CERTIFIED FINANCIAL PLANNER
BOARD OF STANDARDS, INC.

2009 New Program Director Orientation

Christine Riggen
Registered Program Manager

August 13, 2009

Welcome & Introductions

Please share your name, institution, and how long you've been working with a CFP Board Registered Program.

Mission

CFP Board's Mission is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for personal financial planning.

Role of Education

Education is at the core of this mission, providing a foundation of knowledge for current and future CFP® certificants, while setting high standards for continuous learning and growth in the field of personal financial planning.

The Four E's of Initial Certification

- **Education**
- Examination
- Experience
- Ethics

Role of Education

EDUCATION

Objective:

Establish and enforce educational standards for enhancing the knowledge, skills, and abilities of current and potential CFP® certificants.

Registered Program Snapshot

- As of August 3, 2009, 348 financial planning education programs were registered with CFP Board at 215 institutions of higher education.
- CFP Board-registered educational programs include 4 doctoral (Ph.D.) programs, 45 graduate programs, 95 undergraduate programs, and 204 certificate programs.

Registered Program Criteria

- Programs may be degree-based or certificate, credit/non-credit
- Institutions are accredited by a regional accrediting body recognized by the Department of Education
- Delivery methods include classroom-based, Web-delivered, and self-study
- Curriculum is offered at both the upper baccalaureate and graduate level
- Program length 15 semester credit hours, or its equivalent
- Highly qualified faculty (Masters degree or Bachelor's and current CFP® certificant)
- Curriculum demonstrates alignment with the 89 Topics list
- Meaningful, measureable program objectives

Registered Program Diversity

- Capstone or Practicum courses as a required part of the curriculum;
- Supplemental case studies integrated throughout the curriculum;
- Prerequisite courses in calculator use, Web-delivered instruction, or fundamentals such as economics;
- Internship opportunities and/or requirements.

Education Verification for the CFP® Exam

- The education requirement needed to sit for the exam may be satisfied in several ways:
  - **CFP Board Registered Program** - Successful completion of one (or more than one) program
  - Challenge Status - Provide acceptable proof of accepted credential or degree
  - Transcript Review – Verify credit for topics covered through coursework completed at upper division college level

Coursework from Multiple Programs

- Students who have successfully completed coursework at two or more CFP Board Registered Programs may qualify for the Multiple CFP Board Registered Program status, or Combo program status.
- In order to verify education eligibility in this instance, students must provide proof of successful course completion and semester hour equivalency from *each* of the Registered Programs where coursework was completed.

Electronic Graduate Lists

- Registered Programs are strongly encouraged to submit electronic graduate lists on a regular basis for students who have successfully completed all aspects of your program.
- To request an electronic graduate template for your program(s), please contact us at education@CFPBoard.org.

Reduced Exam Application Fee for Registered Program Faculty

- CFP Board offers a reduced fee to faculty in CFP Board Registered Programs who wish to take the CFP® Certification Examination.
- Contact CFP Board at 800-487-1497 or education@CFPBoard.org for more information.

Best Practices for Success

- Create a Local Advisory Committee
  - Connect with local experts in the community.
- Participate in Academic Organizations
  - Organizations such as Academy of Financial Services (AFS)
- Incorporate Technology
  - Offer supplemental lectures in a Web-delivered format to assist students with difficult concepts and applications.

Best Practices for Success

- Develop Additional Courses to Support Student Success
- Utilize Your Alumni
- Encourage Students to Establish an Account with CFP Board
- Solicit Student Feedback
- Stay Informed

Marks Review Process

- Prior to printing or posting marketing materials which contain the CFP® certification marks, materials must be submitted directly to our Trademark Department in one of two ways.
  - E-mail materials and Web site URL electronically to trademark@CFPBoard.org

Did You Know?

- Do you want your program's Web site linked to CFP Board's Web site listing of Registered Programs?
  - Submit the Web site information to trademark@CFPBoard.org.
  - Once reviewed, they will coordinate linkage of your site to www.CFP.net.

