

Are New Rules on Adviser Designations on the Horizon?

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Standards for how advisers use designations to advertise the services they offer to seniors may be on the horizon. This all evolved after the Consumer Financial Protection Bureau (CFPB) requested comments related to the evaluation of [senior financial advisor certifications and designations](#).

Indeed, there is a dizzying number of financial certifications out there, including Certified Elder Planning Specialist, Certified Retirement Counselor, and Certified Senior Advisor. In addition, some of them are accredited by outside agencies, while others are not.

Many in the industry think that the lack of uniform, recognized standards hurts both investors and advisers. In a [comment letter sent by the Certified Financial Planner Board of Standards](#), the board recognized that senior investors are particularly vulnerable to confusion about professional designations and certifications.

It pointed to a recent study by the Government Accountability Office (GAO) on financial planners, which concluded that: “The different designations can imply different types of qualifications, but consumers may not understand or distinguish among these designations, and thus may be unable to properly assess the qualifications and expertise of financial planners.”

With this in mind, the board recommends that the CFPB establish a basic set of criteria to evaluate the legitimacy and authenticity of designations, including:

- Established educational requirements;
- Administration of a fair, valid and reliable exam that measures competencies required for the standard of practice based on sound psychometric principles;
- Standards of professional conduct that include ethical and practice standards;
- Continuing education requirements designed to maintain needed competencies; and
- Mechanism for enforcement of professional standards with meaningful sanctions.

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