

CreditCards.com: Weekly Credit Card Rate Report

Thursday, September 13, 2007

Austin, Texas – Credit card interest rates remained unchanged this week, but should fall in the wake of next Tuesday's Federal Reserve policy meeting.

Since a majority of banks base their credit card annual percentage rates (APRs) on an index tied to the prime rate, a lowering of the prime could result in lessened interest rates for most cardholders. According to the Fed, 54% of credit card issuers tie card interest rates to prime. Most issuers adjust their variable rates 30 days or one billing cycle after a change in the prime rate.

Low interest and balance transfer cards charged the lowest 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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In a reaction to employment data last week that showed an unexpected fall in August payrolls, Wall Street stepped up demands for the Fed to cut interest rates. According to the Chicago Mercantile Exchange, based on the September 12 market close, the 30-day Federal Funds futures contract for the October 2007 expiration is now pricing in a 100 percent likelihood that the central bank will cut the target rate by at least 25 basis points.

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, 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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