



CreditCards.com: Weekly Credit Card Rate Report

Thursday, January 3, 2008

Austin, Texas – Interest rates for select major credit card categories were unchanged to slightly higher this week, even as the release of minutes from December's Federal Reserve meeting showed policy makers believe another interest rate cut may be necessary.

A majority of banks index their credit card annual percentage rates (APRs) to the prime rate, which moves in lock step with Fed decisions. According to the Fed, 54 percent of issuers tie card interest rates to prime, with most banks adjusting variable rates 30 days or one billing cycle after a change in the prime rate.

Rates for card categories tracked by CreditCards.com are listed below:

Credit Card Rate Averages

Low Interest	10.25%
Balance Transfer	10.35%
Cash Back	12.11%
Business	11.08%
Instant Approval	11.57%
Reward	12.20%
For Bad Credit	14.04%
Airline	13.28%
Student	16.54%

Source: CreditCards.com

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The minutes showed that some members of the Federal Open Market Committee saw threats to the economy as potentially requiring "a substantial further easing of policy," even as members noted that an unexpected improvement in market conditions could make a "reversal" of some of the rate cuts appropriate. The Fed's next policy meeting is scheduled for the end of this month.

Tomorrow's release of the December employment report will provide a window onto the job market for 2008. Should the threat of unemployment curtail consumer spending, the economy could be seriously impacted, since more than two-thirds of U.S. economic activity is based on consumer expenditures.

The CreditCards.com credit card rate survey is conducted weekly using data from the leading card issuers in the United States.

Introductory offer periods and regular interest rates can vary depending on applicants' credit quality and issuer risk-based pricing policies.

About CreditCards.com

CreditCards.com is a leading online credit card marketplace connecting consumers with multiple credit card issuers, including nine of the ten largest in the United States, based on credit card transaction volume. Through its website, <http://www.creditcards.com/>, CreditCards.com enables consumers to search for, compare and apply for more than 150 credit cards and offers credit card issuers an online channel to acquire qualified applicants.

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