

## 10 Simple Mechanic's Lien Rules for Contractors and Subcontractors Doing Construction Business in the State of Michigan

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1. An Owner must file a **Notice of Commencement** prior to the start of a project. This must be filed with the **Local Registrar of Deeds** in the county where the project is located. It must contain a description of the property and the names and addresses of the legal parties on the project (Customer, Owner, General Contractor and Lender).
2. A **General/Prime Contractor** does not have to file a **Notice of Furnishing** if they have a direct contract with the **Owner**.
3. A Subcontractor who does not have a direct contract with the owner must file an **Notice of Furnishing** within 20 days after the first day of furnishing construction related labor, professional services, materials, machinery, fixtures or tools to a jobsite. It should be served to all legal parties on a project (Customer, Owner, General Contractor and Lender). It must be delivered in person or by certified mail to the owner of the property along with any other legal parties related to the improvement of the property (Customer, Owner, General Contractor and Lender).
4. You have 90 days to file a **Claim of Lien** (Mechanic's Lien) with the in the county where the project occurred after the last day labor was provided at a jobsite or materials were delivered. All legal parties must be notified by Certified Mail or personal delivery of the **Claim of Lien** within 15 days of it being filed. Warranty work may not be liened in a **Claim of Lien**.
5. A **Claim Of Lien** (Mechanic's Lien) cannot be filed for projects that are **City, County, State or Federal** related.
6. A **Claim of Lien** must be perfected within one year of the **Claim of Lien** being recorded through a foreclosure action. Concurrent with the foreclosure filing, a **Notice of Lis Pendens** must be filed with the **Registrar of Deeds** documenting that legal action has been initiated against the property. A **Claim Of Lien** is automatically discharged if it is not perfected within one year.
7. **Legal** expenses are not lienable on a **Claim of Lien**.
8. **General/Prime contractors** cannot enforce a **No-Lien contract** on a subcontractor prior to the entering of a contract or doing work.
9. If a Claim of Lien balance is paid in full by the Owner or another legal party, you must file a **Discharge of Construction Lien**. Additionally, if a **Notice of Lis Pendens** was filed, a **Release of Lis Pendens** must subsequently be filed upon receiving payment.
10. **Unlicensed** Residential Homebuilders are not eligible for Mechanic's Lien rights.