



OLDE KEY TITLE

RESIDENTIAL AND COMMERCIAL CLOSING SERVICES SINCE 1982

DO NOT FORGET ABOUT THE RELATIVELY NEW MD POWERS OF ATTORNEY ACT

On October 1, 2010, the **Maryland General and Limited Power of Attorney Act** (the “Act”) went into effect and changed the drafting and execution requirements of powers of attorney throughout the State of Maryland. A **power of attorney** is a written document that grants a designated person powers to act on the principal’s behalf, including but not limited to the following powers: signing checks and contracts as well as authorization to access the principal’s bank accounts.

The Act now requires that all powers of attorney executed in Maryland on or after October 1, 2010 **must** be (1) in writing; (2) signed by the principal or someone in the presence of the principal acting on his/her direction; (3) acknowledged by the principal before a Notary Public; and (4) attested by two or more adult witnesses who sign in the presence of each other as well as the principal. Please note that the Act does **not** invalidate any powers of attorney executed prior to October 1, 2010.

The Act introduces the following two statutory form powers of attorney: (1) the Maryland Statutory Form Personal Financial Power of Attorney (the “Personal Financial Power of Attorney”); and (2) the Maryland Statutory Form Limited Power of Attorney (the “Limited Power of Attorney”).

- The **Personal Financial Power of Attorney** can be used to grant a broad range of powers that relate to one’s real property, finances, insurance and annuities, retirement plans, etc.
- The **Limited Power of Attorney** can be used to grant specific powers related to one’s real property, finances, etc.

A **third-party** who refuses to accept a properly executed Personal Financial Power of Attorney and/or Limited Power of Attorney, or another power of attorney in substantially the same form, will be subject to a court order mandating acceptance as well as financial responsibility for legal fees.

It is **important** to keep in mind that powers of attorney should only be granted to persons who you trust and will be willing to carry out your wishes. Both the Personal Financial Power of Attorney and Limited Power of Attorney become effective immediately unless you state otherwise in the “Special Instructions” sections of the documents.

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It is also **very important** to remember the following, which is quoted from part of the instructions to both the Personal Financial Power of Attorney and the Limited Power of Attorney:

- “Your agent will be able to make decisions and act with respect to your property (including your money) whether or not you are able to act for yourself.”
- “Unless you specify otherwise, generally the agent’s authority will continue until you die or revoke the power of attorney or the agent resigns or is unable to act for you.”

You may view a **power of attorney that is related solely to real estate** and is used by purchasers and sellers in sales as well as borrowers in refinances [here](#).

Olde Key Title and Ethridge, Quinn, Kemp, McAuliffe, Rowan & Hartinger would be happy to help you draft new powers of attorney or review your old ones for you. Please contact **Caryn Siegel Wetmore, Esq.** or **Lynn Caudle Boynton, Esq.** at (301) 294-3333.