

Informative speech about eating disorders

[Business](#), [Industries](#)



Purpose: I want my audience to understand the factors that make up their credit scores.

Thesis Statement: The factors that make up the credit scores are: payment history, debt, length of credit history, new credit, and type of credit used.

([www. myfico. com](http://www.myfico.com))

Organizational Pattern: Categorical

Forms of Support: Explanation, graphs, expert testimony, statistics.

Develop Introduction Get their attention: Comparison slide of house, car, and job. Make it hit home: Review the first slide. For many, the difference of these two types of lifestyles has nothing to do with knowledge or work ethic, but is based solely on their credit. Reveal Topic: Understanding Your Credit, What options do you want? Aspects of Speech: We are going to review the different factors that make up your credit score: Your payment history, debt, length of credit history, new credit, and type of credit used.

Most of the slides and data provided are from FICO, the Fair Isaac Corporation, which the company that compiles credit scores. Transition: Let's see how much we can cover in 6 minutes. 4-S Development of Main Points Signpost first factor: First, let's talk about the payment history. State first factor: The Payment History is the largest single contributing factor to your credit score. Support first factor: The Payment History makes up 35% percent of your credit score. ([www. myfico. com](http://www.myfico.com)). The Payment History includes: Revolving Accounts, Installment Accounts, Collections, and Public Records.

Listings remain on the payment history for 7 years; and bankruptcy information can remain on the payment history for up to 10 years. Summarize first factor: The payment history receives most of the attention when you and when lenders look at your credit. To keep a high credit score, you must keep your payment history completely clear of negative listings. The FTC estimates that as many as 75% of all credit reports include errors and inaccuracies (www.ftc.gov). For this reason it is important Signpost second factor: Next, let's talk about debt.

State second factor: The second largest factor that influences your credit score is your debt. Support second factor: When your credit score is calculated, the Fair Isaac Corporation will look at how much debt you have. This will make up 30% of your credit score. Debt will not necessarily lower your credit score, although that depends on where the debt is located. The type of debt that is most heavily considered when calculating your credit score is your debt to credit ratio with your revolving accounts.

According Lexington Law Firm (www.lexingtonlaw.com), to maximize your credit score you need to keep your credit card balances below 20% of their total balance within the FICO scoring updates in 2008. Your debt will also be looked at by lenders to evaluate your debt to income ratio, although this does not affect your score. Summarize 2nd factor: When we think of fixing our credit, most of us think of paying off our debts. This will not necessarily raise our credit scores, except in the case of lowering our credit card balances.

Your credit score relies more heavily on making the payments on time, and your ratios then how much debt you have. Signpost third factor: Next let's <https://assignbuster.com/informative-speech-about-eating-disorders/>

review the 3 smaller factors that influence your credit score. State third factor: The 3 smaller factors that influence your credit score are the length of credit history, new credit, and the types of credit that you use Support third factor: These other three types of credit make up the last 35% of your credit score, so together, they are just as influential to your credit score as your payment history.

First they take the length of your credit history into account, FICO and lending institutions want to make sure that you have established long habits of utilizing your credit responsibly. Second creditors feel that it is a red flag if you are trying to apply for too many new forms of credit in a short period of time, so they track your inquiries (every time a creditor checks your credit for a purchase). These inquiries are most influential on your score for 1 year after they are made and completely fall off of your score after 2 years. The last factor is the types of credit used.

FICO and lenders prefer that you have experience in paying off loans and using credit cards, although using only one of these types of credit can be sufficient to satisfy most of the 10% of the weight in this factor. Summarize third factor: As we establish credit, it is important that we keep a long stable history in our credit reports. Closing credit cards may hurt your credit because it will lower the length of your history. These small factors are usually discarded as we try to establish our credit, but for many, make up the difference between a 720 and an 850 credit score.

Develop Conclusion Summarize points: In our society, we are constantly being judged by our credit score. For most of us, our standard of living will be determined by this score. It is important to keep a clean payment history,
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low balances on credit cards, and multiple credit lines for a long period of time to get the score that you need. Here is a listing of the tiers of credit scores and interest rates you may receive by being responsible with your credit. Restate your purpose: Your credit is important, and it is tracked for years at a time.

If you've made some mistakes, look into getting it fixed, and learn the principles of keeping a high credit score so you're not caught unawares of traps in the future.

REFERENCES

1. Fair Isaac Corporation (FICO). [www. myfico. com/crediteducation](http://www.myfico.com/crediteducation)
2. Lexington Law Firm, John Heath, Directing Attorney. [www. lexingtonlaw. com](http://www.lexingtonlaw.com)
3. Federal Trade Commission, The Impact of National Credit Reporting under the Fair Credit Reporting Act. [http://www. ftc. gov/bcp/workshops/infocflows/statements/cate02. pdf](http://www.ftc.gov/bcp/workshops/infocflows/statements/cate02.pdf)