



April 25, 2017

To Members of Congress:

The Financial Planning Coalition (Coalition) – comprised of the Certified Financial Planner Board of Standards, Inc. (CFP Board), the Financial Planning Association[®] (FPA[®]), and the National Association of Personal Financial Advisors (NAPFA), whose stakeholders and members account for over 80,000 financial planning professionals in the U.S. – supports the U.S. Department of Labor (DOL) Conflict of Interest Rule (Fiduciary Rule) and opposes any legislative action that would delay or block its implementation. As recognized by Congress since 1974, the DOL is the expert agency charged with implementing fiduciary-level advice for tax-preferred retirement assets under the Employee Retirement Income Security Act (ERISA). The Fiduciary Rule requires financial advisors to provide advice to retirement plans and Individual Retirement Accounts (IRAs) that is in the customer’s best interest, establishes urgently needed consumer protections for retirement investors, and is workable across financial service business models.

We understand opponents of the Fiduciary Rule are aggressively advocating for a rider on the spending bill now under discussion that would prohibit DOL from implementing the Fiduciary Rule; this advocacy is based on the mistaken belief that an alternative to the Fiduciary Rule is needed. We urge you to strongly oppose any rider that will delay or prevent implementation of the Fiduciary Rule, which requires financial professionals to provide retirement investment advice in the best interest of retirement investors.

The Coalition’s support for the Fiduciary Rule is based on the real-world experience of the Coalition and its more than 80,000 financial professionals and other stakeholders in applying the fiduciary standard across business and compensation models. Since 2008, when CFP Board established a fiduciary standard, which has been endorsed by both FPA and NAPFA, CFP[®] professionals have been successfully providing fiduciary-level financial planning services in their client’s best interest to large and small savers, across business models, and across compensation models. Based on this experience, the Coalition believes the Fiduciary Rule is both workable and essential to protect America’s retirement savers.

Our concern is any Congressional action would effectively kill the Fiduciary Rule, leaving American retirement savers unprotected from investment advice that is not in their best interest. Calls for Congress to delay or prevent implementation – citing “costly” or “burdensome” regulations – disregard the conclusions reached by many in the financial services industry who have begun implementation: **the Fiduciary Rule is good for both American businesses and for American consumers.**

Congressional action is unnecessary given the extraordinarily lengthy and transparent notice and comment process that has already occurred, which included more than 205 days of open public comment, and the administrative review that is currently being conducted. DOL officials have made clear that they are carefully considering all comments received; in other words, the notice and comment process is working as it should and as required under the Administrative Procedure Act.

It is also important to note multiple federal courts have recently upheld the Fiduciary Rule. Specifically, the courts have stated the previous five-part test, which will continue to apply under a delay, is at “odds with the statute’s text and its broad remedial purpose” and that the Fiduciary Rule “better comports with the text, history, and purposes of ERISA.”

We urge Congress to allow the DOL to continue its crucial work to protect retirement investors. The need for a strengthened Fiduciary Rule under ERISA is long overdue.

Sincerely,



Kevin R. Keller, CAE
Chief Executive Officer
CFP Board



Lauren Schadle, CAE
Executive Director/CEO
FPA®



Geoffrey Brown, CAE
Chief Executive Officer
NAPFA