

CreditCards.com: Weekly Credit Card Rate Report

Thursday, July 26, 2007

Austin, Texas – Credit card interest rates stayed in place this week, despite indications that consumer credit isn't on the firmest footing. Both the Federal Reserve and credit card issuers highlighted weakness when it comes to consumer borrowing.

Student credit cards still charged the highest annual percentage rates (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

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In its Beige Book economic survey, the central bank noted that "Household credit quality deteriorated marginally" in June to early July. Meanwhile, recently publicized results showed credit card issuers wrote down more bad loans in the second quarter. Major issuers have put aside increased funds to cover bad loans, also suggesting a worsening of credit quality.

As credit card issuers set aside more funds for potential loan losses, they may need to eventually raise credit card APRs or fees to compensate. So although credit card interest rates should not increase as a result of any change in monetary policy, cardholders could still end up paying more in the near future.

The CreditCards.com credit card rate survey is conducted each week using data from the leading credit card issuers in the United States.

Introductory offer periods and actual regular interest rates can vary depending on individual applicants' credit quality and issuer risk-based pricing policies.

About CreditCards.com

CreditCards.com is the leading online credit card marketplace, bringing consumers and credit card issuers together. At its free website, 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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