



**Perrie & Associates, LLC.**

**Raising the Bar**

***Exceeding Expectations Everyday!***

**Greetings!**

Another year has passed and 2015 has arrived! We are so excited to kick this year off with another informative newsletter that will hopefully prove valuable to you and your clients. If there is a specific topic you would like to see in a newsletter, please send an email to Stacie Jackson at [staciejackson@perrielaw.com](mailto:staciejackson@perrielaw.com) and we will make sure it gets included!

## **What is a Power of Attorney?**

A Power of Attorney is a written agreement between two parties in which one person appoints another to act as his or her agent, thus conferring authority on the agent to perform certain acts or functions on behalf of the "principal". The two parties to the agreement are called the "principal" and the "attorney in fact" or "agent". The "principal" is the person granting the authority to another. The "attorney in fact" or "agent" is the agent who will act on behalf of the "principal" in certain circumstances outlined in the document.



The "attorney in fact" does not need to be an attorney at law or a lawyer, it can simply be someone you trust to act in your best interest.

## **Different Types of Powers of Attorney**

There are different types of Powers of Attorney. They may be General, Durable, Limited or "Special", Specific and even Health Care related. Below is an overview of the different types and what each typically entails.



**General Power of Attorney-** A general Power of Attorney is typically used to allow

your "attorney in fact" to handle your affairs during a period of time when you are unable to do so. For example, when you are traveling out of the state or country or when you are physically unable to handle your affairs.

Powers usually include any or all of the following items:

- \* Buy and sell property
- \* Buy, manage or sell real estate
- \* Handle banking transactions
- \* Enter safety deposit boxes
- \* File tax returns
- \* Tend to government benefits
- \* Enter into contracts
- \* Purchase life insurance
- \* Settle claims
- \* Exercise stock rights

There are also additional optional powers that can be granted to your "attorney in fact" that include, but are not limited to the following:

- \* Maintain business interests
- \* Make transfers to revocable living trusts
- \* Hire professional assistance
- \* Make gifts

**Durable Power of Attorney**- A Power of Attorney only remains effective as long as the "principal" is alive and competent to make decisions. A Durable Power of Attorney may convey all of the authorities as a General Power of Attorney, however it also contains language that allows the agent to continue acting in his/her capacity even if the "principal" has become mentally incapacitated or physically unable to communicate his/her wishes.

**Limited or Specific Power of Attorney**- A "Principal" may grant a limited or specific power of attorney by placing certain restrictions in the Power of Attorney. A limited, specific or "special" power of attorney authorizes your "attorney in fact" to act on your behalf only in specific situations or for specific transactions.

Common special powers of attorney include the ability to:

- \* Make financial decisions
- \* Manage business interests
- \* Handle banking transactions
- \* Make estate planning decisions, including gifts
- \* Enter safety deposit boxes
- \* Handle government issues and U.S. securities transactions
- \* Collect debts
- \* Borrow money

- \* Buy, Sell, manage or mortgage real estate
- \* Sell personal property

**Health Care Power of Attorney-** A health care power of attorney allows your "attorney in fact" or "health care agent" to make health care decisions for you if you become unconscious, mentally incompetent, or unable to communicate your wishes to health care providers. Executing this document doesn't forfeit your right to give medical direction to your doctor when you're able to do so yourself. It may be effective immediately if you desire or only become effective when you don't have the mental or physical capacity to speak for yourself. Remember to always keep the original Health Care Power of Attorney in a safe place, and let your loved ones know where it is. Give a copy of the document to your "attorney in fact" and send copies to your doctor and your health insurance company if appropriate so that it can be included in your complete medical records.

*So how is mental competence determined?*

Generally speaking, your doctor will consider whether you have an understanding of what is covered by the Power of Attorney and whether you are able to communicate rational choices. In your document you may name a specific doctor who you wish to make that determination. Alternatively, you can require that two licensed physicians agree on your mental capacity. Some health care organizations won't allow your "attorney in fact" to act on your behalf without a doctor's confirmation of your incompetency.

It is important to understand that a Health Care Power of Attorney does not constitute a living will. Many people choose to have both a living will and a Health Care Power of Attorney. A living will instructs a doctor on the types of medications you would want and types of treatments you are ok with.

**Georgia Advance Directive For Health Care**-The State of Georgia has a statutory format for a Health Care Power of Attorney that includes sections which constitute a "living will". Using this format you may appoint a Health Care Agent / Power of Attorney and also state your wishes on how you would like to be medically treated under certain conditions such as a terminal illness or permanent unconsciousness.

*If you elect to generate a Power of Attorney and appoint an "attorney in fact" please make sure you consult a legal professional to ensure the document is created to encompass all that you had anticipated and conform with state and federal law. Perrie & Associates is here to help you generate this document for a fairly minimal fee considering its value should you need it!*

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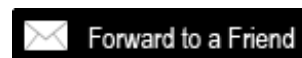
Thank you for your continued support and we are looking forward to helping each of you achieve another successful year!

**Call (770) 579-2700 to schedule your next closing with us!**

Sincerely,

David Perrie

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