Examination Statistics

- Directors from CFP Board Registered Programs receive feedback about their students after each exam cycle in several different formats:
  - Individual Pass/Fail Statistics
  - Cumulative Examination Statistics

Looking Ahead

- Annual renewal registration
- Annual program fee
- Financial Plan Development Course Requirement

Registered Program Annual Renewal

- Beginning in January 2010, all Registered Programs will renew annually.
- Renewal application has recently been revised to simplify the process for programs.
- CFP Board staff will continue to send renewal application materials electronically to listed Program Director and Program Contact.

Registered Program Annual Renewal

- Programs are encouraged to return materials electronically to education@CFPBoard.org
- Revised renewal process includes:
  - Pre-populated application – Allows program to verify the information CFP Board has on file, while noting changes to faculty, course descriptions, and program staff, as needed.
  - Financial Planning Topics (89-Topics)
  - Updated Registration Agreement

Pricing Initiative

Registered Programs

Registered Programs	Current Pricing	New Pricing *(Effective Jan. 1, 2010)*
Initial Application Fee	$500	$500
Annual Program Fee	No fee	$100

New Registered Program Requirement

- A Financial Plan Development Course will be required of all Registered Programs by January 1, 2012.

Financial Plan Development Course

Framework

- Individually written and orally and presented financial plan
- Comprehensive (to include all subject areas)
- Integrative in nature
- Guided by practice standards
- Minimum of 45 contact hours, or equivalent to 3 semester credit hours
- Assessment should be based on written and oral presentation

Financial Plan Development Course

- How will this impact Registered Programs?
- The addition of the comprehensive plan requirement will increase the minimum program length to 18 semester credit hours or its equivalent (270 contact hours), effective January 2012.

Financial Plan Development Course

- Individuals applying for the CFP® Certification Examination who have met the education requirement through Challenge Status, Transcript Review, CEBS, International Reciprocity, or Coursework Completed through Multiple Sources will be required to demonstrate completion of a Comprehensive Plan.

Model Curriculum

- The AFS and CFP Board Model Financial Planning Curriculum provides a 21-credit-hour curriculum at the upper-division baccalaureate level or master's level.
- One of many models institutions might use to structure their programs.
- For more information about the Model Curriculum, visit http://www.cfp.net/teamup/model_curriculum.asp.

Marketing Materials on CFP.net

www.CFP.net/teamup/communicationtools.asp

- Publications
- Fliers
- Presentation Materials
- Advertisement Templates
- CFP Board Letters to Students and Graduates
- Mailing Lists

Marketing Materials on CFP.net

www.CFP.net/teamup/communicationtools.asp

Did You Know?

- Registered Programs may order CFP Board's *Guide to CFP® Certification* booklets free of charge.
- Great tool for information sessions, newly enrolled students, and program staff.
- Contact our marketing team at marketing@CFPBoard.org for more information.

Quarterly *Guide* List

- CFP Board Registered Programs may request to receive quarterly mailing lists of individuals who have requested a copy of CFP Board's *Guide to CFP® Certification* booklet.
- Contact us at education@CFPBoard.org to request the List Request Form, or download it from our Marketing Tools page.

Registered Program Newsletter

- The *CFP Board Update* is distributed quarterly to all Program Directors and primary contacts.
  - Information relevant to Registered Programs, including upcoming exam dates and deadlines;
  - Policy and process updates;
  - New program listings;
  - CFP Board staff information and notes of interest.

Stay Connected

- Please feel free to contact us should you have any questions or concerns about your CFP Board Registered Program.
- E-mail: Education@CFPBoard.org

Stay Connected

To submit marketing materials and Web site information for marks review, please contact:

- Jason Jones, Trademark Paralegal
  P: 800-487-1497
  E: trademark@CFPBoard.org

To order CFP Board promotional materials for your program, please contact:

- Anne Pluta, Marketing Manager
  P: 800-487-1497
  E: marketing@CFPBoard.org

What I Wish I Knew

- Identify one or two things you wish you had known in your first months as a new Program Director. What information about CFP Board or Registered Programs would have made the transition easier?

