

the Notice & the LIEN AGENT



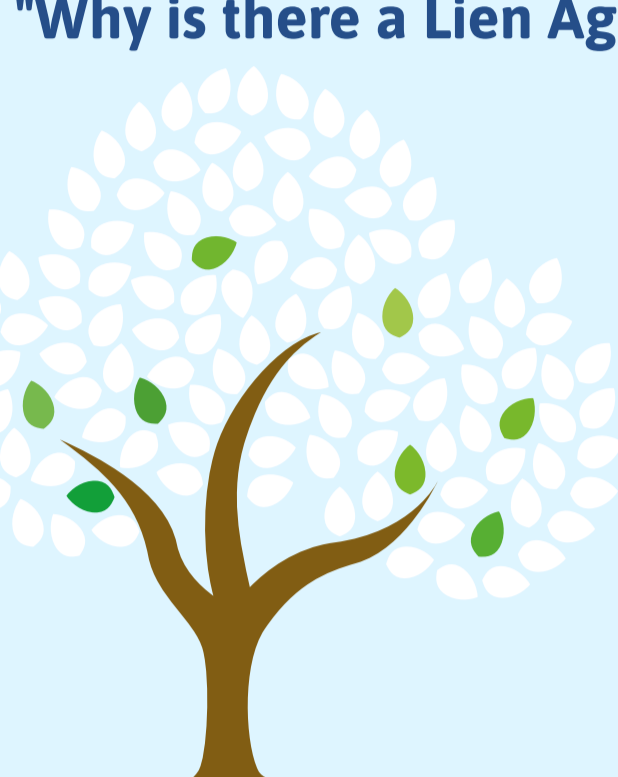
"Is the Lien Agent a super-secret spy infiltrating the construction credit industry on behalf of mechanic's lien claimants everywhere?!"

Unfortunately, no.

While the Lien Agent may have some super powers, like preventing hidden liens, it's not quite a super spy.



"Why is there a Lien Agent in North Carolina?"

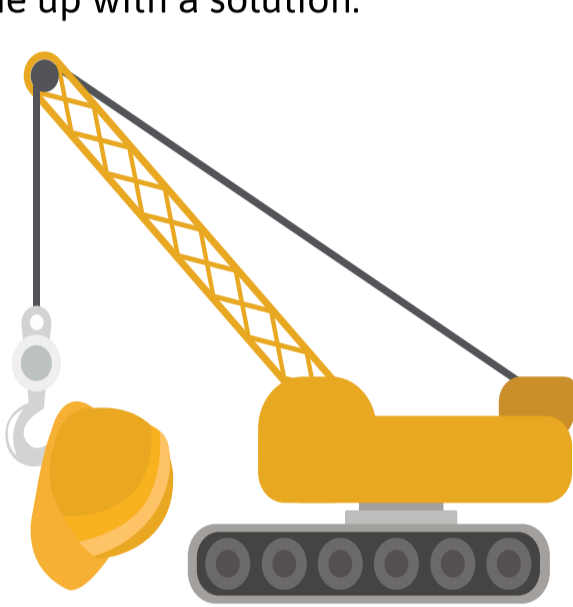


North Carolina had a "hidden lien" problem with construction projects.

The mechanic's liens weren't hiding under bushes or behind trees, but rather hiding from future property buyers and lending companies.

So, the North Carolina legislature came up with a solution:

designate a party, for each private construction project, who must receive notification from any contractor or subcontractor supplying materials or labor to said project.



"Who is the Lien Agent?"

The Lien Agent is designated by the property owner if the project is \$30,000.00 or more at the time the original building permit is issued, or, if no building permit is required, at the time the contract is entered into by the owner.

According to LiensNC...



"Only title insurance companies and title insurance agents licensed to do business in North Carolina can serve as Lien Agents."

"When Should I Notify the Lien Agent?"

Serve the Notice to Lien Agent within 15 days from first furnishing labor or materials OR before the property is conveyed to a bona fide purchaser.



"Is the Notice to Lien Agent the same as the Notice of Subcontract?"



No! These are two separate documents and you should serve both notices in order to protect your mechanic's lien rights.

Notice of Subcontract

vs.

Notice to Lien Agent



Serve a Notice of Subcontract on the prime contractor if the owner or prime contractor has properly filed and posted a Notice of Contract.

Serve Notice to Lien Agent within 15 days from first furnishing labor or materials or before the property is conveyed to a bona fide purchaser.

"Will I always need to serve the Notice to Lien Agent and the Notice of Subcontract?"



No, there may be circumstances when one or both of these notices may not be required.

However, it is a best practice to serve these notices on every project to avoid surprises when it's time to file a mechanic's lien or proceed with suit to enforce the mechanic's lien.

It would be awful to find out that your mechanic's lien is invalid because you didn't serve a notice, serve the correct notice or serve the correct parties with a copy of the notice.

 **"How do I find out who the Lien Agent is?"**

Take advantage of a service provider, like NCS, or visit the LiensNC website.

Have questions or need help? Contact us today!



800.826.5256 | SecureYourTomorrow@NCScredit.com | NCScredit.com

This information is provided with the understanding that the publisher is not engaged in rendering legal advice. NCS recommends retaining an attorney for each case.