

Determining Your Housing Options

1. Overview

When you move with the military, you have choices to make about where to live. These choices are generally available to all personnel above a certain rank and are dependent on housing options available on the installation. Your choices are: to live in government housing, on the installation, if available; government leased or privatized government housing or to live on the local economy in housing that you find independently from the government options.

For many young single servicemembers housing decisions will be made for them as the government provides dormitories. The goal is for all services to provide single enlisted personnel with private rooms that are considered two-room "suites". Dormitory rooms are generally available upon arrival.

For many young married families there will be no installation housing available of any kind, so the family will have to live "on the economy". The government provides a very helpful website for families searching for rental properties in the new area. The website is the [Automated Housing Referral Network](#).

To research government owned housing availability on the installation and any privatized housing available for new service and family members visit [MilitaryHOMEFRONT's MilitaryINSTALLATIONS](#). Read all the housing articles: Housing, Temporary Quarters, and Government to find out specifics. The photo galleries generally include floor plans for available housing. The associated links have the links to the Services's housing websites.

Your Installation Housing Office can help you with –

- Determining your housing allowances
- Determining availability of government housing at your new location
- Getting help with finding local community housing at your new location
- Finding out about arranging temporary lodging

This article will provide you with information about Housing Allowances, Buying a home in your new location, Moving In to your new home, and Housing for Military Families with Special Needs Family Members.

2. Housing Allowances

Before striking out onto the local economy, know your housing allowances. Allowances change frequently, visit the Per Diem Committee's official [website](#) for the most up-to-date information. [Basic Allowance for Housing \(BAH\)](#): is an allowance to offset the cost of housing when you do not receive government provided housing. Your BAH depends upon your location, pay grade

and whether you have dependents. BAH rates are set by surveying the cost of rental properties in each geographic location. The rates are established such that members in each pay grade, independent of location, pay approximately the same out-of-pocket expenses.

Overseas Housing Allowance (OHA): is an allowance to offset the cost of housing for service members living off base overseas. Rates are determined by rank and whether or not the military member has dependents. OHA rates have three components: rental ceiling, utilities/recurring maintenance allowance, and move in housing allowance (MIHA).

Move-In Housing Allowance (MIHA): is designed to reimburse you for overseas costs associated with living in privately-owned or privately-leased quarters. It addresses 3 specific needs: one-time rent related expenses, modification of homes for security protection and the initial cost of making a home habitable. The State Department determines whether a location is "high threat". This is available OCONUS only. MIHA rates change with currency rates and location so see your base relocation manager.

Dislocation Allowance (DLA): is intended to help with miscellaneous moving costs. In general, it is paid once per PCS move. DLA is available CONUS and OCONUS. It is based on your rank and dependent status. DLA is not available when assigned to government quarters, without family members, at new duty station; when transferred to a nearby duty station, unless a local move of household goods has been pre-authorized; and when separating or retiring from the military. On the first move from home to the duty station, DLA is not paid if the family does not move.

- DLA is NOT PAID on the last move.
- DLA is not paid on a local move, unless movement of household goods has been authorized.
- DLA is not paid if the service member is assigned to government quarters at the new duty station and is not accompanied by family members.

3. Buying a House in the New Location

If you are thinking about buying a house in your new location, there are many decisions to make. Assuming that you have worked out your financial plan and can afford a house, you need to determine your housing needs, find a realtor, determine the type of mortgage, and assess each property that you might want to purchase. This section provides tips in all of these areas.

Determine your housing needs and price range

What you need in a house depends on:

- The size, the age, and activities of your family
- The amount you have available for a down payment
- The amount of mortgage you can qualify for
- What you can afford
- What's available in the local real estate market

For help in selecting a realtor in an unfamiliar area:

- Check the realtor referral databases, if available. The Internet has great sources for this information. They are too numerous to mention but starting with the [National Realtors Association](#) is always a good place to begin.
- Get education and information from the installation Housing Referral Office or the Relocation Assistance Program in the Family Center.
- Word of mouth from your sponsor or new co-workers may be helpful.

To select a company, some of the criteria you can use are:

- Do they have a full-time, salaried, Relocation Director who counsels the transferees, sends information, and assigns agents, or has a dedicated staff who does so?
- How do they assign agents - do they actually "match" you with an agent who is an expert in homes in your price/lifestyle range, who has similar interests, etc?
- If you are unsatisfied with the agent assigned for any reason, will the Relocation Director reassign a different agent?
- Does the Real Estate Firm have a website and toll free number for you to keep in touch?
- Will they send you, under first class or priority mail cover, a detailed relocation packet and videotape?
- Does the real estate company belong to the Employee Relocation Council and the local Multiple Listing Service?
- How long has the company been in business? What is their market share?

Working with the agent:

- It is most important to tell him or her everything you want and need in housing.
- Discuss your financial situation because you want to make sure you are shopping for housing in the right price range.
- Your agent will be spending time helping you to locate your new home, and if you are comfortable with the agent, it is wise to stick with that person until you have successfully purchased your home.

