



CreditCards.com: Weekly Credit Card Rate Report

Thursday, January 10, 2008

Austin, Texas – Interest rates for select major credit card categories declined this week, as Federal Reserve Chairman Bernanke indicated economic sluggishness now poses a greater threat than inflationary pressures. The Fed chief's remarks suggest the central bank will lower interest rates by a half-percentage point at its Jan. 29-30 meeting.

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	11.01%
Balance Transfer	10.37%
Cash Back	11.71%
Business	10.83%
Instant Approval	11.57%
Reward	11.86%
For Bad Credit	13.41%
Airline	13.01%
Student	16.46%

Source: CreditCards.com

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Some of this week's rates decline may stem from a change to the way CreditCards.com calculates APRs.

In a speech Thursday, Bernanke acknowledged that with "more pronounced" economic risks, "additional policy easing may well be necessary."

Bernanke's comments followed the release of a December jobs report showing unemployment at its highest level in more than two years. Although job uncertainty poses a threat to consumer spending, Fed statistics released Tuesday showed revolving credit -- largely comprised of credit card debt -- posted the biggest gain in six months during November.

The CreditCards.com credit card rate survey is conducted weekly using data from the leading U.S. card issuers.

Introductory offer periods and regular interest rates can vary with 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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