

## **CreditCards.com: Weekly Credit Card Rate Report**

Thursday, September 20, 2007

Austin, Texas – While credit card interest rates were flat this week, a drop could follow the Federal Reserve’s decision to loosen monetary policy.

On Tuesday, the Federal Open Market Committee voted to lower the federal funds rate a half point to 4.75 percent, which means the prime rate will also fall a half point to 7.75 percent.

Most banks base their credit card annual percentage rates (APRs) on an index tied to the prime rate, so a lowering of the prime could result in lessened interest rates for most cardholders. According to the Fed, 54% of credit 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.

Student credit cards had the steepest 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](http://CreditCards.com)

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When and if individual credit card rates fall depends on a number of factors, such as whether the credit card is fixed rate or variable rate; any floor on rates established by the issuer; and the timing of an APR change as dictated by the card agreement.

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, bringing consumers and credit card issuers together. At its free Web site, [www.creditcards.com](http://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.

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