



UNIVERSITY OF ILLINOIS
EXTENSION

A guide to financial credentials

Choosing a Financial Professional

Choosing a Financial Professional
web.extension.uiuc.edu/financialpro

Use the following chart to learn about some of the credentials you may encounter as you choose a financial professional.

Financial Credentials

Acronym	Title	Issuing or Registering Agency	Area of Emphasis	Requirement to Obtain	Requirements to Maintain	Can be revoked?	How to verify a credential or file a complaint
AFC	Accredited Financial Counselor	Association for Financial Counseling and Planning Education	Debt and money management	<ul style="list-style-type: none"> • 2 courses with exams • 2 years counseling experience • Subscribe to code of ethics 	30 hours every two years	Yes	Contact AFCPE Executive Director at 614-485-9650 or sburns@afcpe.org .
--	Attorney	Highest court in the jurisdiction. In Illinois, the Supreme Court.	Estate and tax planning	<ul style="list-style-type: none"> • 4-year college degree, 3 years of law school (<i>Juris Doctor</i> or J.D.) and passing a written bar examination; however, some requirements may vary by state. • Illinois requires certification of "character and fitness" 	<p>A continuing education requirement was instituted in Illinois in 2005: 20 hours in the first two-year reporting period (ending 2008 or 2009), 24 hours in the second two-year reporting period, and 30 hours for all subsequent two-year reporting periods.</p> <p>Most states have continuing education requirements for one, two, or three year periods, typically 12 to 15 hours per year.</p>	Yes	<p>In Illinois: Illinois Attorney Registration and Disciplinary Commission, www.iardc.org.</p> <ul style="list-style-type: none"> • Chicago and Northern IL: 800/826-8625. • Central And Southern Illinois: 800/252-8048. <p>Find registration and disciplinary agencies for other states at: http://www.abanet.org/cpr/regulation/scpd/disciplinary.html.</p>

Acronym	Title	Issuing or Registering Agency	Area of Emphasis	Requirement to Obtain	Requirements to Maintain	Can be revoked?	How to verify a credential or file a complaint
CDFA	Certified Divorce Financial Analyst	Institute for Divorce Financial Analysts	Financial issues of divorce	<ul style="list-style-type: none"> • 4 modules with exams • 2 years experience • Adhere to code of ethics and professional responsibility 	20 hours every 2 years	Yes, but disciplinary actions are confidential	<p>Locate a CDFA using “Find a Certified Divorce Financial Analyst” tool at https://www.institutedfa.com/ or call (800-875-1760).</p> <p>Complaints: Contact the Institute (800-875-1760).</p>
CFP®	Certified Financial Planner™	Certified Financial Planner Board of Standards	Financial planning	<ul style="list-style-type: none"> • 15 semester hours in six areas of financial planning¹ • Examination: 10 hour • 3 years fulltime experience (with a bachelor’s degree) or 5 years (without a degree), in planning or teaching • Agree to adhere to code of ethics 	30 continuing education units, including 2 in ethics, every 2 years.	Yes	<p>Verify on web or by calling 888-CFP-MARK (237-6275)</p> <p>Access grievance form and procedures at www.cfp.net</p>
CPA	Certified Public Accountant	US States and jurisdictions (Northern Mariana Islands, Puerto Rico, District of Columbia, Guam)	Income and estate tax planning and preparation	<ul style="list-style-type: none"> • Examination • Generally, a bachelor’s degree in accounting is required • Most states, including Illinois, require new candidates to pass an exam on rules of professional conduct. 	In Illinois, CPAs must complete 120 hours of continuing education every three years, including 4 hours in ethics.	Yes, by state	<p>In Illinois, verify credential or file a complaint at http://www.idfpr.com/dpr/ or 312/814-6910.</p> <p>Locate your state board of accountancy at NASBA.org and click on State Board Listing.</p>
CTFA	Certified Trust and Financial Advisor	Institute of Certified Bankers, a subsidiary of American Bankers Association	Services related to individual trusts, estates, guardianships and individual asset management accounts	<ul style="list-style-type: none"> • Exam • Combination of education and experience, or 10 years of experience • Agree to code of ethics statement 	45 hours every 3 years; min. 6 hrs. in each of 4 areas: Fiduciary and Trust Activities, Personal Financial Planning, Tax Law, and Investments Management; additional 3 hrs in ethics	No	Not available

