What Is The Average Credit Card Interest Rate This Week? October 6, 2025

Evan Coleman & Jerod Morales, Oct 6, 2025

Forbes Advisor's weekly credit card rates report indicates that the current average credit card interest rate is 25.33%. The Federal Reserve also tracks U.S. consumers' average credit card interest rates. As of May 2025, it reported that the average credit card interest rate on accounts with balances incurring interest was 22.25%. Keep in mind that annual percentage rates (APRs) on credit cards vary widely, and the rate you qualify for may not resemble the national average. Factors such as your credit score, age, income and other personal and financial information can impact the APR a credit card issuer offers you in a cardholder agreement.

Average Credit Card Interest Rate by Card Type

This week, the average APR for credit cards in Forbes Advisor's database is 25.33%. Our calculation for the overall average includes airline, hotel, flexible rewards, cash back, student, 0% APR, balance transfer and business credit cards.

Card Type	Rate This Week
Overall	25.33%
Airline Cards	25.16%
Hotel Cards	25.19%
Flexible Rewards Cards	24.48%
Cash Back Cards	24.47%
0% APR Cards	22.33%
Balance Transfer Cards	24.49%
Student Cards	21.87%
Business Cards	22.04%

Methodology

Average credit card interest rates are calculated from a dataset of over 250 credit cards in the U.S. market. To calculate the average overall credit card interest rate, we use a subset of those cards—excluding business, student, secured and corporate cards. We calculate average rates for other card types using smaller, category-specific subsets.

Average Credit Card Interest Rate by Credit Score

Card issuers use your credit score to gauge their level of risk when lending to you. A good credit score—a FICO Score of 670 or more—can help you secure lower interest rates on credit cards or loans. In contrast, a bad credit score can lead to higher rates, sometimes up to or exceeding 30%, if you're approved. Interest rates vary by card issuer and across products, so research a card's rates and disclosures carefully before applying. A credit card's type can also affect its APR range, with rewards credit cards often carrying higher rates than others. Below are estimated APRs for general-purpose credit cards based on tiers of credit scores.

CREDIT SCORE RATING	APPROXIMATE FICO® SCORE RANGE	ANNUAL EFFECTIVE APR (2022)
Superprime	740 and Above	9%
Prime	670-739	18%
Subprime	580-669	22%
Deep Subprime	579 and Below	23%

How Your Credit Card Interest Rate Can Impact You

When deciding between credit cards, picking the one with the lowest interest rate is your best bet, all else being equal. While the difference between an APR of 22% and 28% may appear minor, carrying a balance on your account could cost you thousands of dollars at that higher rate. Your rate also directly affects how long it takes to pay off your credit card debt. A lower APR can allow you to pay down debt faster and make your balance less expensive in the long run. Let's take a look at the following example.

Credit Card Interest Cost Comparison

Credit Card Balance	Monthly Payment	Interest Rate (APR)	Months To Pay Off Debt	Total Interest Paid
$7,500	$200	22%	63	$4,970
$7,500	$200	28%	86	$9,643

We recommend paying your credit card balance in full each month to avoid interest charges. By doing this, you won't have to worry about the APR offered to you in a cardholder agreement, as you won't be paying interest at all.

How To Lower Your Credit Card Interest Rate

If you want to pay off your credit balance faster and for less, a lower interest rate could be your ticket. Here are some strategies to reduce your credit card APR.

Balance Transfer - Opening a new credit card with a low-rate or 0% intro APR balance transfer offer could help you pay down debt. These introductory rates often span 12 to 21 months, allowing you to pay down your balance with little to no interest accruing. With careful planning, you can significantly reduce or eliminate your debt during this period. Forbes Advisor's balance transfer calculator can help you estimate savings by factoring in fees and interest rates. Shop around and compare multiple offers to find the best fit for your situation. Qualifying for these offers typically requires good to excellent credit—the higher, the better.

Debt Consolidation Loan - A debt consolidation loan is a type of personal loan used to pay off existing balances, particularly on high-interest debt like credit cards. If approved, you'd make a single payment toward the new loan each month. This method can help accelerate and simplify the payoff process, as well as save you money. Personal loan rates tend to be lower, on average, than on credit cards. In addition to cost savings, consolidating revolving debt like credit cards into an installment loan could lower your credit card utilization rate and improve your score. Factors like your credit profile and debt-to-income ratio will affect your eligibility for this type of loan.

Contact Your Credit Card Issuer - The APR outlined in the cardholder agreement isn't always the be-all and end-all. You can request a rate reduction from your card issuer, referencing offers with lower interest rates from other providers to strengthen your case. If you plan on negotiating, having a history of on-time payments and a good credit score may work in your favor. Many card issuers are willing to have a conversation, so it's worth asking.

How To Improve Your Credit Score

A good credit score gives you an advantage when securing the lowest interest rate on a new credit card or lowering the APR on an existing account. While improving your credit score can take time, here are some ways to boost it.

