

CreditCards.com: Weekly Credit Card Rate Report

Thursday, October 18, 2007

Austin, Texas – Credit card interest rates largely declined this week, even as some news reports highlighted certain banks' reluctance to lower rates amid higher costs for loan delinquencies. Data on consumer prices and results of the Federal Reserve's "beige book" survey suggest a mixed likelihood of further loosening to monetary policy.

A majority of banks index their credit card annual percentage rates (APRs) to the prime rate. According to the Fed, 54% of card 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.

Among the popular credit card categories tracked by CreditCards.com, airline and student cards had the highest APRs.

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

Credit Card Rate Averages

Low Interest	11.92%
Balance Transfer	11.75%
Cash Back	12.51%
Business	13.90%
Instant Approval	13.41%
Reward	13.65%
For Bad Credit	13.24%
Airline	15.38%
Student	16.89%

Source: CreditCards.com

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Consumer prices outpaced estimates in September on gains in food and energy costs, but when prices for these volatile items were discounted, the advance was near the high end of the central bank's assumed comfort zone. Meanwhile, the beige book survey of economic activity for September and early October indicated that the pace of economic expansion slowed from August.

The central bank will need to weigh the danger of an economic slowdown against the risk posed by inflationary pressures when it meets at the end of this month.

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

Introductory offer periods and actual 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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