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Hensarling and Waters to Lead Financial Services

Congressman Jeb Hensarling (R-TX) and Congresswoman Maxine Waters (D-CA) were recently selected by their caucuses to lead the House Financial Services Committee. Hensarling will serve as Chairman, and Waters, a Democrat, will serve as the Ranking Member. Despite their political differences, they are both known for their strong interest in and dedication to housing issues and home loan financing. Both have expressed an interest in focusing their leadership on mortgage finance reform, and many expect particular attention to be paid to mortgage financiers Fannie Mae and Freddie Mac. Finding common ground on a solution, however, may be more elusive. It remains to be seen where regulatory matters concerning financial planners will fall on their respective agendas.

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Fiscal Cliff Update

Fiscal Cliff negotiations continue to proceed, albeit slowly and rife with political posturing. The White House announced this week its proposal for a new, permanent power that would allow them to raise the federal debt limit, which has now entangled the debt limit debate into the fiscal cliff negotiations. House Republicans have floated the idea of continuing the Bush tax cuts for all but the two highest tax brackets in order to have greater leverage with the President in future negotiations around the debt ceiling. The FPA has signed a letter in support of a resolution that will be introduced by Senator Richard Blumenthal (D-CT) and Senator Johnny Isakson (R-GA) expressing the sense of the Congress that our current tax incentives for retirement savings provide important benefits to Americans to help plan for a financially secure retirement.

Click here for more

Elizabeth Warren Will Serve on Senate Banking Committee

News leaked by Democratic aides confirms what many have thought since the election in November. Senator-Elect Elizabeth Warren, former Harvard Law professor and architect of the Consumer Financial Protection Bureau (CFPB), will reportedly serve on the Senate Banking Committee where she will have oversight authority over the Securities and Exchange Commission and the implementation of the remaining portions of Dodd-Frank.

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Senate Banking Committee Member Jim DeMint Resigning from Senate

Senator Jim DeMint (R-SC) announced Thursday that he would resign to become president of the Heritage Foundation, a conservative think tank. The move puts DeMint at the center of Washington's conservative movement, a position that will allow him to expand his influence on conservative policies and politics.

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Schapiro Out, Walter In; Other Changes at SEC

Mary L. Schapiro announced that at the end of this month she will step down from her post as Chairman of the Securities and Exchange Commission. She will be proceeded by her longtime colleague, Democratic Commissioner Elisse B. Walter, who has been known for her loyalty to Schapiro and her policies. In the wake of Schapiro announcing her resignation, other high ranking SEC officials have announced their plans to move on. Amongst those planning to leave are Mark D. Cahn, General Counsel, Robert W. Cook, Director of Trading and Markets, and Meredith Cross, the SEC’s Director of Corporate Finance.

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SEC’s 2013 Priorities Include Fiduciary Rule

According to the SEC’s 2012 Agency Financial Report, the agency plans to move forward with its plans for a uniform fiduciary standard rule that would apply to both investment advisers and broker dealers when providing investment advice. According to the Report, this is part of an overall effort to find harmony amongst the rules governing advisers and broker dealers when they are engaging in similar functions. The report also mentions in its “Looking Forward” section that the Agency plans to hire additional examiners in the next year to oversee advisers and funds. The report’s priorities often face challenges posed by budgeting and opposition, however.

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Professional

NAPFA to Make CFP Designation a Prerequisite for Membership

The National Association of Personal Financial Advisors (NAPFA) recently changed its policy to require new members to be registered CFPs. Beginning January 1, 2013, NAPFA will require
applicants seeking the designation of “registered financial advisers” to also be CFPs. This decision is intended to reduce confusion often faced by consumers over the different professional designations.

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**CFP Board to Reconsider Expanded Continuing Ed Requirements**

Certified Financial Planner Board of Standards (CFP Board), announced that it will not immediately change its continuing education (“CE”) requirements for certification. The CFP Board had proposed expanding its CE credit requirements from 30 to 40 hours for each two years and would have – for the first time – recognized “practice management” as eligible for CE credit. As part of the 40 hour requirement, certificants would have been required to obtain 4 credit hours in Ethics, instead of the current 2 hour requirement. The CFP Board’s Board of Directors asked its Council on Education and staff to “study and develop recommendations on the appropriate level of CE to maintain CFP® professionals’ competency for the benefit of the public.” In its release, the CFP Board stated that additional public comments will be sought when proposed changes are developed.

Click here for the CFP Board announcement

Click here for FPA’s comment letter on the proposal

**More Changes on FPA Advocacy Team**

As we mentioned in last month’s Capitol Update, we have recently made a series of changes to our government relations efforts to better serve the advocacy needs of our chapters and members. The primary goal of this change is to enhance our initiatives around advocacy and policy, especially at the chapter level, by aligning our staffing and operational resources to best support our strategic directive.

The Raben Group, a top-level lobbying and policy firm based in Washington DC, has already begun assuming FPA’s day-to-day advocacy work on Capitol Hill, with the Administration, and with various coalition partners. They have also begun to provide support to the chapters and state councils.

We have the benefit of working with four experienced professionals from The Raben Group, who have hit the ground running: Robert Raben, president; Karen Marangi, principal; Daniel Penchina, also a principal; and Christina Weaver, a senior associate at the firm. Dan Barry, who will stay on with us through the end of December, is working closely with them to ensure a smooth transition.

The Raben Group has also already begun participating in FPA’s regular Government Relations, Ethics and Advocacy update calls, and they are available to you as questions or issues arise. The Raben Group has also begun representing FPA at Financial Planning Coalition meetings to ensure that FPA remains an active leader, along with the CFP Board and NAPFA, in the Coalition’s work.
In the coming months, we will embark on a comprehensive strategic planning process to develop an updated approach to federal and state government relations that fits the needs of FPA’s members and chapters. We will be soliciting feedback and assistance from members throughout FPA, and we will continue to update you on the progress of this work. We are confident that these changes will provide FPA’s members with an efficient, responsive, and effective government relations department.

Below the Beltway

Congressman Barney Frank (D-MA) takes a shot at Jeb Hensarling (R-TX), incoming Chair of the Financial Services Committee, a position Frank once held. The retiring Frank reportedly said that under Hensarling’s leadership the committee is headed for “complete and total irrelevance.” A spokesperson for the new chairman countered that “Congressman Hensarling considers Mr. Frank’s views far less relevant than he once did and wishes him well in his future endeavors.”

http://go.bloomberg.com/political-capital/2012-12-05/franks-frank-hensarling-talk-complete-and-total-irrelevance/

With “Fiscal Cliff” negotiations at a standstill, Republicans are expressing frustration. President Obama says $800 billion in new revenues cannot be found by tax reforms that fail to include a rate increase, as the GOP has proposed. Republicans note that only last year the President said that $1.2 trillion could be raised without a rate increase.


FPA Government Relations Teleconference Call Schedule for 2012 The following is the 2012 schedule for all Government Relations teleconference calls with chapter leaders. Each call will be held on the second Tuesday of the month at 4:00 p.m. Eastern, unless otherwise noted. This schedule is subject to change:

December 11th
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