

Three Documents You Need!

Vol.3 Issue 10 Oct 2008

When people hear the term "Estate Planning", they often think you have to have a big estate like the people on "Wall Street." That is not true. Your estate is your home and belongings, your money, or your business, etc. It can be complicated or simple, depending on your needs and desires. I'm not an attorney, but strongly advise clients to seek professional advice and move forward in preparing these documents.

Will: You need to have a Will because without one of your drafting, your property will fall upon the responsibility of the state. The legal term is "Probate." The Probate Court will determine the disposition of your home, car and other assets including your stocks, CDs, investments, checking account or savings account. It can be a long process and extremely costly. Also, your wife, children or other family members will be stuck with the bill and left with the burden of determining who gets what and this can be a tremendous strain on them. It can also permanently separate family members because of arguments and tug of wars.

If you have children, a will can ensure the legal guardianship of your minor children. This for no other reason justifies a will. If you are married, your wife/husband automatically gains guardianship of your minor children. However, in the event you and your spouse die at the same time, such as an auto accident, you'll also need one. Another thing to consider is designating another person to be the legal guardian of your minor children in the event of the death of the first guardian.

Advance health care directives: Consider signing medical directives, these are instructions given by individuals specifying what actions should be taken for their health in the event that they are no longer able to make decisions due to illness or incapacity. One form of advance directive known as a "Living Will" tells the physicians the amount and type of care you desire. Another form, Power of "Attorney for Health Care" delegates who will speak for your health care needs if you can not do so yourself. At the time these decisions need to be made it is stressful enough, so it is best for you and your family to have this document in place stating your wishes. People may also have a combination of both. It is often encouraged that people complete both documents to provide the most comprehensive guidance regarding their care.

A General or Statutory Power of Attorney: This document pertains to unforeseen events in which you are unable to make decisions on your own. A General or Statutory Power of Attorney is a legal way of giving someone the power to handle your affairs. That person can be an attorney, a loved one, even a friend. But, it should be someone you trust completely because you are giving this person control over all your personal and financial matters that you would otherwise handle yourself.

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Charles Buck CFP®

"Be fearful when others are greedy, and greedy when others are fearful."

Warren Buffet

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Q: What's behind the current financial crisis?

The latest woes are a continuation of the housing meltdown and the resulting "credit crisis" that have been bedeviling the U.S. Housing prices have been tumbling and foreclosures soaring since the bursting of the housing bubble just over a year ago -- and the effects extend throughout the economy.

Banks have taken huge write-downs on bad mortgages and become stingier with new loans. Moreover, many problem loans were sliced up and resold to investors as mortgage-backed securities and other products, producing losses for a host of banks, securities firms and insurance companies.

Other companies, have suffered big losses on contracts they sold providing insurance against losses on mortgage-related investments.

The government is now trying to find solutions to stabilize the financial markets.