- **Review your credit reports**. To get a picture of your current credit, checking out your credit reports is the best place to start. By law, you can access a free credit report from each of the three major credit bureaus (Equifax, Experian and TransUnion) each year. Visit AnnualCreditReport.com to request a report.
- **Take note of derogatory credit information**. When reviewing your credit reports, make note of any negative information that may tarnish your credit score. While you may not be able to address some of these issues until they eventually fall off your credit report, you can focus on avoiding the same mistakes in the future.
- **Dispute credit errors**. Note any credit reporting mistakes or signs of fraud on your credit reports. The Fair Credit Reporting Act (FCRA) allows you to dispute any errors on your credit report with the relevant credit bureau.
- **Pay down your balances**. Paying off your balances lowers your credit utilization, a component of your credit score that determines 30% of your FICO Score.

- **Show a positive payment history**. Another essential component of your FICO Score is whether you make your credit card payments on time. Even the occasional delinquency on your report can severely affect your score, so avoid late payments to keep your score climbing.
- **Open new accounts**. If you have a thin credit profile or are building credit, your credit score may be lower. In these cases, choosing a new line of credit that doesn't require a high credit score or extensive history, such as a secured credit card or a credit-builder loan, can help you improve your credit profile with a record of on-time payments. You can also ask a loved one to add you as an authorized user on their credit card account, allowing you to benefit from their credit history on your report.
- **Add utility bills and other accounts to your credit reports**. You may not receive credit for on-time payments of bills like utilities, subscriptions or rent, as they typically don't appear on credit reports. You can use third-party services like Experian Boost (which is free) to share this information with credit reporting agencies. Some other services may charge fees, but it could be worth it if you aim to improve your credit for better interest rates.

New VPA Analysis Finds that Bipartisan Proposals to Cap Credit Card Interest Rates Could Save Americans Billions

Nate Luce, vu.edu/vpa, Sep 10, 2025

With the cost of living remaining stubbornly high, and credit card interest rates adding to the monthly debt burden for working families, politicians on both the right and the left have touted proposals to cap credit card interest rates to keep more money in Americans' pockets. A first-of-its-kind analysis from the Vanderbilt Policy Accelerator's (VPA) Brian Shearer finds that proposals to cap credit card interest rates could save Americans and small businesses billions of dollars without reducing access to credit or cutting into rewards programs. In particular, every type of consumer – from the deepest subprime customers to customers with perfect FICO scores – generates high enough bank profits that even a substantial rate cut would only eat into the excessive profit margin.

"Steep credit card interest rates are hitting Americans already facing higher prices across the economy. Proposals to cap credit interest rates enjoy support on both sides of the aisle, and contrary to industry claims, could return tens of billions of dollars to Americans without significantly impeding access to credit cards or popular rewards programs," said Brian Shearer, director of competition and regulatory policy at VPA. "The credit card industry is so profitable that it could rein in interest rates, save billions for Americans and small businesses, and still make profits. Policymakers should look more seriously at interest caps as a way to help Americans keep more money in their pockets."

High credit card interest rates have added to Americans' financial challenges, given the rising price of essential goods and services. A February 2024 analysis from the Consumer Financial Protection Bureau (CFPB) found that **the average annual percentage rate (APR) margin, or the difference between the average APR and the prime rate, reached an all-time high, and that major credit card companies earned an estimated $25 billion in additional interest revenue by raising the APR margin. The CFPB has also found that the credit card market is remarkably concentrated, with the top ten issuers responsible for more than 80 percent of credit card loans, while the next 20 issuers are responsible for another 12 percent of loans**.

Policymakers ranging from President Donald Trump to Senators Josh Hawley (R-MO) and Bernie Sanders (I-VT), as well as Alexandria Ocasio-Cortez (D-NY), have focused on credit card interest rates as a mechanism to save Americans money, and have either campaigned on or introduced legislation to cap credit card interest rates at 10, 15, or 18 percent. Already, credit unions are restricted to charging no more than 18 percent interest on credit cards.

Shearer's analysis uses new data to show that the profit margins of the credit card market at every FICO credit score tier are thick enough to absorb a very significant reduction in interest caused by a new federal usury rate, due to the hefty profits that credit card issuers make on interchange fees charged to merchants and the healthy profitability of credit cards issued to customers at all FICO tiers–not just superprime borrowers. Examining the impact of usury caps of 18, 15, and 10 percent, the analysis shows that **an 18 percent or 15 percent cap would save Americans $16 billion and $48 billion annually, respectively, with no impact to rewards or lending volumes. A 10 percent cap would save Americans $100 billion, but would lead to a $27 billion reduction in rewards for customers with FICO credit scores of 760 or lower**. However, as the analysis points out, credit card borrowers at these levels would save more than triple in interest than the reduction in rewards, and borrowers with higher credit scores would keep their rewards.

The report also outlines recommendations for Congress when considering a credit card usury cap, such as setting a cap over the federal funds rate, giving regulators emergency authority to raise the cap during recessions, and ensuring the rate cap reaches business credit cards–a primary source of capital for small business owners.