GI Bill changes now in effect

New regulations may hurt student veterans’ bottom line

Those using the Forever GI Bill through the Department of Veterans Affairs may have noticed a change to their monthly benefit.

Recently, the Forever GI Bill made two important changes to how the VA calculates monthly housing allowance (MHA)—and subsequently, the amount some student veterans will see in their benefits payments. Some beneficiaries may now receive lower housing payments, even though they have previously entered into leases or mortgages based on the higher rate. Others may see their housing benefit rise and may be due retroactive back pay that the VA will work to allocate over the next several months.

“January was the first month veterans would have seen the change, based on adjustments made to the calculations beginning in December,” said Assistant National Legislative Director Jeremy Villanueva. “We want to ensure veterans are aware of the potential impacts these changes will have on their benefits.”

First, the housing allowance was based on the Defense Department’s housing allowance rates, which were capped in 2015. Post-9/11 GI Bill housing payments were exempt from the cap, meaning the VA continued to pay slightly higher housing rates than the DOD. For students who began using the GI Bill prior to Jan. 1, 2018, the higher rate will still apply. Those who began using the benefit after that date will now be paid at the DOD’s E-5 with dependents Basic Allowance Housing rate.

Second, MHA will now be determined based on the location of the campus (ZIP code) where a student physically attends the majority of their classes, as opposed to the main branch or campus where a student is enrolled. This change mainly impacts
students who attended extension campuses but have received a housing allowance based on the geographic location of the main campus.

Schools will be required to resubmit enrollment information for students who took courses outside the main branch or campus between Aug. 1, 2018, and Dec. 1, 2019, in order to process claims in accordance with the new regulations. The VA has stated they will send letters to all students informing them of whether they have been overpaid, underpaid or not impacted by the change.

“The VA was in the process of updating its IT system to accommodate these rate changes and has, as a result, been overpaying some beneficiaries since August 2018,” said Villanueva. The resulting debts from these overpayments, according to the VA, will not require repayment by the beneficiary.

According to literature distributed by the VA, if a beneficiary was overpaid because of these changes, the VA will automatically review the overpayment for the debt waiver and provide additional information on the process for the beneficiary.

The VA has provided forms and instructions to those impacted so they can begin the housing relief request through the Ask a Question portal at https://gibill.custhelp.va.gov/app/home.

“Now that the new rates have gone into effect, it’s a good idea to check out the VA’s site and verify you are receiving the correct amount based on the new calculations, to avoid problems down the road,” said Villanueva.

Learn more

The new MHA rates can be found online using the GI Bill
Comparison Tool at va.gov/gi-bill-comparison-tool. If you have additional questions about the change to this benefit, call the VBA Education Hotline at 1-888-442-4551.