



CreditCards.com: Weekly Credit Card Rate Report

Thursday, October 9, 2008

Austin, Texas -- A half-point rate cut by the Federal Reserve this week has not yet filtered its way into consumers' pockets, according to the CreditCards.com Weekly Credit Card Rate Report, which finds rates mixed this week.

Of the nine credit card categories tracked by CreditCards.com, two increased, three fell and four remained flat.

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

Credit Card Rate Averages

	Avg. APR	Last week	6 months ago
Balance Transfer	10.04%	10.08%	9.64%
Business	11.59%	11.43%	9.77%
Low Interest	10.73%	10.73%	10.49%
Bad Credit	10.87%	10.87%	12.49%
Cash Back	11.76%	11.65%	10.96%
Instant Approval	11.58%	11.58%	9.94%
Reward	11.70%	11.77%	11.39%
Airline	12.33%	12.60%	12.56%
Student	14.66%	14.66%	15.00%

Source: CreditCards.com

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The Fed's action, cutting the fed funds rate to 1.5 percent, was extraordinary in two ways -- it came outside the Fed's regular meeting schedule, and it was part of a coordinated set of rate cuts by central bankers worldwide.

When the Fed cuts the fed funds rate, it usually cuts borrowing costs for people who carry a balance on variable rate cards. Those cards' rates are pegged to the prime rate, which moves in step with the prime.

That may not be true this time. Many cards have hit "floor" rates beyond which they will not fall, and most issuers are under financial pressure themselves and may adjust their terms to keep the rate cut for themselves.

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

leading U.S. card issuers. Rate movement may be influenced by changes in the composition of offers tracked.

Introductory offer periods and regular interest rates 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 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 more than 150 credit cards and offers credit card issuers an online channel to acquire qualified applicants.

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