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The CTFA Designation A Key Wealth Management Credential

By Patrick Dalton

In an age when many credentials are suspect, the Certified Trust and Financial Advisor designation from ABA's Institute of Certified Bankers is fast becoming the gold standard for ensuring fiduciary expertise in wealth management and trust services.

"I think the CTFA is the premier designation for trust officers, and that's what we should aspire to go after," said Johnathan Butler, vice president and trust specialist, Regions Morgan Keegan Trust, Tampa, Fla.

The qualifications for becoming a CTFA are rigorous. The designation requires a minimum of three years experience in wealth management and the completion of an ICB-approved training program. A letter of recommendation and a commitment to the ICB Code of Ethics also are required.

Then there is the comprehensive ICB-administered exam. Since CTFAs create customized solutions for their clients, exam topics are wide-ranging and include fiduciary responsibilities, trust activities, personal finance, ethics, insurance planning, estate planning and tax and investment management. (Read more about the CTFA at <http://www.aba.com/ICBCertifications/CTFA.htm>.)

"I had some peers who were a year behind me at [the ABA Graduate Trust School] and they took the exam," Butler said. "They had at least five years of experience, and they're glad they did."

To maintain the CTFA designation in a fast-changing world, an individual must complete 45 credits of continuing education every three years with a minimum of six hours in the four core knowledge areas -- fiduciary and trust activities, personal financial planning, tax law and investments management -- plus three continuing education credits in ethics.

Butler started his journey to become one of more than 3,800 CTFAs nationwide by earning a bachelor's degree in human resources management and a minor in journalism at Troy University, Troy, Ala.

His interest in labor law, employment law and Title 7 probate cases -- not to mention a father who is a retired judge -- eventually led him to pursue a law degree at the University of Alabama. Butler graduated from law school in 2000, and after taking the bar exam, clerked for a year with Mobile County (Ala.) Circuit Judge Joseph Johnston. He helped the judge with the civil trial docket and was exposed to commercial law and contract law, not to mention a lot of litigation.

"While in law school I focused on more trust and estate classes, and I took some business-tax classes too," he explained. "So while I was in the clerkship, I thought, 'Gee, this is fine and dandy, but I'm not really sure I want to go out there and practice law from what I'm seeing. Maybe I would one day, but let me see if there is a way I can use some of this knowledge and go into business.'"

After knocking on a lot of doors, Butler accepted a position at Regions as an entry-level trust officer. A year later, his manager sent him to the three-year Florida Trust School program in Tampa.

"That was a great starting place because it gave me a really good look at how Florida law works -- what's different about what we have versus the [Uniform Trust Code]," Butler said. He graduated in 2004, and in the summer of 2005 went to the ABA Graduate Trust School at Northwestern University in Evanston, Ill.

(The ABA National Trust School and ABA Graduate Trust School will be held Oct. 28-Nov. 3 at the Emory Conference Center Hotel in Atlanta. For more information, call 1-800-BANKERS.)

"When I finished trust school in Florida, I [thought] at that point that I've got a lot of knowledge, let me go on and take [the CTFA exam]," Butler said. "Then when I understood [my manager] wanted to put me through the [ABA Graduate Trust School], I decided to go through one year of that to see how it played out."

He signed up for the CTFA exam and studied for it before the first session of graduate school. "It was difficult, but [also] I studied during the week while I was [at graduate school]," Butler explained. "I took the exam, and I found it very challenging. I had not studied certain parts of insurance law, and I thought overall it was an exam that tested a lot of areas. I don't use all of those areas every day, but I could see where someone could use them."

He advised anyone interested in obtaining a CFTA to go to a trust school in their state -- if there is one -- or, ideally, attend the ABA trust schools. "I don't see how anything can compare with our schools," said Butler who is on advisory board for both. "We've got the best [instructors], and they've been working in their areas for many years."

He added that the ABA trust school faculty also does a superb job of preparing students for the CTFA exam. "During the school week, Skip Fox [partner at McGuireWoods LLP Charlottesville, Va.] has a review session. Bill Snider [president, Kingston Investment Counsel Inc., Burlington, Ky.] and Jon Vannice [president, Boys, Arnold & Co., Asheville, N.C.] also hold a review session on investments for the CTFA," Butler explained. "I think just by going to our trust schools you can pick up that additional instruction you need."

ICB also will provide review materials for the exam. "Those materials were helpful. The questions on there were fairly representative of what we saw on the exam," he said.

Butler stressed the importance of the CTFA for future advancement. "The CTFA sets you apart from others and shows that you have committed yourself to this education," he said. "It helps you marketing-wise ... compensation-wise ... [and] makes you more promotable, too. It can only help you in networking and working with ... people of influence in the industry."

(In addition to the CTFA, the ICB offers 11 other certification programs: Certified Retirement Services Professional; Certified IRA Services Professional; Certified Securities Operations Professional; Certified Corporate Trust Specialist; Certified Regulatory Compliance Manager; Certified Lender-Business Banker; Certified Financial Services Security Professional; Certified Financial Marketing Professional; Certified Bank Teller; Certified Customer Service Representative; and Certified Personal Banker.

The ICB has certified more than 10,000 people since the program began in 1990, administers more than 1,200 exams a year and currently has about 9,000 individuals certified. Read more about ICB programs at http://www.aba.com/icbcertifications/certification_programs.htm.)