What I Still Want to Know

- What question(s) do you still have about Registered Programs or your role within your program?
- Post your question to the “parking lot” as you leave. Your comments will help staff communicate more effectively with both existing and prospective programs.

Questions?

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CFP® Certification Examination: A Brief Overview

Mischa Truong
Examinations Administrator

Registration

- Individuals can apply for the CFP® Certification Examination online or via a paper application
- Must complete the Education Coursework Requirement before being eligible to sit for the exam
- Registration closes roughly 6 weeks before the exam dates

Registration

Special Accommodations

Requires written request and supporting documentation

Common requests include:

- ADA qualified disabilities (ADD, etc.)
- Alternate testing days (Sabbath observers)

Post Exam

Examinees can submit exam item challenges, exam-site concerns, and emergency withdrawal requests within two weeks following exam dates

Visit www.CFP.net/become/exam.asp for all exam-related policies

Scoring Process

- Problematic Item Notification (PIN)
  - Examinee item challenges
  - Statistical performance of items
- PIN call held with Council on Examinations to discuss and determine scoring disposition of exam items
- Completed 4 weeks after exam dates

Psychometrics & Result Reporting

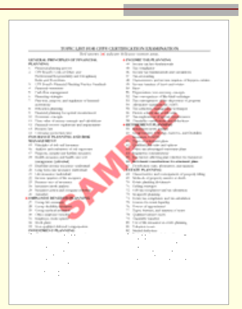
- Once the scoring disposition of every item is determined…
  - Equating exam difficulty
  - Cut Score is calculated & applied
  - Quality Control of exam data performed
  - Statistical Reports produced for review by Council on Examinations and CFP Board

Result Reporting & Release

- First Class mailing of Pass and Fail Letters approximately 8 weeks after exam dates
  - All examinees receive a Diagnostic Summary Report
- Result posted to each examinee’s online account a week later

Exam Result Letter

Diagnostic Summary Report



Deficiencies

Deficiencies identified at major content area level:

- Based upon a large number of exam items
- Consistent across exam administrations
- Provides a means to effectively measure and compare performance across exam administrations

Exam Result Online Posting

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After the Exam: Work Experience and Bachelor's Degree Requirements

June Hahm
Audit Administrator

After Passing the Examination

1. Send Official Transcript
2. Send Work Experience Reporting Form
   - Optional Job Description(s)
3. Send to:
   Audit Department
   CFP Board
   1425 K Street NW, Suite 500
   Washington, DC 20005
4. Remember: Processing time is 20 business days

Degree Requirement

- Bachelor's degree (or higher)
- Degree from accredited college or university
  - Verify an institution's accreditation at: http://ope.ed.gov/accreditation/Search.aspx

    OR

- Equivalent to U.S. bachelor's degree

Official Transcripts

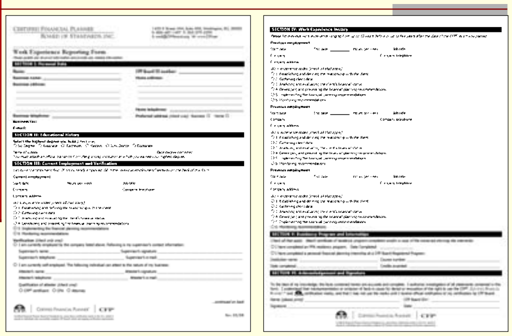
"Official Transcript" must

- Show degree conferred;
- Bear the appropriate signature;
- Be printed on security paper; AND
- Remain in the sealed envelope as it arrived to you from the Registrar.

Degree Requirements:
Equivalencies

- From a 3rd party evaluation agency
- National Association of Credential Evaluation Services (NACES) www.NACES.org
- Document-by-document evaluation
- Original letter from the evaluation agency

Work Experience Reporting Form



Attester

Why
- Self-employed
- No supervisor

Who
- CFP® Certificant
- Chartered Financial Consultant (ChFC)
- Chartered Life Underwriter (CLU)
- Chartered Financial Analyst® (CFA®)
- Ph.D. in business or economics
- Doctor of Business Administration
- Licensed attorney
- Licensed Certified Public Accountant (CPA)

