

Mechanic's Liens

on Residential Projects



If you are furnishing to a residential project, review preliminary notice & mechanic's lien requirements carefully!



Define Residential

Each state may define residential differently. Here are some examples:

ID

In Idaho, residential is an "owner or non-owner occupied dwelling of 1-4 units"

IL

In Illinois, residential is an "owner-occupied single-family residence"

NV

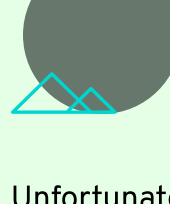
In Nevada, residential is "multi-family or single-family residences, including, without limitation, apartment houses"

NY

In New York, residential is a "single family dwelling"

OH

In Ohio, residential is "single - or double - family dwelling or portion of the dwelling or a residential unit of any condominium property"



Are Apartments & Condominiums Residential?

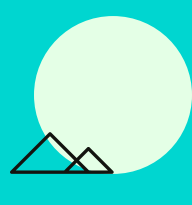
Unfortunately, there is no blanket rule on what is/isn't residential.

As a best practice, carefully review statute to see whether apartments and/or condominiums are considered residential, confirm if you are furnishing to one building or multiple buildings & when in doubt, seek a legal opinion.

Be Prepared!

If you are furnishing to condominiums, there are additional variables to consider.

- It's important to know whether you furnished to individual units and/or common areas.
- If any of the various lots/units are sold to an individual owner prior to filing a lien, more than one lien could be necessary.
- The lien may have to be served on multiple owners.
- Multiple liens may be required if work was done in individual units.
- The lien may be more expensive due to extensive title work and service upon multiple parties, etc.



45 States Require a Preliminary Notice on Commercial and/or Residential Projects.



Of those 45 states, 17 states have separate requirements specific to residential projects.

The differing requirements could vary from a type of preliminary notice, a shortened deadline, or even limited rights based on who you sold to.

Which States Have Preliminary Notice Requirements Specific to Residential Projects?

- Arkansas
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Maine
- Mississippi
- Missouri
- Montana
- Nebraska
- New Jersey
- Texas
- Virginia
- Washington
- Wisconsin



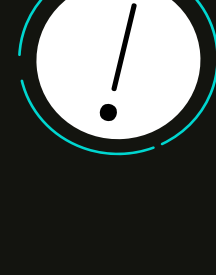
The above is designed to provide a quick comparison of the requirements by state and does not address all variables. It is provided with the understanding that the publisher is not engaged in rendering legal advice. Action required in perfecting a claim varies from state to state and from case to case. NCS recommends retaining an attorney for each case.

Unpaid Balance Lien State vs. Full Balance Lien State

Another big difference on residential projects is the lien may be limited to the unpaid balance being held by the homeowner.

In many states, a lien on residential projects is limited to the unpaid balance, even though a full balance lien may be available on commercial projects.

Always check the statute & consider filing your lien sooner rather than later.



With our mechanic's lien expertise & construction attorney network, we are your solution.

Contact NCS Credit Today!

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