



## The Dangers of a DIY Power of Attorney

In this day and age, many people need to be frugal, watch their pennies, and stay within their personal budget. However, when it comes to drafting a durable power of attorney, you may not want to cut too many corners. There are many do-it-yourself power of attorney forms available on-line, however, one size does NOT fit all. It is a good idea to have an attorney draft a power of attorney for you.

A durable power of attorney is one of the most important documents you can have. It allows you to appoint someone to act as your “agent” should you become incapacitated. Without a power of attorney, your loved ones would not be able to manage your finances or make decisions for you without asking the court to appoint a guardian or conservator, which can be an expensive and time-consuming process. Choosing the appropriate agent for your power of attorney and drafting a solid document with an attorney before a crisis occurs can give you peace of mind.

Typically, the powers given to an agent include buying or selling property, investing money, paying debts, managing a business, engaging in legal proceedings, borrowing money, and collecting debts. If specifically mentioned in the power of attorney document, the agent may also be given the ability to make gifts, designate beneficiaries on your insurance policies, and consent to medical treatment. An attorney can make sure that the wording of your document reflects the appropriate powers that you want your agent to have. A particularly important designation in your power of attorney document is the power to make gifts of your money and property. To be certain that your agent has the authority to do Medicaid planning on your behalf in the event that you need to enter a nursing home, your document must give the agent the power to modify trusts and make gifts.

With a do-it-yourself form power of attorney document, answering one question incorrectly or overlooking an important element can lead to major problems down the road. Without a lawyer, you also may not understand all of the terms associated with the power of attorney document, and you could inadvertently give your agent more power than you desire.

One of the many pitfalls of creating your own documents is having a false sense of security. The on-line forms look simply; all you do is fill in the blanks! However, few forms come with enough explanation to assure the user that the document is executed properly. Without the proper signatures of witnesses and a notary, the power of attorney might not even be valid. The bottom line is that you don't know what you don't know.