

CreditCards.com: Weekly Credit Card Rate Report

Thursday, August 16, 2007

Austin, Texas – Credit card interest rates were unaltered this week, as analyst predictions for a lowering of the prime rate met with indications that inflation still remains a concern for the Federal Reserve.

Low interest and balance transfer cards provided the lowest 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.

Economic data showed that consumer prices, both with and without volatile food and energy prices, increased in July. Meanwhile, consumer spending recovered somewhat last month amid relatively easy access to credit cards.

On that front, the Federal Reserve's July 2007 Senior Loan Officer Survey on Bank Lending Practices showed banks mostly left their standards for credit card approvals unchanged during the May through July period. Of those surveyed, just one bank tightened its standards for credit-card loan application approvals and two banks said they eased standards somewhat.

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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