

CERTIFIED FINANCIAL PLANNER
BOARD OF STANDARDS, INC.

December 6, 2007

Via Electronic Mail

Ms. Melanie Lubin
OAG, Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020

Mr. Rex Staples
NASAA
750 First Street, NE, Suite 1140
Washington, DC 20002

Re: *CFP Board Comments regarding the Proposed Adoption of a NASAA Model Rule on the Use of Senior-Specific Certifications and Professional Designations*

Dear Ms. Lubin and Mr. Staples:

Certified Financial Planner Board of Standards, Inc. (“CFP Board”) welcomes the opportunity to comment on the proposed adoption of the NASAA Model Rule on the Use of Senior-Specific Certifications and Professional Designations. CFP Board is a professional regulatory organization that sets professional standards for personal financial planning in the United States, and has a dedicated mission of fostering professional standards in financial planning so that the public values, and has access to, competent and ethical financial planning.

CFP Board’s certification program has received accreditation from the National Commission for Certifying Agencies (NCCA), and more than 56,000 financial professionals in the U.S. are currently authorized by CFP Board to use the CFP® marks. Each mark holder is held to high standards of competence and ethical practices for financial planning as established by CFP Board.

CFP Board applauds NASAA’s intent in developing a proposed model rule to prohibit misleading or deceptive tactics used by certain individuals toward senior citizens vis-à-vis the sale of investment products or services. There can be no doubt that the dramatic proliferation in the number and types of suspect financial credentials, particularly those



CERTIFIED FINANCIAL PLANNER

CFP

Ms. Melanie Lubin. OAG, Securities Division
Mr. Rex Staples. NASAA
December 6, 2007
Page 2

that purport special certification or training, requires a robust response to end this practice.

Alphabet Soup: The Proliferation of Senior Designations

While the general population is facing more complex financial decisions and is being required to take on increasing responsibility for those decisions, seniors clearly face some of the most complex issues. For example, some approaching retirement are offered complicated pension buy-out plans with important details that need an expert's eye to catch. Those who made concerted efforts to save for retirement now must make the sometimes difficult shift from diligent saving to careful spending. Many are living longer, healthier lives and must adjust their spending plans to stretch their dollars further, while others face chronic medical issues that require them to finance expensive long-term care needs.

Commercials featuring senior-friendly television actors advertise reverse mortgages as "safe" and "easy" but don't describe the effects such loans may have on an individual's estate and heirs, or on their eligibility for certain government assistance programs. With U.S. demographics steadily trending older, and with the baby boom generation approaching retirement, the need to help seniors understand their financial options and locate trustworthy professional assistance has never been greater.

Unfortunately, there are many financial service providers who market themselves to seniors using credentials that purport to convey expertise in financial matters affecting seniors. Some of those credentials are earned through attending a weekend seminar and paying a membership fee – hardly the training that would confer expertise on the person who receives the credential. With the many credentials flaunted by financial service providers, it is understandable how a consumer could assume a credential equates to expertise. We applaud this effort to provide additional protection to seniors and would encourage expansion of these efforts to all consumers seeking financial planning services and advice.

Comments on the Proposed Rule

The Notice of Request for Public Comments from NASAA explains that the proposed model rule incorporates aspects of the various regulations that are already in place or under consideration in other jurisdictions, and that it "prohibits the misleading use by any person of senior and retiree designations..."

As a non-profit organization dedicated to defending and preserving the public interest, CFP Board fully supports this endeavor. In regards to the specific proposed rule, CFP

Ms. Melanie Lubin, OAG, Securities Division
Mr. Rex Staples, NASAA
December 6, 2007
Page 3

Board has specific comments on several paragraphs. These comments are articulated below:

Paragraph 2:

In Paragraph 2(a) and (b), NASAA's proposed rule rightly calls for any certificate- or designation-granting organization to receive accreditation by a reputable national accreditation organization. Indeed, this approach has already been instituted in the Commonwealth of Massachusetts in order to halt the proliferation of misleading credentials.

We believe that such a normative framework is even more important given that in this current age, investment advice is often provided across state borders. Therefore, it is necessary to eliminate the need for individual investors to check with multiple state agencies across multiple jurisdictions. Establishing a uniform standard, as Paragraph 2 (a) and (b) calls for, is in the public interest.

Regarding Paragraph 2 (c), CFP believes that as currently written, the approach is too broad, and it seems difficult to enforce. CFP Board supports the establishment of a uniform process that the Administrator in each state can heed. In developing such a standard, however, we urge strong consideration be given to the need to establish some consistency in each state at how organizations are assessed moving forward. CFP recommends an amplification to the clause by including the following language:

- (c) any other nationally-recognized accreditation organization that meets the high standards of ANSI and NCCA, as designated by the Administrator by rule or order.

Paragraph 4:

In Paragraph 4 (a), CFP Board recommends the following addition to eliminate unnecessary confusion:

- (a): "indicate seniority or status within the organization;"

Paragraph 5:

Paragraph 5 states that this "rule shall not apply to a 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'..."

Ms. Melanie Lubin, OAG, Securities Division
Mr. Rex Staples, NASAA
December 6, 2007
Page 4

CFP Board strongly urges NASAA to consider that if an academic degree or certification is to be considered exempt from the proposed rule, that such academic degree or certification be measured by the same standards as those used by ANSI and NCCA. For example, if an academic credential is to be considered, the accrediting organization should determine whether the program is academically rigorous, and whether it includes such components as ethics, continuing education and enforcement.

Should NASAA approve the language as-is, we will certainly support this language as it is a clear improvement in providing guidance to the financial planning community and in protecting the public interest.

We very much appreciate NASAA's consideration of CFP Board's comments.

Sincerely,



Karen P. Schaeffer, CFP®
Chair, Board of Directors



Kevin R. Keller, CAE
Chief Executive Officer