Understanding Various Mortgages and Loan Types

There are five common types of mortgage loans: **conventional fixed rate, non-conventional fixed rate, adjustable rate mortgages (ARM), FHA, VA, and home equity or line of credit loans.** The [National Association of Realtors](#) is a good place to start to learn about mortgage information as well as the [Veterans Administration](#) and [Fannie Mae](#).

Conventional fixed rate - Loans up to a set maximum amount - currently at \$417,000 and \$729,750 in high cost areas are conventional fixed rate loans. Note that there are even higher conventional loan limits in very high cost areas. The Fannie Mae website is the best place for current information. Conventional fixed rate loans are the most popular type of loan, especially when interest rates are down. They are popular because the interest rate and monthly payment amount never change over the life of the loan. It's easy to calculate the monthly payment amount,

there are only three pieces of data needed to perform the calculation: Loan amount, Term length of loan, and Interest rate.

Non-conventional fixed rate - Loans above the set maximum amount listed above.

Adjustable rate mortgages (ARM) - Interest rate fluctuates as the market rate changes. If rates decline, the borrower's rate also declines. If rates increase, the borrower's rate increases. Most adjustable rate mortgages have three common elements: Adjustment period, Adjustment factors, and Limits on adjustments. Some loans are at a fixed rate for a specific period of time, and then either must be refinanced or become adjustable for the life of the loan.

FHA loans - The primary goal of the FHA is to help low and middle income people buy homes. Because the FHA loan is backed by the full faith of the U.S. government and insures the loan, lenders are willing to make loans with smaller down payments than normally required. The FHA reimburses the lender if the borrower does not make the monthly payments.

VA loans - After World War II, the U.S. Government created the Veteran's Administration loan program to help people who have served in the military buy homes. The program is still in place today, helping veterans buy homes with little or NO down payment required. Unlike FHA loans, for which the entire loan balance is insured, the U.S. Government guarantees 60% of the loan balance. Mortgage insurance is not required.

Home Equity Line of Credit or Loan - A home equity loan is secured by a second mortgage on the borrowers' principal residence. It is generally used for debt consolidations, home improvement, education, car purchases and/or for a down payment. Lenders offer two types of home equity loans: Home Equity Lines of Credit and Fixed Rate Second Mortgage Loans.

Questions to Ask any Prospective Lender:

- Am I able to view your rates/Programs online?
- How many different loan programs do you provide?
- Do you provide loans to borrowers of all credit status?
- Are you able to provide FHA and/or VA loans?
- Do you offer special loan programs specific to my situation or geographic area?
- In what states are you licensed to provide loans?
- How quickly can I be qualified and approved for the loan which I'm interested?
- What will be the overall costs associated with my loan closing?
- What are the fees specific to you the lender?
- Do you require escrows for insurance, taxes?
- Do you offer online bill pay and account information?
- Have you ever sold the servicing of your loans?

Select Home, Make Offer, Negotiate and SIGN the Contract. Your offer should include:

- Price
- Closing date

- Contingencies
- Inspections and closing costs
- Personal property conveyed with sale

Closing Process:

- All conditions fulfilled, contingencies removed
- Title to the property will be passed from the seller to you
- You sign deed of trust/mortgage; note - VA, FHA, lender forms; settlement sheets
- Pay balance of down payment and closing costs with cashier/certified check
- Costs vary depending on type of mortgage, but may include: financing costs discount points, mortgage insurance premium, VA funding fee; escrows, title search and insurance; transfer taxes and recording fees; appraisal and credit report; homeowner's insurance; real estate taxes; prepaid interest; survey; termite inspection; other customary or lender-required fees
- You can negotiate for seller to pay any of these costs

Move In!!!

4. A Word about Housing for Military Families with Special Needs

If you have an infant with special needs you may not be concerned about handicapped accessible housing but as your child begins to grow and weigh more, a wheelchair or other equipment may be necessary, and easy access around your home will become very important.

Availability of handicapped accessible housing off base may be limited. The [Uniform Federal Accessibility Standards \(UFAS\)](#) requires that at least 5% of the total but at least one unit (on an installation-by-installation basis) of all housing constructed will be designed and built to be either accessible or readily and easily modifiable to be accessible. .Modification of individual units (including the making of adaptations), will be accomplished on a high priority basis when a requirement is identified.

Before you relocate, research the housing at the installation you are moving to. Learn about availability of handicapped housing and how long it may take if a house needs to be modified before you move in.

Research the housing floor plans. If you use Hoyer lift to lift your family member into the bath tub or use a bath chair then ask what the dimensions of the bathroom are to ensure you can easily maneuver your family member in the chair or lift into and out of the bathtub.

Priority Housing Placement

Each Service has regulations governing the number and types of housing available for special needs military families. These include: priority housing placement; modifying housing units; adjusting tours to unaccompanied if no housing is available.