When a credit card account is more than 180 days past due, it must generally be charged-off. \footnote{314} This means that the debt is no longer carried as an asset of value on the company’s books, giving investors and lenders a more accurate picture of a company’s net worth. Charge-off accounts are treated as an expense or a loss \footnote{315} to the creditor, but the charged-off debt is not canceled. \footnote{316} Any payment on the charged-off debt is then treated as income—a recovery on a bad debt—on the creditor’s books.

**Footnotes**

\footnote{314}{See, e.g., CFPB, The Consumer Credit Card Market 44 n.79 (Sept. 2021), *citing Off. of the Comptroller of the Currency, Policy Implementation—The Guidance Attached to this Bulletin Continues to Apply to Federal Savings Associations, OCC Bulletin 2000-20, (June 20, 2000)” (“Accounts that remain delinquent for 180 days must be ‘charged off,’ meaning that the issuer can no longer consider the outstanding balance as an asset on its balance sheet. Delinquent accounts may have to be charged off prior to 180 days in certain circumstances as, for example, with a bankruptcy.”); Fed. Fin. Insts. Examination Council, *Uniform Retail Credit Classification and Account Management Policy*, 65 Fed. Reg. 39,603 (June 12, 2000).}

\footnote{315}{Credit card issuers may also declare accounts as losses for other reasons.}

\footnote{316}{See, e.g., Kelly v. Wolpoff & Abramson, L.L.P., 634 F. Supp. 2d 1202 (D. Colo. 2008) (fact that bank had “charged off” credit card debt after 180 days after delinquency was an accounting device required by federal regulations and did not “extinguish” debt, as plaintiff alleged, or alter right of defendant to collect it).}

\footnote{317}{See 5000—FDIC Statements of Policy, *Uniform Retail Credit Classification And Account Management Policy* [1], available at www.fdic.gov.}

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