

CreditCards.com: Weekly Credit Card Rate Report

Thursday, October 11, 2007

Austin, Texas – Variable interest rates for several popular categories of credit card remained unchanged or fell this week, as banks continued to make adjustments in the wake of the recent Federal Reserve decision to lower the prime rate. Minutes from that Federal Open Market Committee meeting released this week provided no direct insight into the central bank's next move.

A majority of banks index their credit card 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, balance transfer and cash back credit cards charged the lowest average APRs.

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

Credit Card Rate Averages

Low Interest	12.14%
Balance Transfer	12.12%
Cash Back	12.97%
Business	13.90%
Instant Approval	13.61%
Reward	13.74%
For Bad Credit	13.24%
Airline	15.65%
Student	16.89%

Source: CreditCards.com

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In the minutes from its September 18 policy-setting meeting, the Fed acknowledged that its decision to cut interest rates by 50 basis points was based on fears that the housing slump and credit-market troubles could limit additional growth during a period of "particularly high uncertainty."

Without offering an "explicit" evaluation of the risks facing the economy, the central bank would only say that future policy decisions would be based on how the economy is "affected by evolving market developments and by other factors."

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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