

AUTHORITY & ACKNOWLEDGMENTS

By Alex Pankonin

General Counsel for Assured Title Agency

Corporate Resolution

A corporate resolution is used to show that the party executing the real estate documents is a party that may bind the corporation as his or her actions affects title to real property. This removes any doubt that the document is executed without the authority to convey, encumber, or otherwise affect title to the real property in the corporations name.

Statement of Authority

A statement of authority provides evidence there is an entity and establishes the authority of one or more persons to act on behalf of an entity. This entity can convey, encumber, or otherwise affect title to real property. Colorado defines a statement of authority as an instrument executed on behalf of the entity containing:

1. The name of the entity,
2. The type of entity and the state, country, or other governmental authority under whose laws it was formed,
3. A mailing address for the entity, and
4. The name or position of the person authorized to execute instruments conveying, encumbering, or otherwise affecting title to real property on behalf of the entity.

A statement of authority may contain any limitation that may exist upon the authority of the person named in the statement or holding the position to bind the entity. This also includes other matters involving how the entity deals with any interest in real property. Upon recording a statement of authority, a title entity has reasonable assurances that the person executing the real estate documents has authority to do so on behalf of the entity.

Acknowledgments

An acknowledgment is a formal declaration before an authorized court or public officer – generally a notary public – that the person who has executed the instrument is doing so as his or her act or deed. The purpose of an acknowledgment is to prove execution of the conveyance, to insure its authenticity when presented for registration. This enables the instrument to be used in evidence without proof of its execution by the grantor.

The elements of a proper acknowledgment are:

1. The name and representative capacity of the acknowledging party,
2. The name of the person taking the acknowledgment,
3. Words of acknowledgment,
4. The seal of the notary or other person taking the acknowledgment as may be required by law,
5. The date of expiration of the notary's commission, as may be appropriate under the law, and
6. The signature of the person taking the acknowledgment.

