



CreditCards.com: Weekly Credit Card Rate Report

Thursday, January 24, 2008

Austin, Texas – Annual percentage rates for select major credit card categories remained largely unchanged this week, following the Federal Reserve's surprise decision Tuesday to slash interest rates ahead of a scheduled meeting Jan. 29-30. Demonstrating its willingness to act decisively in the face of a possible recession, the central bank cut rates by the largest amount since October 1984.

A majority of banks index their credit card 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	11.04%
Balance Transfer	10.40%
Cash Back	11.71%
Business	10.94%
Instant Approval	11.62%
Reward	11.84%
For Bad Credit	13.05%
Airline	13.01%
Student	16.46%

Source: CreditCards.com

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The Fed lowered the federal funds rate by 3/4 of 1 percent, from 4.25 percent to 3.5 percent. In a statement accompanying its decision, the central bank appeared to acknowledge that additional rate cuts may be necessary. "Appreciable downside risks to growth remain," the Fed said, adding that it will "act in a timely manner as needed to address those risks."

"The Fed might not be able to cure a recession, but they're sure trying," said Tony Plath, associate professor of finance at the University of North Carolina at Charlotte.

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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