Qualifying Work Experience
Standards

- Three years full-time (40 hrs per week)
  - or the equivalent part-time (2,000 hours equals one year full-time)
- Six months
  - gained within 12 months of reporting work experience
- Ten years before or up to five years after the exam date
- Both requirements must be fulfilled within five years of passing the CFP® Certification Examination

Qualifying Work Experience
Services Delivered

Financial Advice

1. Objective;
2. Integrated;
3. Comprehensive;
4. For individuals;
5. Specific to individuals; and
6. Using personal financial planning process

Client

- A client is
  - A person or individual who engages a practitioner and for whom professional services are rendered
- A client is not
  - Public entity
  - Corporation
  - Business

Personal Financial Planning Process

1. Establishing and Defining the Relationship with the Client
2. Gathering Client Data Including Goals
3. Analyzing and Evaluating the Client's Financial Status
4. Developing and Presenting Financial Planning Recommendations and/or Alternatives
5. Implementing the Financial Planning Recommendations
6. Monitoring the Financial Planning Recommendations

Establishing and Defining the Relationship with the Client

1. Explain issues and concepts related to the personal financial planning process; and
2. Specify scope of engagement

Gathering Client Data Including Goals

1. Determine client's goals, needs and priorities;
2. Assess client's values and attitudes;
3. Determine client's time horizons and risk tolerance; and
4. Collect records and documents.

Analyzing and Evaluating the Client's Financial Status

Analyzing and evaluating client data

- current cash flow needs;
- risk management;
- investments;
- taxes;
- retirement;
- employee benefits;
- estate planning; and/or
- special needs.

Developing and Presenting the Financial Planning Recommendation(s) and/or Alternatives

1. Presenting and reviewing recommendations with client;
2. Ensuring the plan meets client's goals and expectations; and
3. Revising recommendations as necessary.

Implementing the Financial Planning Recommendation(s)

May include:

- Identifying necessary activities
- Determining division of activities
- Referring to other professionals
- Coordinating with other professionals
- Selecting and securing products and/or services

Monitoring

Areas to be monitored or reviewed

- Soundness of the recommendations and the client's progress
- Discussing any changes in client's personal circumstances
- Evaluation changing tax laws
- Making recommendations based on new or changing conditions

Qualifying Work Experience
Methods of Delivery

How services are delivered

- Supervision
- Direct support
- Teaching
- Personal delivery

Supervision

- All levels of supervision are acceptable if the chain of supervision eventually leads back to the planner

Direct Support

- Must be directly responsible for information that is provided to the planner/client;

  AND
- Must have reasonable accountability for the client.

Teaching

- CFP Board-Registered Program
  - Limited to the instruction of CFP Board's financial planning topic list in a CFP Board-Registered Program
- Other Programs
  - Finance-related classes (for college credit)
  - Taught full-time
  - Can satisfy up to two years of experience credit
  - The third year of experience must be personal financial planning experience or teaching full-time at a CFP Board-Registered Program

Updating Work Experience

- Must complete new form to update or add
  - Indicate that it is an update
  - Fax or e-mail form to audit@CFPBoard.org

Continuing Education

- If all CFP® certification requirements are not completed within 12 months of passing the CFP® Certification Examination, you begin to accrue a continuing education ("CE") requirement
- CE requirement begins 13 months after passing the exam
- Accrual rate is 15 CE hours per year (1.25 hours per month)
- Notification of accrual sent by e-mail, with instructions for reporting completed CE

Do

- Stay current on CFP Board's policies and standards
  - Visit www.CFP.net
- Send official transcript and work experience together
- Inform us of name changes
- Update information and Check your e-mail regularly
- Read all e-mails in their entirety
- Include your CFP Board ID# in all correspondences
- Use Work Experience Reporting From to update info

Don't

- Do not send documents before receiving pass letter
- Do not send duplicates
- Do not send transcript requests to CFP Board
- Do not send recommendation letters
- Do not report experiences/jobs that do not qualify
- Do not update work experience through your online account.

