

Power Of Attorney

A power of attorney is permissible subject to investor guidelines. (Note: A limited POA is not permitted under the Texas 50(a)(6) program) Both the use of and the POA documentation itself must be approved by the underwriter prior to closing. VA loans have additional POA requirements set forth by the Veterans Admin.

Power Of Attorney Requirements

- o Must be Limited or Specific referencing the property, and authorizing the attorney in fact to enter into a real estate transaction and to mortgage the property. (A general or durable power of attorney form is not an acceptable alternative)
- o No older than 90 days from the date of closing
- o Signed, dated and notarized on or prior to closing.
- o Insured by the Title company without exception to the POA
- o The attorney-in-fact must be a co-borrower on the loan or a disinterested third party. For example, the attorney-in-fact cannot be a realtor, loan officer, employee of the company, a party to the transaction or a title company employee.
- o Correct name of appointed power of attorney and person appointing (i.e., John Doe by Jane Doe as his power of attorney in fact).
- o Correct property address and/or legal description.
- o POA may not be used when title is taken in the name of a trust.
- o The initial 1003 must be signed by the borrower(s)