



## **CreditCards.com: Weekly Credit Card Rate Report**

Thursday, January 31, 2008

Austin, Texas – Annual percentage rates for select major credit card categories fell this week, following the Federal Reserve's decision Wednesday to cut interest rates by a half-percentage point. The action, combined with a surprise cut announced last week, dropped rates to their lowest level since June 2005.

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.

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

### Credit Card Rate Averages

Low Interest	10.90%
Balance Transfer	10.23%
Cash Back	11.42%
Business	10.78%
Instant Approval	11.41%
Reward	11.73%
For Bad Credit	13.05%
Airline	12.71%
Student	16.11%

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

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In a bid to shore up a flagging economy, the central bank cut the federal funds rate from 3.5 percent to 3 percent. Although the Fed said that its recent cuts "should help to promote moderate growth over time and to mitigate the risks to economic activity," its warning that "downside risks to growth remain" left the door open to additional rate cuts.

Recent economic indicators appear to support further cuts. Data published today showed consumer spending increased by much smaller amount in December than in the prior month. Additionally, numbers released Wednesday indicated a slowdown in gross domestic product during the fourth quarter.

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

leading U.S. card issuers.

Introductory offer periods and regular interest rates can vary with 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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