

CreditCards.com: Weekly Credit Card Rate Report

Thursday, October 4, 2007

Austin, Texas – Variable interest rates for several popular credit card categories continued to adjust downward this week, reflecting the rate cut by the Federal Reserve Board announced a few weeks ago. For credit cardholders whose issuers have already cut rates, the rate reductions should result in slightly lower finance charges on any revolving balances.

A majority of banks index their credit card APRs to the prime rate, so the Sept. 18 prime rate cut by the Fed should result in decreased interest rates for consumers in the near term. According to the Fed, 54 percent 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.

Further monetary policy decisions by the Fed may depend on how economic indicators paint the status of the U.S. economy. Friday brings the closely-watched employment report for September, as well as August data on consumer credit.

Among the popular credit card categories tracked by CreditCards.com, bad credit, airline and student credit cards charged the highest average APRs.

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

Credit Card Rate Averages

| | |
|------------------|--------|
| Low Interest | 11.86% |
| Balance Transfer | 11.93% |
| Cash Back | 12.63% |
| Business | 13.90% |
| Instant Approval | 13.61% |
| Reward | 13.77% |
| For Bad Credit | 14.12% |
| Airline | 15.59% |
| Student | 16.80% |

Source: CreditCards.com

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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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