

Warrants of Attorney Now More Powerful in Lending Documents

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Commercial lenders can enforce "warrants of attorney" to seek outstanding funds from debtors, even if one of the debtors included in the warrant is deceased.

That's according to a [Pennsylvania Commonwealth Court case](#) which found in favor of the creditor after the wife of the deceased claimed the warrant of attorney could be asserted only against both her and her deceased husband together. The wife claimed she could not be individually liable since she and her husband signed the warrant in the same document as joint debtors.

The Commonwealth Court took up the case after a lower court agreed with the surviving wife.

However, on appeal, the Commonwealth Court reversed the trial court's order, holding that it does not matter whether the language of the guaranty imposed joint and several liability or merely joint liability. When one joint creditor passes, the liability remains with the living and remaining debtors.

A warrant of attorney in Pennsylvania allows the creditor to proceed directly to judgment when default occurs. The language of the warrant of attorney and the procedure for confessing judgment are strictly scrutinized by the courts and any deviation from the requirements under the Pennsylvania Rules of Civil Procedure or established case law can result in opening or striking the confessed judgment.

If you have any questions about warrants of attorney and how you can use it in commercial lending documents, please [contact me](#) or any member of the [Barley Snyder Finance & Creditors' Rights Practice Group](#).

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