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A Primer on the Post-9/11 GI Bill's Monthly Housing Allowance

Monthly housing allowance basics: From big cities to small towns

Overview

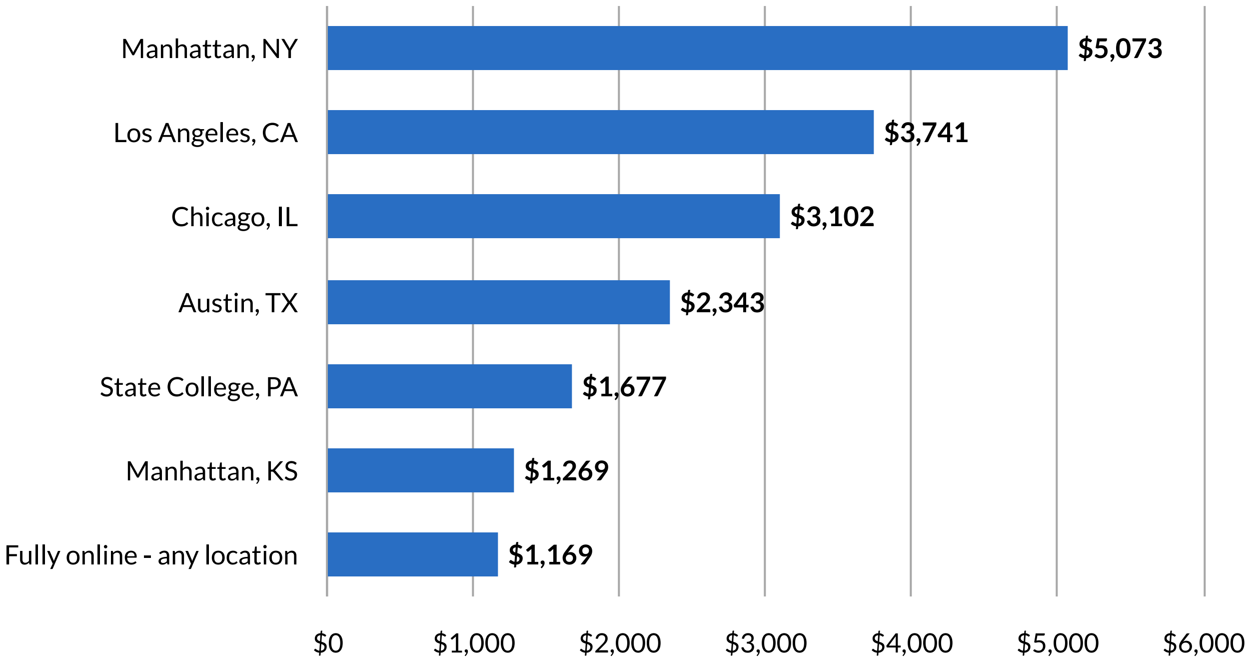
The Post-9/11 Veterans' Educational Assistance Act of 2008, otherwise known as the Post-9/11 GI Bill (PGIB), is administered by the Department of Veterans Affairs (VA) and provides eligible veterans with a range of education benefits, such as partial to full coverage of tuition and fees, as well as a monthly housing allowance (MHA). Several key factors determine the amount of MHA each student veteran receives:

- **Online vs. in-person enrollment status.** All beneficiaries who enroll exclusively in online classes receive the same amount—$1,169 per month for the 2025-26 academic year—no matter where they live or study (Figure 1).[1] That's half the national average MHA for students who take at least some classes in person. Increasing the MHA for fully online PGIB beneficiaries has long been debated. (See the related issue brief for more details.)
- **Campus location.** Beneficiaries who attend any classes in person receive an allowance based on the campus location.[2] Campuses in high cost-of-living areas, like "the Big Apple" (New York City, including Manhattan), correspond to a higher MHA than campuses located in relatively low-cost areas, such as "the Little Apple" (Manhattan, Kansas). (See Figure 1.)[3]
- **Eligibility tier.** Benefit levels depend on how long a student has served in the military. For example, a student who served at least 36 months after Sept. 10, 2001, is usually eligible for 100% of the housing allowance.[4] Those with less time served may receive a smaller percentage.
- **Course load.** Students must be enrolled in more than half of a full course load to qualify for the housing allowance. The amount paid is adjusted to correspond to a student's course load in 10 percentage point increments. For example, someone taking 84% of a full course load would receive 80% of a full MHA payment.[5]

Figure 1

Fully Online Student Veterans Receive Half the National Average MHA Regardless of Location

Post-9/11 GI Bill monthly housing allowance payment rates by location and enrollment status for the 2025-26 academic year



Notes: Post-9/11 GI Bill MHA amounts shown are for the 2025-26 academic year, rounded to the nearest dollar. Amounts displayed are for student veterans who enrolled full time and were eligible for full (100%) Post-9/11 GI Bill benefits.

