



CreditCards.com: Weekly Credit Card Rate Report

Wednesday, February 3, 2010

Austin, Texas -- Interest rates on new credit card offers surged to new heights this week, according to the CreditCards.com Weekly Credit Card Rate Report, driven by a spike in rates on subprime cards.

The national average credit card annual percentage rate topped 14 percent for the first time since tracking began in 2007. The average is comprised of about 95 of the most popular credit cards in the country, including cards from dozens of leading U.S. issuers and representing every card category listed below. Introductory (teaser) rates are not included in the calculation. Among the average APRs in nine card categories, six rose, one declined and two were unchanged.

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

Credit Card Rate Averages

	Avg. APR	Last week	6 months ago
National Average	14.12%	13.17%	12.06%
Business	11.31%	10.74%	11.41%
Low Interest	12.17%	12.17%	10.53%
Cash Back	12.56%	12.49%	11.63%
Balance Transfer	12.62%	12.40%	10.14%
Reward	13.77%	13.47%	12.10%
Airline	14.17%	14.17%	13.48%
Student	14.47%	14.71%	14.45%
Instant Approval	18.41%	17.62%	12.99%
Bad Credit	24.86%	13.74%	14.29%

Source: CreditCards.com

Updated: 2-3-10

Cards for borrowers with bad credit have seen their rates skyrocket recently, after subprime issuer First Premier sharply increased APRs on several card offers ahead of the enactment of the Credit CARD Act's major provisions on Feb. 22.

First Premier blamed the act's restrictions on the fees lenders can charge when subprime customers make missteps. As a result, First Premier says it must now make up for lost revenue through higher APRs.

The CreditCards.com credit card rate survey is conducted weekly, using offer data from the

leading U.S. card issuers' Web sites. Introductory offer periods and regular interest rates will vary with applicants' credit quality and issuer risk-based pricing policies.

About CreditCards.com

CreditCards.com is the leading online credit card marketplace connecting consumers with multiple credit card issuers, including several of the 10 largest in the United States, based on credit card transaction volume. CreditCards.com, <http://www.creditcards.com>, enables consumers to search for, compare and apply for credit cards and offers credit card issuers an online channel to acquire qualified applicants.

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