

POWER-OF-ATTORNEY

OVERVIEW

A Power-of-Attorney is simply a contract that allows a third party (agent or attorney-in-fact) to handle financial affairs of the individual who signed it (grantor or principal). For example, many parents sign a Power-of-Attorney giving their child, or children, the ability to handle their financial affairs for them. Spouse's may sign a Power-of-Attorney authorizes the other spouse to handle financial matters if they are unable. When deciding to sign a Power-of-Attorney one needs to take great care in deciding who to appoint.

The terms of a Power-of-Attorney control exactly who and what the third party can do. Some people go online, find a pre-made form, or use one provided by a bank. They mark a few boxes and sign it. Unfortunately, they are under the mistaken believe that this takes care of their needs. In some cases, this may work just fine, for others they find out too late that the pre-made form did not cover what they needed.

All too often, once it is discovered that the Power-of-Attorney is defective, the person who signed it is unable to sign a new one. The only way to remedy this situation is to have a court appoint someone to serve as the agent for the disabled individual, costing valuable time and money.

All Power-of-Attorneys cease when the signatory of the Power-of-Attorney passes away.

It's really important to understand what powers are contained in a Power-of-Attorney. Many times what someone was expecting is different than what they get, potentially causing problems.

POSITIVES

- ◇ Can Be Very Specific On Powers Given
- ◇ Provide Control, Without Using Court Proceedings
- ◇ Saves Time and Money
- ◇ Avoids Probate Court Guardianship
- ◇ Can Cancel A Power-of-Attorney, if competent
- ◇ Protect Against Old Age and Disabilities

MYTHS

- ◇ They Are Good Even After You Are Dead
- ◇ All Power-of-Attorneys Are The Same
- ◇ Powers-of-Attorneys Are Accepted Everywhere
- ◇ Anybody Can Sign a Power-of-Attorney
- ◇ You Don't Have To Specify Exactly Everything You Allow Someone To Do For You
- ◇ They Cost A Lot of Money To Setup