

# Power of Attorney (POA) Requirements

## Lender Letter LL-2020-03, Impact of COVID-19 on Originations

This table summarizes POA requirements, new requirements, and flexibilities effective immediately (except as noted in the Lender Letter) for loans in process and loans with application dates on or before May 17, 2020. See [Selling Guide B8-5-05](#), Requirements for Use of a Power of Attorney, and [Lender Letter LL-2020-03](#) for full requirements.

Existing <i>Selling Guide</i> Power of Attorney (POA) Requirement	Updated with LL 2020-03	Temporary Flexibility or New Requirement
<b>Eligibility</b>		
POA may always be used if required by applicable law	No Change	N/A
All POAs must include the address of the mortgaged property	No Change	N/A
At least one borrower must sign the loan documents in the presence of a notary, with limited exceptions	All borrowers may now sign the loan documents pursuant to a POA	Flexibility
If either the Note or Security instrument is signed via POA, the initial Form 1003 must be personally signed by the borrower, with limited exceptions	The initial Form 1003 may be signed via POA, but only if it cannot be signed by the borrower personally (including a mailed/delivered copy), or by electronic signature.	Flexibility
POAs may not be used in connection with electronic notes (eNotes)	POAs may now be used in connection with eNotes	New Policy: Fannie Mae is revising the <a href="#">eMortgage Guide</a> effective April 20, 2020 to permit eNotes
<b>Notarization</b>		
All POAs must be notarized	The POA is not required to be notarized for limited cash-out refinance transactions unless required by applicable law, or <ul style="list-style-type: none"> <li>the attorney-in-fact or agent named in the power of attorney is employed by, or otherwise represents or is affiliated with, the title insurance company that will issue the lender's title insurance policy, and</li> <li>such title insurance company is affiliated with the lender</li> </ul>	Flexibility
N/A	If the POA is required to be notarized, it may be remotely notarized in all	Flexibility



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	<p>jurisdictions, unless it is required to be recorded</p> <p>If the POA is required to be recorded, it may be remotely notarized only in the jurisdictions permitted by <i>Selling Guide</i> A2-5-03</p>	
<b>Acceptable Attorneys-in-Fact</b>		
<p>Interested parties described below are prohibited from acting as attorney-in-fact unless they are the borrower’s relative or otherwise required by applicable law</p> <p>Exceptions are permitted for limited cash-out refinances, when certain related requirements are met</p> <p>Unacceptable Interested Parties:</p> <ul style="list-style-type: none"> <li>• the lender;</li> <li>• any affiliate of the lender;</li> <li>• any employee of the lender or any other affiliate of the lender;</li> <li>• the loan originator;</li> <li>• the employer of the loan originator;</li> <li>• any employee of the employer of the loan originator;</li> <li>• the title insurance company providing the title insurance policy or any affiliate of such title insurance company (including, but not limited to, the title agency closing the loan), or any employee of either such title insurance company or any such affiliate; or</li> <li>• any real estate agent with a financial interest in the transaction or any person affiliated with such real estate agent.</li> </ul>	<p>The exceptions currently permitted only for limited cash-out refinances are now also applicable to purchase transactions</p> <p>All related <i>Selling Guide</i> requirements in <a href="#">B8-5-05</a> must be met including the on-line, interactive internet session, the express statements required in the POA, and the prohibition against the attorney-in-fact being an employee of the lender.</p> <p>See below for additional restrictions on purchase transactions.</p>	Flexibility
N/A	For purchase transactions, the attorney-in-fact or agent may not be the property seller, any relative of the property seller, or any direct or indirect employee or agent of	New requirement



Existing <i>Selling Guide</i> Power of Attorney (POA) Requirement	Updated with LL 2020-03	Temporary Flexibility or New Requirement
	<p>the property seller, unless they are also a relative of the borrower.</p> <p>The exception process for interested parties serving as attorney-in-fact (described above) does not apply in these cases.</p>	
<b>Borrower Acknowledgement</b>		
N/A	<p>For purchase transactions, regardless of the relationship of the attorney-in-fact to the borrower (i.e., borrower’s relative, attorney-at-law, or other interested or uninterested party) a discussion must take place with the borrower. This discussion must:</p> <ul style="list-style-type: none"> <li>• take place after the closing disclosure or other closing statement, as applicable, have been delivered to the borrower</li> <li>• take place between the borrower and an employee of the originating lender or the settlement agent</li> <li>• confirm that the borrower understands the transaction and the closing documents</li> </ul> <p>This discussion is not required if the on-line, interactive session described in <a href="#">B8 5-05</a> is followed instead</p>	New requirement effective for Note Dates on or after April 7, 2020
<b>Additional Requirements</b>		
N/A	<p>For all transaction types, when the attorney-in-fact is an employee of the insuring title insurer or is an employee of the policy-issuing agent of the insuring title insurer, such title insurer must have issued a closing protection letter ( or similar contractual protection) for the transaction for such policy issuing agent.</p>	New requirement