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Melanie Lubin
OAG, Securities Division
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Rex Staples
NASAA
750 First Street, NE
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Dear Ms. Lubin and Mr. Staples:

Thank you for giving us the opportunity to comment on the proposed NASAA model rule on the use of senior-specific certifications and professional designations. As a non-profit educational institution with the highest level of accreditation and an 80-year history in financial services, we are vitally interested in this important regulatory area.

In addition to offering two master's degrees and a number of quality designations – including the prestigious CLU®, ChFC®, and CASL™ credentials – we are the leading provider of education leading to CFP® certification. It is from this perspective as educators that we have reviewed your draft rule in detail, and we offer the following feedback for your careful consideration.

Regarding point one of your model rule, we recommend the following:

- Add "senior-specific" as a modifier to "certification or professional designation" each time that phrase appears in bullets "a" – "d." This change seems to reflect your overall intent and would provide additional clarity for companies and advisors in terms of which designations are impacted.
- Within bullet "d" consider adding the following language as a separate sub point: "does not have a clear code of ethics governing the actions of designees or certificants." We feel an ethics code is imperative for senior-related credentials, as it provides another basis for removing a designation in the event of any concerns regarding an advisor's behavior in the marketplace.

- In reference to bullet "d," sub point "ii": an educational institution is not in a position to assure advisor competency beyond the scope of the designation or certification being granted. We recommend changing the wording of "ii" to read: "appears to have standards or procedures to properly test for mastery of the knowledge represented by the senior-specific designation or certification but does not have such meaningful standards or procedures in place for assuring that mastery."
- Under bullet "d," sub point "iii": an educational institution will not have the resources to monitor in a comprehensive way all of the activities of each designee or certificant; instead, the focus should be on monitoring continuing education compliance, state enforcement actions and any consumer complaints, taking swift, effective disciplinary steps when inappropriate advisor behavior is identified. We suggest this phrasing for "iii": "appears to have standards or procedures for disciplining its designees or certificants for improper or unethical conduct or for failure to abide by continuing education requirements but does not have such meaningful standards or procedures in place."

Regarding point two of the model rule: as it is currently worded, this section suggests that a designating or certifying organization should be accredited by ANSI or NCCA. Instead, specific designations or credentials are accredited by these bodies, and institutions are accredited by organizations such as those you reference in point five. For example, in the case of CFP[®], it is not CFP Board that is accredited, but the CFP[®] designation, which is owned by CFP Board.

There is another issue to consider when using NCCA or ANSI accreditation of a credential as a presumption of educational rigor. Such accreditation signifies there has been a solid process for creating a designation or certification but does not validate the content of the credential. The process focuses on how the designation is defined by a job analysis; on whether or not the exam that is administered is based on that job analysis; and on the statistical evidence that the exam tests the skills and knowledge specified in the job analysis. If, for example, the job analysis suggests that the most important skills are marketing based and if the test appropriately measures those skills, then a marketing-oriented designation – even one offered through "weekend programs" such as the CSA – could conceivably be approved.

We feel the following wording may better express your intent and be more accurate for point two:

"For purposes of this rule, a designating or certifying organization is presumed to be an educational organization and to possess the standards, procedures, ethics, and continuing education requirements referenced in paragraph 1(d) above when such designating or certifying organization has been accredited by an organization that is on the United States Department of Education's list entitled 'Accrediting Agencies Recognized for Title IV Purposes.' Senior-specific designations or credentials offered by organizations not falling within the scope of that list may be used when all of the conditions outlined in point one above are met and when the individual senior-specific designation or certification has been accredited by one of the following:

- The American National Standards Institute;
- The National Commission for Certifying Agencies; or
- Any other accreditation organization designated by the Administrator by rule or order.

In any action brought under this rule, the burden of proof is on the party using a certification or professional designation to show that such use complies with this subsection two."

We feel point three is clear in addressing which designations or certifications are covered under this model rule and that point four effectively handles any questions about use of job titles.

Point five is of critical importance, but if this section is not ultimately incorporated into the wording of point two as suggested above, it is imperative to include the phrase "senior-specific designation or certification" within this point as follows:

"This rule shall not apply to a senior-specific designation, certification, degree, or certificate evidencing completion of an academic program at an institution of higher education that has been accredited by an organization that is on the United States Department of Education's list entitled "Accrediting Agencies Recognized for Title IV Purposes" unless the facts and circumstances associated with the provision or use of such senior-specific designation, certification, degree or certificate indicate that it improperly suggests or implies certification or training beyond that which the designation, certification, degree or certificate holder possesses, or that it otherwise misleads investors."

Our thanks again for the opportunity to provide input regarding this draft model rule. We feel you are close, with these few important changes, to creating an approach that will work exceptionally well.

We will call you to set up a time to visit with you in person about these important issues and look forward to talking with you about ways to achieve the optimal model rule. It is important that this rule encourage advisors to pursue appropriate professional education to enhance their knowledge and skills while at the same time providing important safeguards to older consumers or those planning for retirement. We are convinced that with the alterations suggested, you can accomplish both of these outcomes. Should you have questions, please contact me at the number provided below.

Very best regards,



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