



September 30, 2012

Michele M. Warholic, Esq., CAE
Managing Director, Education, Examinations, and Talent
CFP Board of Standards, Inc. 1425 K Street, N.W., Suite 500
Washington, D.C. 20005

Dear Ms. Warholic:

The Financial Planning Association® (“FPA”)ⁱ is pleased to submit its comments to proposed Revisions to CFP Board’s Continuing Education Requirements (the “Proposal”). There are several areas in which we agree and fully support the recommendations, particularly in the areas of increased rigor and quality of educational programs, changes to the review process for accredited universities offering courses online, and expanding the range of professional activities eligible for continuing education credit. . Particularly laudable is the proposed inclusion of CE credit for Participation in Registered Program Financial Planning Development grading panels. However, we’d like to ask some questions and make some suggestions about others of the proposals, based on feedback from members, including members of our boards and volunteer advisory councils.

We were delighted to see the proposal of including practice management and pro bono activities in for continuing education credit, but would like to see more hours allowed for practice management content. The opportunity to earn credit through pro bono work is an important first step toward establishing the value of pro bono service and ensuring a pool of qualified and trained volunteers who meet the tremendous need for these services in the general population. In addition, financial planners who are conversant in the most current technologies and techniques of running an efficient practice have more time to better serve their clients and adhere to CFP Board’s *Standards of Professional Conduct*. The additional practice management CE hours is especially helpful for CFP® certificants who are dually registered and feel that they are unduly burdened with CE requirements that frequently overlap. While four hours of practice management CE every two years is a great starting point, we would propose that this limit be raised to as many as 10 credits per period.

The elimination of credit for completing professional licenses and designation examinations; however, raised some concern. Although we recognize the possibility that some content within the scope of professional licenses and designation curricula may be eligible, CFP® professionals worry about the degree to which eligibility will be restricted.

The cap on content areas for CE credit presents different issues. The rationale of a diversity of education is understandable; however, where CFP® certificants work in a niche or

specialty, they have concerns about being forced to study material that is less relevant to their work or being limited in their continuing education eligibility for the attention they devote to that specialty. Would it be possible to consider an exception, if a CFP® certificant identified an area of specialty, that would provide for either a lower percentage of credits from content areas outside that specialty, or the ability to drop one of the required areas to focus on the area of specialty?

We fully support CFP Board's more stringent qualifying guidelines for CFP Board Ethics CE programs per the requirements effective October 1, 2011. We were concerned, however, by some of the proposed changes. Since the introduction of the more rigorous qualifying elements, some CFP® certificants have struggled to find eligible programs in which to fulfill their ethics requirements. To the degree that additional changes to the requirements will further narrow the availability of required education, the administrative challenge that presents must be carefully managed. CE sponsors should be given plenty of notice and encouraged to establish an array of accepted programs that meet the new regulations *prior to* the expiration of the old regulations. CFP® certificants have expressed that they already find the ethics requirement difficult to meet under current requirements and are concerned about how this may increase with the new Ethics CE proposal. The learning objectives provided an effective roadmap under the current content requirements, perhaps an expansion and/or clarification of the non-CFP Board provided programs would be beneficial.

...plus 2 hours of ethics programming, which is expanded to include both pre-approved programs on CFP Board's Standards of Professional Conduct and general ethics-related content.

We would like to have a better understanding of what CFP Board considers "general ethics-related content." In particular, we would advocate for the specific inclusion of fiduciary training. CFP Board's desire to ensure the quality of the ethics content presented to CFP® certificants meets its high standards is both advantageous to the profession and essential for consumer confidence. It does cause us some concern however, that one of the required courses will be provided by CFP Board. In establishing itself as an education provider, instead of maintaining its position as an accrediting body, CFP Board changes the nature of its relationship to CFP® certificants and CE sponsors alike, and opens itself up to confusion and possible conflicts of interest to both constituencies. We feel that the quality of the *content delivery* is as vital as the quality of the content in guaranteeing that CFP® certificants and our members fulfill CFP Board's fiduciary responsibilities and our Standard of Care. We offer our assistance and support in achieving that objective.

In general, we applaud the Council of Education's efforts. The proposed changes include some innovative thinking and some efforts that we think are likely to improve the credibility of the marks, strengthen the profession, and bring the benefit of a strong professional credential to bear in the service of the consumer. We appreciate the opportunity to comment, and look forward to the opportunity to continue this important work with you.

Sincerely,



Lauren M. Schadle, CAE
Executive Director/CEO

Financial Planning Association

ⁱ The Financial Planning Association is the largest organization in the United States representing financial planners and affiliated firms, with approximately 24,000 individual members. FPA members directly manage more than \$2.1 trillion in assets with a combined client base of 3.5 million. Approximately 17,000 of FPA members are CFP® certificants. FPA is incorporated in Washington, D.C., where it maintains an advocacy office, with headquarters in Denver, Colo.