

CreditCards.com: Weekly Credit Card Rate Report

Thursday, October 25, 2007

Austin, Texas – Select major credit card categories experienced declining interest rates this week, amid continued bank reaction to the Federal Reserve's recent monetary policy change. On the research front, analysts warned that lending woes could spread to credit cards.

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, low interest and balance transfer cards had the lowest APRs.

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

Credit Card Rate Averages

Low Interest	11.67%
Balance Transfer	11.69%
Cash Back	12.49%
Business	13.81%
Instant Approval	13.38%
Reward	13.53%
For Bad Credit	13.36%
Airline	15.34%
Student	16.83%

Source: CreditCards.com

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Wall Street expressed concerns about credit card debt. Lehman Brothers downgraded Capital One Financial, American Express, Discover and the credit card sector as a whole amid increasing card delinquencies and weaker consumer spending. The brokerage explained that the credit card sector could be in danger if economic weakness and declines in home prices produce higher card chargeoffs, with the analyst warning that a faster-than-anticipated rise in unemployment could lift chargeoffs to historically high levels.

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 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.

For more information, contact:

Ben Woolsey
Director of Marketing
benw@creditcards.com
512-996-8663 x106

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