

Granting a General Power of Attorney

A **Power of Attorney** is a written document that allows you, the "principal," to designate another individual your "agent" or "attorney-in-fact" to conduct certain business for you. The purpose of the document is to notify third parties, such as a bank, of the agent's authority to act on the principal's behalf. It is one of the most powerful legal documents you can give to another person. There are two types of powers of attorney: **Special** (also known as "limited") and **General**.

Special Power of Attorney: A special power of attorney allows your agent to perform specific tasks for you. It is preferred over the general power of attorney because it provides more protection to you by limiting the agent's authority to the specific tasks addressed in the document.

General Power of Attorney: A general power of attorney gives broad powers and authority to the agent. While it can be very helpful, it can also be very dangerous because there are serious consequences if abused. Your agent will be able to do ***anything*** you can do. For example, your agent could rent or buy a house with your money, borrow money that you must repay, sell your car, sue someone for you, or remove all funds from your bank accounts. Your agent can legally place you in a real bind and which you will be financially responsible for his or her actions!

Here are some important tips you should consider before you give someone a general power of attorney:

- ✓ Only give away as much power as is absolutely necessary. If you only need someone to perform certain specified tasks for you, you do not need a general power of attorney. Instead, give a special power of attorney to your agent.
- ✓ Limit the duration of your general power of attorney to no longer than one year. (Any power of attorney over a year old is considered stale and third parties are unlikely to accept it.) If possible, give it for an even shorter period. Never give it for longer than you will actually need your agent's services. Never give it to the agent before you need them to start acting on your behalf.
- ✓ Make sure your agent is someone you trust. If you lose trust in your agent, try to get the general power of attorney documents back from your agent. If that is not possible, talk with legal assistance attorney about ***revoking*** your general power of attorney.
- ✓ If you have any questions, ask to speak to a legal assistance attorney before signing your general power of attorney.

Visit the Netherlands Law Center and we can help you prepare a special or general power of attorney. Walk-in appointments are available and the services provided are for free. Please contact our office at DSN 360-7688 or Commercial 046-443-7688 if you have questions.