Acronym	Title	Issuing or Registering Agency	Area of Emphasis	Requirement to Obtain	Requirements to Maintain	Can be revoked?	How to verify a credential or file a complaint
CFA®	Chartered Financial Analyst®	CFA Institute	Investments (portfolio management & investment analysis)	<ul style="list-style-type: none"> • Undergraduate degree and 3 yrs experience, or 4 yrs experience • 3 classes, self-study, and exams for each • Subscribe to code of ethics 	None	Yes	<p>Verification not available.</p> <p>Submit complaints or get instructions at http://www.cfainstitute.org/aboutus/conduct/complaint/</p> <p>Or mail to CFA Institute, Professional Conduct Program, P.O. Box 3668, Charlottesville, VA 22903</p>
ChFC	Chartered Financial Consultant	The American College	Financial planning	<ul style="list-style-type: none"> • 8 college courses, including 6 that make up the College's CFP education program, and 2 additional courses² • 3 years fulltime experience • Subscribe to Code of ethics³ 	30 continuing education units ⁴ every 2 years	No	<p>The "Find an Adviser" tool at http://www.theamericancollege.edu/ is an indirect way of verifying the credential.</p> <p>Complaint process: None</p>
CLU	Chartered Life Underwriter	The American College	Life insurance	<ul style="list-style-type: none"> • 8 college courses, with focus on insurance² • 3 years fulltime experience • Subscribe to code of ethics³ 	30 continuing education units ⁴ every 2 years	No	<p>The "Find an Adviser" tool at http://www.theamericancollege.edu/ is an indirect way of verifying the credential.</p> <p>Complaint process: None</p>

Acronym	Title	Issuing or Registering Agency	Area of Emphasis	Requirement to Obtain	Requirements to Maintain	Can be revoked?	How to verify a credential or file a complaint
EA	Enrolled Agent	US Department of Treasury	Taxes	<ul style="list-style-type: none"> • Exam or experience with IRS • Background check 	72 CPE credit hours every 3 years, with a minimum of 16 CPE per year. Two CPE credit hours per year must be in ethics.	Yes	<p>To verify EA status, or to file a complaint, contact Internal Revenue Service, Office of Professional Responsibility, Attention SE:OPR, Room 7238/IR, 1111 Constitution Avenue, NW, Washington, DC 20224 or send email to OPR@irs.gov.</p> <p>For additional information, http://www.irs.gov/taxpros/agents/article/0,,id=123392,00.html</p>
--	Insurance license	State	Insurance products	<ul style="list-style-type: none"> • Examination • Pre-licensing education 	30 hours of continuing education	Yes.	<p>In Illinois: To verify a firm or person's license, including classes taken and disciplinary history, go to http://www.idfpr.com/. Scroll down to "Looking for This?" and choose "Insurance-Insurance Producer Inquiry."</p> <p>To file a complaint, go to http://www.idfpr.com/DOI/.</p> <p>Locate insurance departments in other states at http://www.naic.org/state_web_map.htm.</p>

