



CreditCards.com: Weekly Credit Card Rate Report

Thursday, May 22, 2008

Austin, Texas – Annual percentage rates for select major credit card categories declined this week, but minutes from the latest Federal Reserve meeting hinted that the Fed would pause its rate-cutting activity. That approach to monetary policy would leave banks with little reason to further lower APRs on variable interest rate credit cards.

According to the Fed, 57 percent of banks index their credit card APRs to the prime rate, with most adjusting variable rates 30 days or one billing cycle after the prime rate changes.

Of the nine card categories tracked by CreditCards.com, six had lower rates, two categories rose and one held steady.

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

Credit Card Rate Averages

| | Avg. APR | Last Week | 6 Month |
|------------------|----------|-----------|---------|
| Balance Transfer | 10.19% | 10.12% | 11.56% |
| Business | 10.76% | 10.82% | 13.71% |
| Low Interest | 10.90% | 10.88% | 11.56% |
| Bad Credit | 11.09% | 12.49% | 13.54% |
| Instant Approval | 11.22% | 11.72% | 13.17% |
| Cash Back | 11.41% | 11.49% | 12.36% |
| Reward | 11.89% | 11.90% | 13.34% |
| Airline | 13.34% | 13.35% | 14.94% |
| Student | 14.86% | 14.86% | 16.72% |

Source: CreditCards.com

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The Fed minutes indicated that in light of previous actions, "most members" considered the late April decision to cut interest rates a "close call." Going forward, many Fed officials believe further monetary policy loosening is unlikely even if the economy worsens.

The central bank's poor view of the economy was confirmed this week by Fed Vice Chairman Donald Kohn, who labeled economic conditions "quite difficult."

The CreditCards.com credit card rate survey is conducted weekly using data from the

leading U.S. card issuers. Rate movement may also have been influenced by changes in the composition of offers tracked.

Introductory offer periods and regular interest rates 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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