MEMORANDUM FOR DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER, PERSONNEL, TRAINING AND EDUCATION)  
(N1)/CHIEF OF NAVAL PERSONNEL  
DEPUTY COMMANDANT OF THE MARINE CORPS  
(MANPOWER AND RESERVE AFFAIRS)

SUBJECT: Delegation Authority to Approve Requests for 2021 Temporary Increase in Basic Allowance for Housing Rates for Military Housing Areas Experiencing Abnormal Rental Cost Increases Due to Coronavirus 2019

Reference:  
(a) 37 U.S.C. § 403(h)(7)  
(b) DoD Financial Management Regulations  
(c) Deputy Assistant Secretary of Defense (MPP) memo, “Temporary Increase in Basic Allowance for Housing Rates for Military Housing Areas Experiencing Abnormal Rental Cost Increases Due to Coronavirus 2019” of 8 Sep 2021  
(d) COVID-19 Presidential National Emergency Declaration of 13 Mar 2020

Enclosure:  (1) Guidelines for Determining Eligibility for Temporary BAH Rate Increase

In accordance with reference (a) and the authority stipulated in reference (b), you are delegated authority to exercise Secretarial authority to approve or disapprove individual member requests for temporary BAH rate increases for specified Military Housing Areas (MHA) in reference (c) due to the COVID-19 pandemic. You are authorized to delegate this authority if you determine further delegation is necessary to appropriately administer requests for temporary BAH rate increases. This authority may not be delegated below O-5 Commanding Officer, Officer-in-Charge, or deputy disbursing officer at the Personnel Support Detachment if delegated to Navy Pay and Personnel Support Command in the case of the Navy.

Per reference (c), the 2021 temporary BAH rate increases for specified Military Housing Areas are effective for the period of October 1, 2021, through December 31, 2021. Once a member has been approved for a temporary BAH rate increase, the increase is effective through December 31, 2021. Temporary increases in BAH rates are not subject to BAH rate protection. The DoD will use the standard BAH rate-setting process to compute 2022 BAH rates, effective January 1, 2022. Members should be advised their 2022 BAH rates may be higher or lower than temporary rates.

The temporary BAH rate increases are only payable to members who are on active duty and entitled to basic pay; request the temporary increase; and can certify they have incurred higher housing expenses in excess of their current BAH entitlement that can be attributed to the COVID-19 pandemic. These higher housing expenses must have occurred after the promulgation of reference (d) and for a residence that is occupied and rented or owned by the member and/or his/her military dependents. Expenses that may be considered to certify higher housing costs are rent, mortgage, and utilities (includes electricity, heating fuel, water, and
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Housing expenses will be documented to include copies of the lease or mortgage, utility company statement, and any other pertinent documentation available. Guidance for specific situations is provided in the attachment.

This delegation is effective immediately and expires March 31, 2022.

Lisa M. Truesdale
Deputy Assistant Secretary of the Navy
(Military Manpower and Personnel)
Guidelines for Determining Eligibility for Temporary BAH Rate Increase

1. Situations that will warrant approval for temporary BAH rate increase:
   a. Members who have relocated after the release of reference (d) on March 13, 2020 and incurred housing expenses that exceed their regular BAH rate at the new permanent duty station (PDS).

   b. Members who have renewed a lease after the release of reference (d) on March 13, 2020 and incurred higher housing expenses that exceed their regular BAH rate at the PDS. In this situation, increased rents should be considered to be the result of COVID-19.

   c. Members who have relocated within their designated Military Housing Area after the release of reference (d) on March 13, 2020 and incurred housing expenses that exceed their regular BAH rate.

2. Situations that will warrant disapproval for temporary BAH rate increase:
   a. Members who have not incurred increased housing expenses since the release of reference (d) on March 13, 2020. For example 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.

   b. Members who have incurred increased housing expenses since the release of reference (d) on March 13, 2020, but cannot demonstrate authorized housing expenses exceed regular BAH rates at the PDS.

   c. Members residing in privatized military housing.

   d. Homeowners who have incurred higher housing expenses after the release of reference (d) on March 13, 2020 as a result of refinanced mortgages, adjustable-rate mortgage, or home equity loans.

   e. Homeowners who have incurred higher housing expenses for a home not occupied as a primary residence by the member and/or his/her military dependent(s) during the qualifying period. For example, investment properties or vacation homes owned by the member but not occupied by the member as a primary residence.

3. Coordinating Instructions
   a. Utility expenses: Members using increased utility expenses as the basis for their temporary BAH rate increase must justify how their utility increase is related to the COVID-19 pandemic. For example, the delivery fee increased for propane gas due to supply-chain issues during COVID-19 or a consumption tax was imposed during COVID-19 by the local power company due to shift in demand and usage. Electric bill increased (outside of seasonal variation) as consumption increased due to spending more time at home during lockdown or teleworking.

   b. Dual military couples: Dual military couples are eligible for temporary BAH rate increases in accordance with paragraph 1 with the following caveats:

      (1) Dual military couples residing in separate households at different physical locations should apply separately for the temporary BAH rate increase.
(2) Dual military couples residing in a common household are eligible for temporary BAH rate increase only if their housing expenses exceed their combined BAH.

c. Qualifying Periods: Qualifying costs may be established using documentation of housing costs incurred between March 13, 2020 and December 31, 2021. For example, a member who entered a lease for an apartment with utilities included in June 2021, where the monthly rent exceeds the regular BAH rate, may use that documentation to establish eligibility for the temporary increase that becomes effective in October 2021.

d. Retroactivity: Eligibility for payment is retroactive to the first month where qualifying costs are established, but no earlier than October 2021. It is recognized the ability to establish housing costs for a month generally occurs after the fact. For example, if documentation of qualifying costs provided to the approving official in November 2021, for expenses covering October 2021, then the member should be paid the higher rate for October.

e. Duration: Once a member establishes eligibility for the higher rate of BAH, eligibility continues through December 31, 2021, discharge from active duty, or rescission of ref (c), whichever occurs earlier. If a BAH status change occurs (e.g., promotion, demotion, dependent change) that affects the member’s BAH rate, the member is required to re-apply for the temporary BAH rate increase to determine whether they still meet the eligibility requirements in paragraph 1 based on their post-status change BAH rate. There is no requirement to submit documentation of higher costs for each month in which the higher rate of BAH is received. The member must continue to reside at the location approved for temporary BAH rate increase in order to continue receiving the entitlement. Any change in residency will require a new temporary BAH rate increase request.

f. BAH at dependent location: Eligibility is based on the location for which the member receives a housing allowance in cases where a member’s housing allowance is based on dependent location rather than the member’s PDS (e.g., designated place in United States, advanced travel of dependents, or delayed dependent travel).

g. BAH at previous duty station: Eligibility is based on the location for which the member receives a housing allowance in cases where a member’s housing allowance is based on the previous duty station, such as when a low or no cost (close proximity) move was executed to the current PDS.