



Purpose of BAH

BAH enables service members to live off-base comparable to their civilian counterparts. It is not designed to cover all housing costs for all members. Some members may have out-of-pocket expenses because rates are based on the median cost of rent plus the average cost of utilities. A member's actual expenses may be higher or lower based on a member's actual choice of housing and where they live.

Because members are free to make housing choices that best suit their needs, a member may choose to use all of their housing allowance to rent more expensive housing close to the duty station, or have a longer commute for either a larger or less expensive house in an outlying area.

More information on how BAH rates are calculated are included in the BAH Primer at:
<https://media.defense.gov/2022/Jun/23/2003023204/-1/-1/0/BAH-PRIMER.PDF>.



BASIC

ALLOWANCE FOR HOUSING

Overview

Basic Allowance for Housing (BAH) is a U.S.-based allowance that provides uniformed service members equitable housing compensation based on housing costs in local housing markets when government quarters are not provided. BAH is paid to 1 million members at a cost of \$22 billion annually.

For BAH policies, see the Department of Defense Financial Management Regulation (FMR), Volume 7A, Chapter 26.

Key Facts

- BAH rates are based on local area rental market data and vary by geographic duty station, pay grade and dependency status. The average cost of utilities is also considered.
- BAH is based only on rental properties, not homeownership costs, such as mortgage payments and property taxes.
- BAH also includes rate protection. This means, if a member's current BAH rate is less than the previous year, the member receives at least the same amount of BAH as the previous year, provided that the member's duty location, rank and dependency status stays the same. If BAH rates go up, the member will receive the higher BAH rate as long as eligibility is uninterrupted. This ensures that members who have made long-term commitments in the form of a lease or contract are not penalized if the area's housing costs decrease.

Helpful Resources

BAH Calculator: <https://www.travel.dod.mil/Allowances/Basic-Allowance-for-Housing/BAH-Rate-Lookup/>

BAH Policies in the DoD FMR:
https://comptroller.defense.gov/Portals/45/documents/fmr/current/07a/07a_26.pdf

FAQS: <https://www.travel.dod.mil/Support/Frequently-Asked-Questions/#BAHFAQs>

BAH Service Representatives:
<https://www.travel.dod.mil/Allowances/Basic-Allowance-for-Housing/>