

17 Ways A Mechanics Lien

Works To Get You Paid

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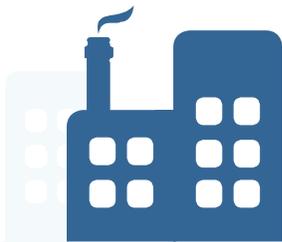
01 A Mechanics Lien Will Encumber The Property

The lien document is recorded with land records and will appear on a title search of the property. As a practical matter, this means the property will not be sold, refinanced or otherwise transferred without the lien claim being resolved.



02 A Mechanics Lien Gets The Lender's Attention

Many construction projects have a lender giving money to the property owner or developer. When you file a lien you jeopardize their security in the property, and so they make movements to get your lien claim resolved.



03 A Mechanics Lien Gets The Owner's Attention

The first two reasons already discussed, in addition to other reasons, result in the property owner or developer being concerned about your lien claim. If they didn't know about your debt before, they will know about it after the lien is filed, and they will be interested in resolving it.





04 A Mechanics Lien Creates Contractual Breaches

When a mechanics lien is filed against a construction project, contractual provisions in various contracts obligating parties to keep the property free of liens are put into breach, which provides the lien claimant with leverage to demand payment.



05 A Mechanics Lien Makes More Parties Obligated To You

While you are normally limited to demand payment from the party who hired you only, filing a mechanics lien obligates the property owner to your debt and potentially the general contractor (and a surety) as well. This opens up more pockets, and increases your chances to get paid.



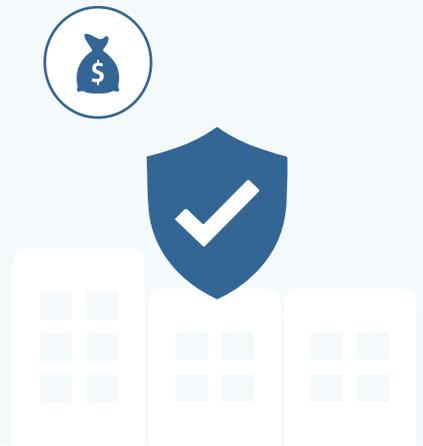
06 A Mechanics Lien Sets A Firm Deadline

Maybe you will get paid on the construction project, but you're just not getting paid right now. Filing a mechanics lien helps set a firm deadline for the resolution of your claim. Deadlines get folks moving.



07 A Mechanics Lien Gives You A Security Back-Up Plan

What if everyone is out of money - your customer, the prime contractor, the developer...everyone? This sometimes happens, especially in a bad economy. Filing a mechanics lien gives you a secure backup plan, as you can always fall back on the property's equity if unpaid.

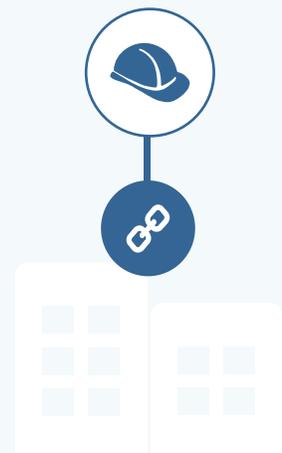


08 A Mechanics Lien Makes You A Priority To Debtors

Filing a mechanics lien means that folks will sometimes pay you and your claim just to get rid of the nuisance. Take - for instance - a developer or prime contractor that challenges your workmanship. They may play hardball with payment before a lien, but after a mechanics lien is filed, it may be worth it to just pay your claim.

09 A Mechanics Lien Sticks And Is Hard To Challenge

Even when a party wants to dispute your mechanics lien claim it is difficult for them to do it. A mechanics lien claim will tie up the property and the only way to get it removed is to prove that it was filed frivolously - a very high standard. As a result, your lien claim sticks and pushes the parties to resolve it.



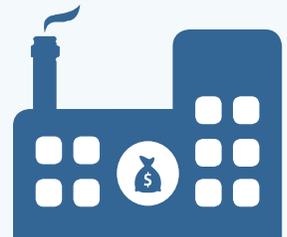


10 A Mechanics Lien Help When Parties File Bankruptcy

Bankruptcy may get debtors out of ordinary debts, but when you file a mechanics lien you elevate your debt to a secured debt. In addition to providing leverage with the bankrupt party, don't forget you can still go after the property, the property owner and other non-bankrupt parties.

11 A Mechanics Lien Will Freeze Money On The Project

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12 A Mechanics Lien May Force Joint Check Agreements

Sometimes parties are having financial trouble on a project and no one knows about it...until a mechanics lien is filed. Mechanics liens expose financial difficulties being experienced by parties and may force a party into a joint check agreement, which can benefit you and get you paid.

13 A Mechanics Lien May Qualify You For Attorney Fees

The right to recover attorney fees is a huge benefit in any legal battle. Parties are not entitled to recover attorney fees by default, but a mechanics lien usually qualifies you to recover attorney fees and other costs. This increases your chances of getting the debt paid.



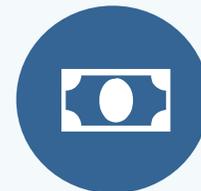
14 A Mechanics Lien Escalates Your Situation

Sometimes getting the prime contractor, developer or other party to pay your debt requires just a little push. A mechanics lien claim escalates your collection efforts and shows the other parties you mean business, which translates into a faster payment for you.



15 A Mechanics Lien May Affect The Prime's Bonding Ability

Bonds are very important to prime contractors. When a project gets liened, the bonding capacity of the prime contractor is jeopardized. This means your mechanics lien claim becomes very important to them, and that means you get paid.





16 A Mechanics Lien Affects Various Relationships

Typically the prime contractor has a good relationship with the owner, and the owner with the lender, and so on. Filing a mechanics lien puts stress on these relationships and pushes the parties to resolve the claim.

17 A Mechanics Lien Creates Leverage In Your Favor

Let's get down to the big point here. All of these "ways" a mechanics lien works boils down to this one: A mechanics lien creates leverage. It creates lots of leverage, and the leverage can come in many forms. Regardless of form, however, the result is the same payment.



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