

## CreditCards.com: Weekly Credit Card Rate Report

Thursday, November 1, 2007

Austin, Texas – Select major credit card categories were mixed this week, following the Federal Reserve's decision to cut interest rates for the second time this year. The Fed voted to lower rates by 0.25 percent, but downplayed the likelihood of further monetary policy easing.

The addition of several card products to CreditCards.com may have accounted for some of the annual percentage rate (APR) movement.

A majority of banks index their credit card 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.

Among the popular credit card categories tracked by CreditCards.com, student cards had the highest APRs.

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

### Credit Card Rate Averages

Low Interest	11.63%
Balance Transfer	11.68%
Cash Back	12.64%
Business	13.80%
Instant Approval	13.45%
Reward	13.49%
For Bad Credit	13.64%
Airline	15.20%
Student	16.83%

Source: [CreditCards.com](http://CreditCards.com)

Updated: 11-01-07

The central bank's decision to lower rates is unlikely to produce an immediate change in APRs or to put significant cash back into consumers' wallets. Variable rate cards could see an adjustment up to 90 days after a Fed decision. For a cardholder with a \$5,000 balance and a 17.5% interest rate, a quarter-point rate reduction to 17.25% would amount to just over \$1 in monthly savings.

The CreditCards.com credit card rate survey is conducted weekly 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.

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