

CreditCards.com: Weekly Credit Card Rate Report

Thursday, August 2, 2007

Austin, Texas – Credit card interest rates didn't budge this week, as economists forecast scant likelihood of a change in monetary policy when Federal Reserve officials meet Tuesday. However, expectations for a lowering of the prime rate sometime thereafter appear to have increased.

Low interest and balance transfer credit cards provided the lowest annual percentage rates (APRs).

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

Credit Card Rate Averages

Low Interest	11.41%
Balance Transfer	11.41%
Bad Credit	12.81%
Cash Back	13.13%
Reward	13.66%
Business	13.95%
Instant Approval	14.18%
Airline	15.08%
Student	17.88%

Source: CreditCards.com

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The prime rate matters to credit card holders because a majority of banks base their credit card APRs on an index tied to the prime rate. According to the U.S. central bank, 54% of credit card issuers tie card interest rates to prime.

Forecasts for a rate cut appear to have jumped recently. According to data compiled by Reuters, the futures markets' implied probability for a quarter percentage point Fed rate cut by January 31, 2008, climbed to nearly 100% in July. Readings of more than 100% indicate more than one rate cut is anticipated.

Last week, economic reports showed weakness in business and consumer spending during June, as well as a steeper-than-forecast drop in housing sales. Meanwhile, the stock market took a hit. Taken together, these developments imply a slight downgrade to the central bank's growth projections.

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

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

About CreditCards.com

CreditCards.com is the leading online credit card marketplace, bringing consumers and credit card issuers together. At its free Web site, www.creditcards.com, consumers can compare hundreds of credit card offers from the nation's leading issuers and banks, and apply securely online. CreditCards.com is also a destination site for consumers wanting to learn more about credit cards; offering news, advice, features, statistics and tools – all designed to help consumers make smart choices about credit cards.

For more information, contact:

Ben Woolsey
Director of Marketing
benw@creditcards.com
512-996-8663 x106

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