Sources: U.S. Department of Veterans Affairs, "GI Bill Comparison Tool," https://www.va.gov/education/gi-bill-comparison-tool, and "Post-9/11 GI Bill (Chapter 33) Rates," https://www.va.gov/education/benefit-rates/post-9-11-gi-bill-rates, both accessed Aug. 11, 2025

Background on the MHA's rules for online student veterans

When the PGIB was first introduced in 2009, it did not allow student veterans who were enrolled exclusively online to receive a housing stipend. But one year later, Congress passed the Post-9/11 Veterans Educational Assistance Improvements Act of 2010, which included a new provision that would make fully online student veterans eligible for the MHA.[6]

But what was the rationale for capping the amount that those fully online beneficiaries could receive?

To help answer that question, Pew interviewed two former officials with direct knowledge of the congressional deliberations.[7] These conversations revealed the following rationale for the MHA's rules pertaining to online beneficiaries:

- Congress and veterans' advocacy groups sought to incentivize student veterans to enroll in programs and courses that offered at least some in-person learning. Compared with today's post-pandemic world, online education technologies were relatively rudimentary in 2010. At the time, many online programs were essentially correspondence courses presented in an online format that offered few, if any, opportunities for interaction with instructors or other faculty. Therefore, lawmakers and veterans' advocacy groups were particularly concerned about the possibility that many veterans would use their PGIB benefits to pursue online degrees or certificates of relatively low quality and of little value in the labor market.

- Lawmakers and veterans' advocates were well aware of the history of fraud, waste, and abuse involving previous iterations of the GI Bill and aimed to prevent similar abuses under the newest GI Bill.[8] Lawmakers agreed that it would be too easy for online beneficiaries and institutions to "game the system" if MHA payments to fully online beneficiaries were based on the location of a student's home or school.[9] Furthermore, a location-based MHA would create an excessive administrative burden for the VA, especially if the agency were expected to police such a system to prevent fraud. Consequently, a consensus emerged in Congress in support of a flat rate that would apply to all beneficiaries who studied exclusively online.
- Having settled on the flat-rate approach for exclusively online students, lawmakers then debated the amount to be paid each student. They initially considered providing fully online students with an MHA equal to the national average. However, the national average MHA given to online students would have exceeded the amount paid to beneficiaries enrolled at in-person and/or hybrid programs in many rural or low cost-of-living areas. Thus, lawmakers were concerned that student veterans living in rural areas might be more inclined to enroll in a fully online program just to obtain a higher MHA payment while passing up local brick-and-mortar options. Consequently, they considered providing an MHA to online beneficiaries that was 50% to 70% of the national average. They eventually settled on 50% of the national average, primarily due to budget considerations.

A robust benefit with some limitations

The MHA is a valuable benefit that helps cover housing costs, but there are a few important caveats that affect the monthly payments:

- **No payments during school breaks.** MHA is not disbursed during school breaks. However, students may receive a prorated benefit when school is in session for part of a month.[10]
- **Tied to military housing rates, but with a lag. The MHA is based on the Department of Defense's basic allowance for housing (BAH), which is paid to active-duty service members at the pay grade of E-5 with dependents.**[11] While the MHA and BAH are connected, they don't always sync up perfectly. For example, the Defense Department typically raises the BAH annually, but the VA's subsequent boost to bring its MHA in line with the Pentagon's BAH rates occurs about eight months later. That delay can mean student veterans have to pay an even greater share of their housing costs out of pocket. Furthermore, the Defense Department may increase BAH in the middle of a budget cycle to meet sudden housing price spikes, but the VA lacks similar authority to adjust the MHA midcycle.[12]
- **Falls short of actual housing costs as a result of previous budget cuts.** Congress cut the BAH in 1 percentage point increments from 2015 to 2019 so that it covered only 95% of calculated housing costs as of 2019. As a result, the MHA's baseline rate is also below actual housing costs.[13]

