



CreditCards.com: Weekly Credit Card Rate Report

Thursday, January 17, 2008

Austin, Texas – Interest rates for select major credit card categories were mostly unchanged to higher, as an interest rate cut at the Federal Reserve's Jan. 29-30 meeting looks increasingly likely. Today, Fed Chairman Ben Bernanke reiterated a commitment to loosening monetary policy "as needed."

A majority of banks index their credit card annual percentage rates (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 | 10.83% |
| Instant Approval | 11.62% |
| Reward | 11.78% |
| For Bad Credit | 13.41% |
| Airline | 13.01% |
| Student | 16.46% |

Source: CreditCards.com

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In prepared Congressional testimony endorsing a fiscal stimulus package, Bernanke echoed his comments from the prior week, saying that the Fed remains prepared to take "substantive additional action" when it comes to monetary policy.

Despite recent warning signs, the Fed's latest Beige Book economic survey indicated that while growth slowed during the mid-November to December period, the U.S. did not experience economic contraction. That news offered some relief from predictions of a looming recession.

The Fed is also expected to cut rates in spite of data released yesterday showing that consumer prices rose in December. Tighter monetary policy can be used to combat

inflation.

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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