Acronym	Title	Issuing or Registering Agency	Area of Emphasis	Requirement to Obtain	Requirements to Maintain	Can be revoked?	How to verify a credential or file a complaint
--	NAPFA-Registered Adviser	National Association of Personal Financial Advisers	Comprehensive, fee-only financial planning	<ul style="list-style-type: none"> • Meet NAPFA definition of Fee-Only: does not earn any transaction-based compensation from financial planning related activities. • 15 credit hours in financial planning. • 3 years comprehensive planning experience. • Offer comprehensive planning services. • Peer review of a sample comprehensive financial plan. • Take Fiduciary Oath. 	60 hours of continuing education every 2 years	Membership renewal may be refused based on review of the adviser's ADV, where any disciplinary actions must be disclosed.	<p>The Find a Planner tool at http://www.napfa.org/consumer is an indirect way of verifying the credential.</p> <p>Consumer complaints will be referred to the appropriate regulatory or credentialing body, i.e., SEC or state securities regulators, CFP Board of Standards, or AICPA.</p>
PFS	Personal Financial Specialist	The American Institute of Certified Public Accountants (AICPA)	Personal financial planning	<ul style="list-style-type: none"> • Member of AICPA • Unrevoked CPA license • Combined experience, education, and exam requirement 	Ongoing practice in the area of personal financial planning and continuing education, every three years	If CPA designation is revoked, PFS is also lost.	<p>Verify or locate at http://pfp.aicpa.org/.</p> <p>No separate complaint process; use the CPA complaint process.</p>
RIA/IAR	Registered Investment Adviser (firm or individual) or Investment Adviser Representative (individual covered by the firm's RIA)	If the assets under management (AUM) are over \$25 million, they register with the SEC. If AUM is \$25 million or less, they register with state securities regulators.	Investment advice	Complete form ADV with SEC, or complete similar registration with state securities regulators. Some states may require IARs to pass the NASAA Series 65 exam.	Apparently, no. However, those who hold designations such as CFP, PFS, etc., will have continuing education requirements to maintain those credentials.	Yes.	<p>To file a complaint in Illinois, Secretary of State Illinois Securities Department, Consumer Complaint Form at https://www.cyberdriveillinois.com/ContactFormsWeb/secddeptcomplaintform.html or call 800-628-7937.</p> <p>To verify an SEC-registered firms' registration status and view their ADV form on-line, http://www.adviserinfo.sec.gov/. Information on IARs working in those firms will be available in the future.</p>

Acronym	Title	Issuing or Registering Agency	Area of Emphasis	Requirement to Obtain	Requirements to Maintain	Can be revoked?	How to verify a credential or file a complaint
	Registered Representative (broker or broker-dealer)	Financial Industry Regulatory Authority (FINRA, formerly NASD),	Sales of investments	<ul style="list-style-type: none"> • Registration with FINRA. • Series 6 or Series 7 license 	Yes. At the end of the broker's 2 nd year, and every 3 rd year thereafter. Brokers complete the Regulatory Component of their continuing education via computer through selected course providers. Their firms are responsible for providing continuing education on additional topics identified by FINRA.	Yes	<p>Complaints: Click on "Investor Complaint Center" at http://www.finra.org/.</p> <p>To verify license and check background, click on "FINRA Broker Check" at http://www.finra.org/.</p>

¹ Must be completed at a CFP-Board Certified education program. Alternatively, certain professionals (i.e., CPAs, attorneys, and those with CFA or CLE designations) may "challenge" and test without taking further courses. Since 2007, new certificants have been required to have a bachelor's degree.

² Partial credit may be given for those holding other credentials: 6 for CFPs, 1 for other credentials (CPA, CFA)

³ From the American College website: "you must demonstrate completion of experience and ethics requirements." "To underscore the importance of ethics standards for Huebner School designations, the Board of Trustees adopted a Code of ethics in 1984. Embodied in the Code are the Professional Pledge and eight Canons."

⁴ Those who matriculated prior to July 1, 1989 or those with Emeritus status (over age 60) are exempt from continuing education and certification requirements.

Copyright © 2008 University of Illinois Board of Trustees.

Written by Karen Chan, CFP®, and Kathy Sweedler, Extension Educators, Consumer and Family Economics, University of Illinois Extension, University of Illinois at Urbana-Champaign. Reviewed by Jennifer Hunt, Consumer and Family Economics Educator, University of Illinois Extension and Rick Eple, CFP®, NAPFA-Registered Financial Advisor, Minnetrista, MN.