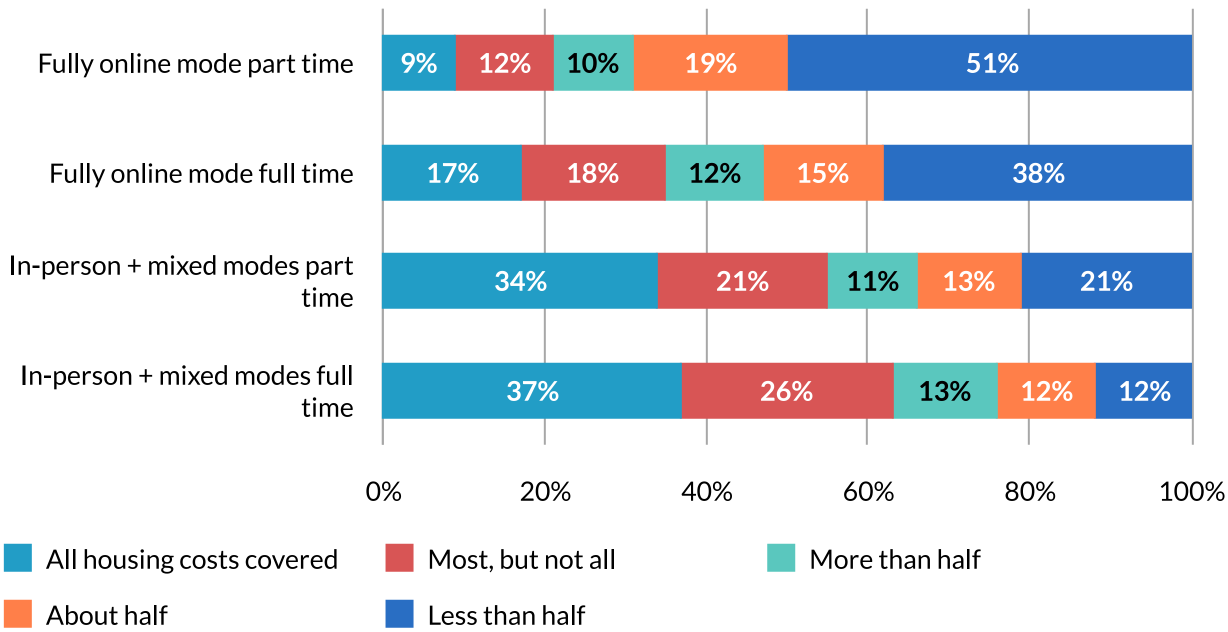
Online-only student veterans receive less help with housing costs

Since the maximum MHA payment for fully online student veterans is capped at half the national average MHA payment, it is not surprising that these students reported that their housing stipend covered a much smaller share of their housing expenses than student veterans who took in-person or mixed-mode courses (Figure 2). Furthermore, those who took their courses fully online and studied part time reported the lowest coverage of actual housing costs—with 51% indicating that the MHA covered less than half of their expenses and another 19% responding that it covered about half.

Figure 2

Veterans Enrolled in Fully Online Programs Said Their MHA Covered Much Smaller Share of Housing Costs Than Those Taking In-Person or Mixed-Mode Courses

Coverage of housing costs reported by Post-9/11 GI Bill beneficiaries, by full- or part-time study and enrollment mode



Notes: Percentages total more than 100% in some cases due to rounding. Figure 2 shows the weighted percentages of responses to the question, "Please choose the option that best describes how much of your average monthly housing expenses were covered by the MHA." (Housing expenses include rent/mortgage payments and utilities but not other living expenses, like transportation, child care, or groceries.) This figure includes only veterans who were eligible for 100% of the Post-9/11 GI Bill. Respondents were categorized as full time if they had enrolled full time during *all* fall or spring semesters that they attended an institution of higher education between 2016 and 2020. Respondents were categorized as part time if they had enrolled part time *at least once* for *any* fall or spring semester or for at least one summer term between 2016 and 2020.

