

# POWER OF ATTORNEY

**A POWER OF ATTORNEY GIVES ANOTHER PERSON DECISION-MAKING AUTHORITY ON THE PERSON'S BEHALF.**

The person giving authority is the **PRINCIPAL** and the person receiving the power is the **AGENT**.

POAs are used for various purposes and may be general or specific in nature. In real estate, the POA allows the **AGENT** to close the real estate transaction on behalf of the **PRINCIPAL**, binding the Principal for whatever actions are taken.



## HELPFUL HINTS

- + DURABLE (DESIGNATES THAT POA IS VALID EVEN IF THE PRINCIPAL IS INCAPACITATED)
- + PRINCIPAL MUST BE AN ADULT
- + TITLE COMPANIES, UNDERWRITERS AND LENDERS OFTEN REQUIRE THE POA BE SPECIFIC TO THE PROPERTY BEING SOLD
- + MUST BE RATIFIED AT CLOSING (HAVE THE PRINCIPAL'S CONTACT INFORMATION AVAILABLE AND MAKE SURE THEY WILL BE REACHABLE DURING CLOSING)
- + THE ORIGINAL MUST BE RECORDED OF PUBLIC RECORD
- + CANNOT BE USED AFTER THE PRINCIPAL'S DEATH
- + IF GRANTED TO A SPOUSE, IT CANNOT BE USED AFTER DIVORCE
- + MAKE SURE THE AGENT HAS THE WIRING INSTRUCTIONS FOR THE PRINCIPAL
- + REAL ESTATE AGENTS SHOULD NOT ACT AS POWER OF ATTORNEY
- + CANNOT BE USED FOR ANYONE IN A FIDUCIARY POSITION