



## UNDERWRITING BULLETIN - TEXAS

No. 34

DATE: July 8, 2013

RE: **REVISED** - Powers of Attorney and Home Equity Loans

---

**This Bulletin replaces prior WFG Underwriting Bulletin No. 33 regarding the same subject.**

A recent decision of the Texas Supreme Court has called into question the practice of using powers of attorney in home equity loan transactions; the Court believed the practice violates the constitutional requirement that a HEL be closed at the office of a title company, a lender, or an attorney.

**WFG will insure a HEL when a power of attorney is used only under the following conditions:**

1. The Power of Attorney must be executed in the office of a title company, the lender making the HEL, or an attorney.
2. The Power of Attorney must be executed on the form attached to this Bulletin.

All blanks must be properly filled in, and one of the 3 boxes must be checked to establish where the POA was signed; the address of that location must be supplied.

Powers of Attorney should never be used on a routine basis or as a mere matter of convenience; there must be a legitimate justification for the inability of the grantor to appear in person at closing. Note that the attached form contains a place for the grantor to explain why he/she cannot attend the closing in person.

Any deviation from this Bulletin will require written authorization from WFG Underwriting.

~