



CreditCards.com: Weekly Credit Card Rate Report

Thursday, December 20, 2007

Austin, Texas – Interest rates for select major credit card dropped this week, as card issuers passed along the Federal Reserve's interest rate cut to cardholders. Last Tuesday, the Fed lowered the federal funds rate a quarter point to 4.25 percent.

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	11.43%
Balance Transfer	11.17%
Cash Back	12.57%
Business	12.57%
Instant Approval	13.29%
Reward	13.20%
For Bad Credit	14.04%
Airline	14.39%
Student	16.54%

Source: CreditCards.com

Updated: 12-20-07

Speaking before the Charlotte Chamber of Commerce's Annual Economic Outlook conference on Wednesday, Federal Reserve Bank of Richmond President Jeffrey Lacker said the inflation picture has "deteriorated" since August and warned a key inflation gauge for November looks to be "even worse." Lacker indicated that the central bank must dampen overall inflation, not simply core inflation -- which excludes volatile food and energy prices. The Fed official is not currently a voting member of the Fed's Open Market Committee, which decides monetary policy.

Separately, gross domestic product expanded an unrevised annual rate of 4.9 percent in the third quarter as consumer spending offset housing weakness.

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.

For more information, contact:

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

NOTE TO EDITORS: The information contained in this release is available for print or broadcast with attribution to CreditCards.com.

Source: CreditCards.com