



7th JMTC Legal Assistance Information

Powers of Attorney

Please note that this Information Paper only provides basic information and is not intended to serve as a substitute for personal consultations with a Legal Assistance Attorney.

1. Q. What is a power of Attorney?
 - A. A power of attorney is a written instrument in which a person known as the “principal” designates another person, known as the “agent” or “attorney-in-fact,” to do certain things on behalf of the principal. The primary purpose of a power of attorney is to show to third parties that the agent has permission to act for the principal. Although powers of attorney are designed to help you, in the wrong hands they can cause serious financial harm. You should give a power of attorney only to someone whose character and business judgment you can trust.
2. Q. Must third parties accept my power of attorney?
 - A. There is no legal requirement that third parties accept powers of attorney. However, most governmental and private agencies do accept them.
3. Q. Are there different types of power of attorney?
 - A. There are two basic types of power of attorney: **general** and **special**. A **general** power of attorney empowers your agent to do virtually anything you could do yourself, from borrowing money in your name to selling your house. It is unwise to give such powers to a stranger or to someone you do not trust completely. A **special power of attorney** lists certain acts that your agent is authorized to perform, and limits the agent to performing those acts. Special powers of attorney can be drawn up to cover everything from shipping household goods and POVs, to cashing checks, to clearing. It is usually better to draft several special powers of attorney rather than give a general power of attorney, unless the agent is a parent or a spouse.

4. Q. How long is my power of attorney valid?

A. Your power of attorney should have an expiration date. As a general rule, it is best to limit the duration of a power of attorney to the amount of time it will take to accomplish the transaction. General powers of attorney should be renewed on an annual basis, as many institutions will not accept them if they are more than a year old. If no expiration date is placed on a power of attorney, the power continues until the death of the agent or the principal, whichever comes first.