

August 3, 2009

Request for Comment: Proposed Financial Plan Development Course Requirement for CFP® Certification

Certified Financial Planner Board of Standards, Inc. (“CFP Board”) requests comments on the proposed addition of a Financial Plan Development Course requirement to CFP Board’s education standards. The proposed addition is intended to enhance the knowledge, skills and abilities of individuals seeking to attain CFP® certification and implement an assessment of their ability to deliver professional and competent financial planning services to the public.

Comments received during the 60-day comment period, which ends October 2, 2009, will be reviewed and considered by CFP Board and posted to CFP Board’s Web site.

Background

CFP Board’s education standards – which include coursework in the major financial planning areas including general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning and estate planning – provide individuals with the core knowledge needed to practice personal financial planning and are a fundamental part of the requirements for individuals who wish to attain CERTIFIED FINANCIAL PLANNER™ certification.

CFP Board has established a process for registering financial planning education programs at the undergraduate upper-level or higher that provide a qualified curriculum covering the financial planning topics outlined in CFP Board’s education standards. There are currently more than 300 of these CFP Board-Registered Programs offered at more than 200 institutions across the U.S. Individuals who complete the course of study offered by a CFP Board-Registered Program satisfy the coursework component of CFP Board’s certification requirements and become eligible to apply to take the CFP® Certification Examination. Individuals who have certain financial planning-related educational experiences or licenses – including those who hold a Ph.D. in business or economics, a Doctor of Business Administration, an attorney license or a CPA license – may apply to take the CFP® Certification Examination without completing a course of study at a CFP Board-Registered Program.

Over the years, many CFP Board-Registered Programs have added components to their individual programs designed to require students to integrate the financial planning topics through practical application, such as demonstrating their ability to prepare comprehensive financial plans or applying an integrated understanding of financial planning topics to other client-centered activities. These components have been viewed widely as best practices. In 2009, CFP Board’s international counterpart, Financial Planning Standards Board Ltd. (“FPSB”), adopted a Financial Planning Curriculum Framework that includes a comprehensive case study component. Based on that framework, in April 2009, CFP Board’s Council on Education recommended the addition of a comprehensive financial plan development course to the current education standards.

The concept for the proposed requirement was first presented to Directors of CFP Board-Registered Programs during a “CFP Board Education Update” Webinar on April 15, 2009. (A recorded version of this Webinar is available at www.CFP.net/teamup/webinars.asp) Discussion of the proposed requirement will be a focus of CFP Board’s 2009 Program Directors’ Conference on August 13-15, 2009, including a discussion facilitated by Noel Maye, CEO of FPSB.



Proposed Requirement

The purpose of the proposed Financial Plan Development Course requirement is to have individuals seeking to attain CFP® certification demonstrate their ability to integrate and apply the financial planning topic areas to a scenario based on the types of situations a practicing financial planner might be expected to address with clients.

The proposed framework for the Financial Plan Development Course includes:

- Individually written and orally presented financial plan
- Comprehensive (to include all subject areas) and Integrative in nature
- Guided by CFP Board's *Financial Planning Practice Standards*
- Minimum of 45 contact hours, or equivalent to 3 semester credit hours
- Assessment should be based on written and oral presentation

If adopted as proposed, the Financial Plan Development Course requirement will necessitate amendments to CFP Board's criteria for CFP Board-Registered Programs to require that their curricula include a Financial Plan Development Course. The proposed requirement, if adopted, will also require amendments to CFP Board's certification requirements, adding successful completion of a Financial Plan Development Course offered by a CFP Board-Registered Program to the eligibility requirements for the CFP® Certification Examination.

The proposed effective date for the Financial Planning Development Course requirement is January 1, 2012. If adopted with that effective date, CFP Board-Registered Programs would be required to offer a Financial Plan Development Course on or before January 1, 2012. Successful completion of a Financial Plan Development Course offered by a CFP Board-Registered Program would become a prerequisite for all individuals wishing to take the CFP® Certification Examination at a later date.

Comment Submission Guidelines

Any individual or group wishing to comment on the proposed Financial Plan Development Course requirement should submit written comments no later than October 2, 2009. CFP Board is especially interested in comments focused on implementation, assessment and/or course outcomes related to the proposed Financial Plan Development Course requirement. Comments may be sent to CFP Board by e-mail to edstandards@CFPBoard.org or by mail to:

CFP Board
c/o Managing Director, Education
1425 K Street NW, Suite 500
Washington, DC 20005

Comments received will be reviewed and considered by CFP Board and will be posted to CFP Board's Web site in their entirety. If you wish your comment to remain confidential, please omit any personally-identifying information from your comment or include in your comment a clearly stated reason that it not be published.