

CreditCards.com: Weekly Credit Card Rate Report

Thursday, August 9, 2007

Austin, Texas – Credit card interest rates kept their positions this week alongside a Federal Reserve decision to leave monetary policy unchanged. However, certain Fed watchers took changes in language used by the central bank to mean that a lowering of the prime rate could be on the horizon.

Student credit cards 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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The prime rate matters to cardholders because a majority of banks base their credit card APRs on an index tied to the prime rate. According to the U.S. central bank, 54% of credit card issuers tie card interest rates to prime.

In its monetary policy panel meeting, the Federal Open Market Committee maintained short-term interest rates at 5.25% and reiterated its primary concerns regarding inflation. However, its accompanying statement added that the risk of an economic downturn has “increased somewhat,” leading some analysts to speculate that a rate cut could occur if economic weakness materializes.

Meanwhile, data showing that retailers experienced lackluster same-store sales in July suggests that consumers charged fewer purchases last month.

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 Web site, 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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