

What is a credit card billing cycle and how does it impact your credit score

What is a credit card billing cycle?

A billing cycle, or billing period, is the length of time between the last statement closing date and the next. Most financial products that require monthly payments, such as credit cards, student loans and auto loans, have billing cycles.

Your credit card billing cycle will typically last anywhere from 28 to 31 days, depending on the card issuer. The amount of days in your billing cycle may fluctuate month to month, since the number of days in each month varies, but there are regulations to ensure that they are as “equal” as possible.

To understand the definition of “equal,” you can look to the Consumer Financial Protection Bureau which states that a billing cycle is equal if the number of days in the cycle does not vary more than four days from a fixed day (such as, the first Tuesday of each month) or date (such as, the tenth of each month).

This ensure that one important thing remains constant — your due date. According to the CARD Act, your due date is required to remain the same every billing cycle. And your due date must be at least 21 days from the end of a billing cycle, giving you time to budget your payments.

The period of time between the end of a billing cycle and when your bill is due is called your grace period, and if you pay your balance off within this time, you won't incur interest.

Where to find your billing cycle

You can find your credit card billing cycle listed on your monthly statement. You'll notice the start and end dates for your billing period are typically located on the first page of your statement, near the balance. Your card issuer may list the number of days in your billing cycle, or you'll have to do some counting. You can count the number of days beginning with the opening date and ending with the closing date.

For example, if the first day of your billing cycle is January 23 and the last day is February 20, your billing cycle would be 29 days long.

How your billing cycle affects your credit score

The majority of credit card issuers report your account information to the main three credit bureaus — Experian, Equifax and TransUnion — on a monthly basis. Whatever actions you take during a billing cycle, such as new purchases, balance transfers or minimum payments, will be sent to at least one bureau at the end of each billing cycle and appear on your credit report.

For **instance**, if you have a \$5,000 balance at the end of your billing cycle, that information will be sent to the credit bureaus. Any reported information can influence your credit score.

Can you change the dates of a billing cycle?

While you can't choose the dates or lengths of your billing cycle, you can adjust your payment due date, which causes your billing cycle dates to shift. Many card issuers let you choose from a variety of dates, so you can select the best due date for your cash flow.

Keep in mind, you generally can't adjust your payment due date every month and it can take one or more billing cycles to take effect. For instance, the agreements of my Citi Double Cash® Card state, "You can only change your due date once every 90 days. It may take 1-2 payment cycles for this change to come into effect." (see rates and fees.)

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