
VA Regional Office Location	VA.gov/find-locations
GI Bill® Comparison Tool: This tool allows you to get information on a school's value and affordability; and to compare estimated benefits by school.	VA.gov/gi-bill-comparison-tool



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