

POWER OF ATTORNEYS

5 THINGS YOU NEED TO KNOW...

In today's real estate market, knowledge is everything. At Pacific Coast Title, we understand the significance of every closing and want to make sure you are prepared! Through our Closing Challenges Series, you can learn simple solutions to help avoid those challenges that could otherwise delay or hamper your closing.

When a buyer or seller informs you that they intend to use a Power of Attorney (POA), many questions arise. Below are five things you should know regarding usage of a POA at closing.

What is a Power of Attorney?

A Power of Attorney, or POA as it is often referred to as, is a legal document granting authority to one person (the "agent") to act on behalf of the other (the "principal"). An agent is often referred to as an "attorney in fact".

What happens if my buyer or seller has their own POA?

As soon as you become aware that the buyer or seller intends to use their own POA, explain to them the importance of locating the original document as it will need to be recorded with all of the documents executed by the attorney in fact. A copy of the POA must be given to the title company for review to determine if it complies with California Law as well as the underwriter's guidelines.

Will a buyer's lender allow a POA to be used for the loan documents?

It varies by lender, as each lender has their own policies and criteria for evaluating usage of a POA. If a lender does permit the use of a POA, they will require that the document be submitted for their review and approval.

How long is a POA Valid?

A specific POA is intended to be temporary in nature. At Pacific Coast Title, we prefer the POA be prepared and executed by the principal within a reasonable timeframe of need, preferably less than 12 months from the date of execution.

Helpful Hints:

As a general rule, it will always be preferred to have the principal sign documents on their own behalf, if they are available. If your client is unavailable at closing, they may want to consider pre-signing their closing documents, thus avoiding the need for a POA.

Please contact us for more information About these and other challenges that May impact your closing.

Stay tuned for our next edition of our Closing Challenges Series...

