

CreditCards.com: Weekly Credit Card Rate Report

Thursday, September 6, 2007

Austin, Texas – Credit card interest rates remained stuck in neutral this week, but for card holders, the upcoming Federal Reserve meeting represents the first chance in months that interest rates on their plastic could fall.

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 U.S. central bank, 54% of credit card issuers tie card interest rates to prime.

With schools back in session, student cards charged the highest 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

Updated: 09-06-07

The Federal Reserve's Open Market Committee meets Sept. 18 to discuss interest rates. The committee indirectly controls a key rate called the federal funds rate, and banks move their prime rates in lock step with the Fed's action.

The prime rate has remained at 5.25% since June 2006; many analysts expect a rate cut of a half percentage point or a quarter-point.

Consumers, however, are not waiting for the Fed. Newly released retail sales data for August were robust, indicating that consumers made ample use of their credit cards for back-to-school purchases.

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.

For more information, contact:

Ben Woolsey
Director of Marketing
benw@creditcards.com
512-996-8663 x106

NOTE TO EDITORS: The information contained in this release is available for print or broadcast with attribution to CreditCards.com.

Source: CreditCards.com