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Date

addr

Re: Power of Attorney Taking Effect

Dear

I am writing this letter to you in order to give you some facts regarding the Power of Attorney which I have prepared for you at your request.

A Power of Attorney is an appointment of another person as one's agent. A Power of Attorney creates a principal-agent relationship. You, the grantor of the Power of Attorney, are the principal. The person to whom you grant the Power of Attorney is your agent. The agent is normally called an "attorney-in-fact." The attorney-in-fact does not become the owner of your property, but is merely permitted to deal with it within the terms set out in the Power of Attorney. Since an attorney-in-fact has the power to deal with your property, you, naturally, must be careful to give such a power only to a trustworthy person. You have entrusted to your attorney-in-fact those powers which are stated in your Power of Attorney.

The Power of Attorney which I have prepared for you, under the laws of the State of New Jersey when exercised in New Jersey, is a "durable power." This means that if you should become incompetent and be unable physically or mentally to handle your own affairs, the Power of Attorney, nevertheless, will continue to be as good as it was on the day that you signed it. If you become incompetent, the Power of Attorney will terminate only upon 1) a Court's declaring you to be incompetent or 2) upon your death. The attorney-in-fact may continue to use the Power of Attorney and acts performed under the Power of Attorney will be valid until either of those two events occurs, after which time acts performed by the attorney-in-fact will no longer be valid. Consequently, even if you become incompetent but no Court declares you to be so the Power of Attorney will still be effective.

Most people who give a Power of Attorney to someone else do it with the thought that if they should become ill or incapacitated or if they should travel, the Power of Attorney will permit the holder of it to pay their bills and to handle all of their affairs for them as limited in the Power of Attorney. This is what your attorney-in-fact may do for you under the Power of Attorney which I have prepared for you.

The granting of a Power of Attorney is not like the creation of a joint tenancy in property. Under a joint tenancy, each of the joint tenants has a property interest in the property so held, whereas, a person holding a Power of Attorney, while having the power to deal with the property, does not own any part of it nor can that person become the owner of it under the Power of Attorney by virtue of the Power of Attorney itself. This, however, does not prevent the holder of the Power of Attorney from transferring the property to himself or herself. This is another reason for giving such a power only to one whom you can trust.

Whenever your attorney-in-fact exercises any of the powers granted under the Power of Attorney, your attorney-in-fact must be prepared to show the Power of Attorney to anyone who questions the right to use it. If your attorney-in-fact deals with the title to real estate, it will be necessary for the Power of Attorney to be recorded. I see no reason to record the Power of Attorney until such time as property may be conveyed unless there is fear that the document might be lost.

Occasionally when real estate is dealt with by an attorney-in-fact, an abstractor or a title insurance company will raise a question regarding the use of the Power of Attorney. Unfortunately, there is no way that I can control this. This is indeed unfortunate, but you have no other inexpensive recourse when you use a Power of Attorney.

Very truly yours,

KENNETH A. VERCAMMEN

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