RESOURCES

- Steps to CFP® Certification overview:
  - www.CFP.net/become/steps.asp
- Guide to CFP® Certification:
  - www.CFP.net/become/certification.asp
- Standards of Professional Conduct:
  - www.CFP.net/aboutus/standards.asp
- CFP Board forms and publications:
  - www.CFP.net/become/library.asp

How to Contact Us

- Phone: 800-487-1497
- Fax: 202-379-2299
- E-mail: audit@CFPBoard.org
- Mailing Address:

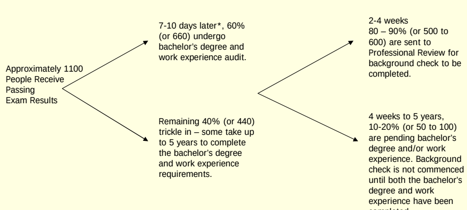
  Audit Department
  CFP Board
  1425 K Street NW, Suite 500
  Washington, DC 20005

CERTIFIED FINANCIAL PLANNER
BOARD OF STANDARDS, INC.

The Final Requirement: Ethics

Vivian Sayeh-Weeks
Sr. Compliance Analyst

Audit and Background Check
Timeline



*Beginning August 1, time period will be reduced to less than 7 days.

Application for CFP® Certification
Ethics Statements

You must respond to the following ethics statements.

Have you now or have you ever been (check "yes" or "no" for each question):

a. A defendant or respondent in any criminal proceeding?
b. A defendant or respondent in any governmental agency or self-regulatory organization proceeding or the subject of a governmental agency or self-regulatory organization inquiry or investigation?
c. A defendant or respondent in a civil action, which includes, but is not limited to, a lawsuit, arbitration or mediation, relating to your professional or business conduct?

Candidate Fitness Standards

During the background check, CFP Board will search for information relating to prior conduct that falls into one of three categories.

The first category is conduct that bars an individual from becoming certified. <u>Examples of such conduct include:</u>

- A felony conviction for theft
- Embezzlement or other financially-based crimes
- Revocation of a financial professional license

Candidate Fitness Standards

The second category is conduct that is considered a presumptive bar to becoming certified. "Presumptive bar" means that the individual applying to become certified is required to petition the Disciplinary and Ethics Commission for consideration of the conduct and whether it should bar the individual from becoming certified. <u>Examples of conduct that are considered a presumptive bar include:</u>

- One personal or business bankruptcy filed within the last five years
- Revocation or suspension of a non-professional license
- A felony conviction for non-violent crimes within the last five years

Candidate Fitness Standards

The third category of conduct that is considered by CFP Board is the type of conduct that could delay certification until the conduct has been fully investigated and a determination has been made whether to dismiss the matter or refer it to the Commission for a disciplinary hearing. Examples of this type of conduct include:

- customer complaints
- arbitrations and other civil proceedings
- felony convictions for non-violent crimes that occurred more than five years ago
- misdemeanor convictions
- employer terminations

What Can Candidates Do to Help Expedite the Background Check?

The length of CFP Board's investigation is directly dependent on the amount of time it takes to obtain documents from candidates and other sources that provide details of the conduct at issue. A candidate can help to expedite this process by locating documents and sending them to CFP Board upon CFP Board's request.

Investigation

Timeline

In general, 25% of candidates who take and pass the CFP® certification exam each year have one or more instances of past conduct that CFP Board must investigate. The reason CFP Board must investigate this conduct is that it could impact a candidate's eligibility to become certified. Here are some examples of specific conduct and the length of time it takes CFP Board to complete an investigation of that conduct:

- It takes CFP Board approximately **three months** to complete its investigation of candidates who have: a criminal misdemeanor conviction within the last 10 years.

Investigation

Timeline

- It takes CFP Board approximately **six months** to complete its investigation of candidates who have: felony convictions for non-violent crimes, judgment liens, personal or business bankruptcies filed within the past five years, multiple customer complaints, and employer terminations.
- It takes CFP Board approximately **nine months** or longer to complete its investigation of candidates who have pending customer complaints, arbitrations and other civil proceedings, and information not disclosed by the candidate on CFP Board's Initial Certification Application.

Questions?