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[Watching It: Power Of Attorney And Problems](#)

The following article covers a topic that has recently moved to center stage--at least it seems that way. If you've been thinking you need to know more about it, here's your opportunity.

The power of attorney is a legal document which gives a person or an organization power to govern finances, business or even personal issues. The person entrusted with this power/ authority is called the agent or attorney-in-fact while the person who signed the document is the principal.

The power of attorney is usually used to handle financial or business affairs when the principal is not available or incapacitated. There are power of attorney documents which allow the agent to continue being authority even the principal is no longer mentally capable. However, in elderly cases, power of attorney could be abused.

Financial/material abuse is the second highest rate of elderly abuse with 42%, following psychological abuse (59%). Financial abuse would include misusing the power of attorney, using the adult's money for other purposes, pressuring adults to sell their home or property, cashing out the adult's pension or cheque, or pressuring the adults to buy alcohol or drugs.

Abuse of the power of attorney could be intended or a sign of negligence. For example, a niece who runs off with her aunt's money when given the power of attorney is a sign of intended abuse. The principal may not be able to monitor how transactions are made and eventually caused the agent to misuse his or her finances.

The information about Power Of Attorney presented here will do one of two things: either it will reinforce what you know about Power Of Attorney or it will teach you something new. Both are good outcomes.

When identifying the person who would represent the interest of the principal, it is important to determine a person who is trustworthy and would not betray the interest of the principal. In addition, if the principal feels that the power of attorney is being exploited, then it would be time to get legal support.

Aside from issues about the agent's trustworthiness, another common problem with the power of attorney is that the authority is too broad. When the principal uses the general power of attorney, the agent would find himself handling real estate, securities and large financial transactions.

To avoid this problem, the power of attorney should be specific enough. Identify particular obligations or transactions that the agent or attorney-in-fact could handle. Also, to avoid problems with abuse in the document, the American Bar Association suggests that list any powers that the principal don't want the agent to have, like altering the principal's will or giving away the principal's property.

It may prove to be difficult for the agent to handle everything. In some cases, a co-agent is assigned by the principal to ensure that not all responsibilities would burden one agent. To exercise more control on the transactions, the principal is also recommended to ask regular reports from the attorney-in-fact/ agent.

Being aware of such issues about the power of attorney could help principals and those who are thinking of getting such document, be cautious. Although, there are forms on the internet that would allow you to create the power of attorney quicker, it is always advised that such document be made in with legal assistance. After all, the agent would be given authority over the things that we have worked for for most of our lives.

About the Author

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