

VA



U.S. Department
of Veterans Affairs

Lesson 11: Power of Attorney

VA Credit Standards

[Print Version](#)

Course Navigation

Select Next to proceed to the next slide.

Select Back to navigate to the previous slide.

Select Close to return to the root slide from any pop-up window.

This training is designed to be accessible to all users and is Section 508 compliant. The following accessibility features are available:

- Visually impaired users may enlarge the screen or adjust display contrast using monitor settings.
- All visually expressed information is compatible with a screen reader.
- This course is keyboard accessible for users who prefer or require keyboard navigation.
- Press the Tab key to cycle through all selectable items in the course.
- Press the Space bar to select an item when tabbing.
- A text version of this lesson is available.

What to Expect in This Lesson

Welcome to the VA Home Loan program Power of Attorney lesson.

In the previous lesson, you learned about the funding fee, rates and calculations, and exemptions. This lesson provides an overview of how a power of attorney (POA) may be used to close a VA Home Loan.

At the end of this lesson, and given access to VA resources, you will be able to successfully:

1. Define the requirements to close a VA Home Loan with a POA.
2. Recognize the difference between the two types of POA.
3. Identify how to certify that a Veteran or Servicemember is alive and not missing in action (MIA).

The Purpose

This lesson will provide information on the requirements to use a power of attorney (POA) to close a VA Home Loan. You will learn about the two types of POAs that VA accepts: general and specific; and when an Alive and Not Missing in Action (MIA) certification is required.

What Is a Power of Attorney?

A power of attorney (POA) is an agreement that authorizes one person to act on behalf of another person for legal matters. Veterans who use a POA to close their VA Home loan must execute a general or specific POA subject to certain conditions.

The lender must ensure that the POA meets the following conditions:

- It is legally adequate and valid to complete the transaction.
- The mortgage can be legally enforced in the jurisdiction.
- A clear title can be conveyed in the event of a foreclosure.

A POA may be used for any loan purpose including Purchase, Cash-Out Refinance, Interest Rate Reduction Refinancing (IRRRL), construction, etc.

General Power of Attorney (POA)

VA allows Veterans to use a general POA in the following scenario:

If the Veteran can sign the loan application and purchase agreement, then the attorney-in-fact may sign the closing documents using the general POA, as long as the Veteran's intention to obtain a VA Home Loan on that specific property is expressed on those documents.

A general POA may be used for Cash-Out Refinance and Interest Rate Reduction Refinancing Loans, provided the application indicates the specific property, loan terms, and occupancy.

VA allows digital signatures in the same manner as "wet signatures." In cases where the Veteran signed the purchase agreement and loan application with a digital signature, a general POA would still be permitted.

Specific Power of Attorney (POA)

A specific POA grants the attorney-in-fact the power to close a VA Home Loan on a specific property on behalf of the Veteran or surviving spouse.

A specific POA must include the following:

- The specific entitlement amount to be encumbered
- The purpose of the loan (e.g. Purchase, Cash-Out Refinance Loan, IRRRL)
- The property address
- The terms of the transaction, including the interest rate, loan amount, and term
- The intended occupancy

The Alive and Not MIA Statement

The lender is required to verify that the Veteran or surviving spouse is alive and not missing in action (MIA) at the time of loan closing.

An Alive certification is required when a general or specific POA is used to close the loan, regardless of active-duty status. It is only required for the person who is utilizing entitlement.

If the Veteran is currently serving on active duty or has been activated, then the lender must certify that the Veteran is not missing in action.

Select Certification to reveal the Alive and Not MIA statement.

Alive and Not Missing in Action Certification

“[The undersigned lender] certifies that written evidence in the form of correspondence from the Veteran or, if on active military duty, statement of his or her commanding officer (including statement of person authorized to act for said officer), affirmatively indicating that the Veteran was alive and, if the Veteran is on active military duty, not missing in action status on [date], was examined by [the undersigned] and that the said date is on or subsequent (not prior) to the date the note and security instruments were executed on the Veteran’s behalf by the attorney-in-fact.”

Knowledge Check 1

Which of the following is NOT a required element to be included in a specific power of attorney (POA) for closing a VA Home Loan?

- A. The specific entitlement amount to be encumbered
- B. The purpose of the loan
- C. The property address
- D. The Veteran’s annual income
- E. The terms of the transaction
- F. The intended occupancy

Correct answer: D. The Veteran’s annual income

Knowledge Check 2

What is the difference between the general and specific power of attorney (POA)?

- A. General POA handles a broad range of Veteran needs, whereas specific POA is limited to only the home loan.
- A. Specific POA is specific to the Veteran’s spouse, whereas general POA encompasses the Veteran’s spouse and dependent.
- B. General POA is only used at the closing of the loan when the Veteran cannot be present, and the specific POA is used during the initial application.

Correct answer: A. General POA handles a broad range of Veteran needs, whereas specific POA is limited to only the home loan.

Resources

As a VA Home Loan Underwriter, it's crucial to be familiar with the resources at your disposal to effectively navigate underwriting standards, roles, responsibilities, and expectations. Here's a guide on the key resources and how to utilize them:

- [VA Lenders Handbook](#): Explore comprehensive guidelines on credit underwriting processes.
- [Code of Federal Regulations](#): Reference for legal standards affecting VA loans and underwriting practices.
- [US Code Title 38 – Veteran Benefits](#): The primary legal framework for all Veterans’ benefits, including VA Home Loans.
- [Form Search](#): Useful for finding and accessing required forms quickly.

When Additional Assistance is Needed:

- Submit a ticket via [ServiceNow](#) to get tailored support.
- Contact [VA Loan Guaranty](#).
- Sign up for [GovDelivery](#) to receive email updates on any changes to VA requirements.

These resources are designed to support your role in ensuring that loan applications meet all necessary guidelines and to assist Veterans effectively. Familiarity with these tools will enhance your ability to perform underwriting duties efficiently and accurately.

Note: Hyperlinks will take you outside of the training environment.

Summary

You have completed the VA Home Loan program Power of Attorney lesson! This lesson introduced you to:

- Requirements to close a VA Home Loan with a POA
- The two types of power of attorney
- The Alive and Not Missing in Action certification

In an upcoming lesson called Assets, you will review the assets considered in the VA Home Loan program, documentation and requirements for validating assets, and gift fund requirements.