Source: Veterans Engaging in Transition Studies (VETS) Survey conducted by Penn State's Clearinghouse for Military Family Readiness between November 2020 and January 2021 for The Pew Charitable Trusts. This survey collected data about veterans' education and finances from the fall of 2016 through the end of 2020.

Endnotes

1 "Post-9/11 GI Bill (Chapter 33) Rates," U.S. Department of Veterans Affairs, Aug. 1, 2025, https://www.va.gov/education/benefit-rates/post-9-11-gi-bill-rates.

2 "Post-9/11 GI Bill (Chapter 33) Rates," U.S. Department of Veterans Affairs.

3 "Explore Manhattan," City of Manhattan, Kansas, https://cityofmhk.com/2277/Explore-Manhattan.

4 "Post-9/11 GI Bill (Chapter 33) Rates," U.S. Department of Veterans Affairs.

5 "Post-9/11 GI Bill (Chapter 33) Rates," U.S. Department of Veterans Affairs.

6 Post-9/11 Veterans Educational Assistance Improvements Act, Pub. L. No. 377 (2010), https://www.govinfo.gov/content/pkg/PLAW-111publ377/html/PLAW-111publ377.htm.

7 Pew interviewed the following former officials who had direct knowledge of the deliberations with staff members of the Senate and House Committees on Veterans Affairs in 2010 regarding MHA payments for online PGIB beneficiaries: (1) Joseph Wescott is currently the national legislative liaison for the National Association of State Approving Agencies. In 2010, he was executive director of North Carolina's State Approving Agency. (2) Patrick Campbell formerly served as a senior adviser in the U.S. Department of Education and at the Office of Servicemember Affairs in the Consumer Financial Protection Bureau. In 2010, he was the legislative liaison for the Iraq and Afghanistan Veterans Association. Of note, Senate Report 111-346 of 2010 provides the following brief justification for the MHA's rules pertaining to online beneficiaries. Both experts we interviewed, however, confirmed that this brief account does not adequately describe the primary rationale for the rules that legislators agreed on: "The Committee understands that, for some individuals, pursuit of a program of education solely by distance learning may be the only manner available to them and that payment of some portion of the living allowance is appropriate. However, since one of the basic purposes of the living allowance is to offset the cost of housing away from home and since most distance learning is pursued from home, the full allowance does not appear supported at this time." Senate Report 111-346, "The Post-9/11 Veterans Educational Assistance Improvements Act," 2010, https://www.congress.gov/congressional-report/111th-congress/senate-report/346/1?outputFormat=pdf.

8 Those involved with drafting the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 drew upon the 1956 Bradley Commission Report's findings regarding fraud, waste, and abuse committed by GI Bill beneficiaries and postsecondary institutions. See President's Commission on Veterans' Pensions, "Veterans' Benefits in the United States," 1956, https://www.va.gov/vetdata/docs/Bradley_Report.pdf.

9 According to Patrick Campbell, former senior adviser at the U.S. Department of Education, lawmakers considered the following ways that students might "game the system": Many beneficiaries would shop around for online programs based on the highest MHA rate rather than seeking the best match for their academic and career interests. Some beneficiaries who enrolled in online programs hosted by schools with multiple campuses would choose the location that paid the highest MHA rate.

10 "Post-9/11 GI Bill (Chapter 33)," U.S. Department of Veterans Affairs, Aug. 3, 2022, https://www.va.gov/education/about-gi-bill-benefits/post-9-11.

11 "Post-9/11 GI Bill (Chapter 33) Rates," U.S. Department of Veterans Affairs.

12 Legislative Priorities for Veterans' Health Care and Benefits, Before the House and Senate Veterans' Affairs Committees, 118th Congress (March 8, 2023) (statement of Cory Titus, director, government relations for veterans' benefits, Military Officers Association of America), https://www.veterans.senate.gov/services/files/2A208C88-6BBD-40EE-875F-B45F0E50CB27.

13 Congress reduced the BAH from 100% of calculated housing costs to 95% between 2015 and 2019. See "Advocacy in Action: Help MOAA Restore the Basic Allowance for Housing," Cory Titus and Jen Goodale, Military Officers Association of America, March 20, 2024, https://www.moaa.org/content/publications-and-media/news-articles/2024-news-articles/advocacy/advocacy-in-action-help-moaa-restore-the-basic-allowance-for-housing.

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