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CHICAGO BULL

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North Carolina Mechanics' Lien Agent & LiensNC.com

(Effective April 1, 2013)

Effective April 1, 2013, the mechanics' lien agent provisions of the private mechanics' and materialmen's lien statute (N.C. Gen. Stat. Chapter 44A, Article 2) went into effect, and the website application, LiensNC.com, is now launched.

The statute applies to *all* construction projects and all Article 2 lienable labor, services, materials and rental equipment, with four (4) exceptions:

- (1) improvements under \$30,000;
- (2) renovation to owner's existing “single-family” residence;
- (3) first furnishing was prior to April 1, 2013; or
- (4) construction, reconstruction, alteration or repair of any *public* building, work or improvement.

The Guide section of LiensNC.com provides instructions on the simple 3-step process available on the website:



Step #1: The owner (or contractor on behalf of the owner) can file an Appointment of Lien Agent identifying the property and pre-appointment workers.

Step #2: Potential lien claimants can file a Notice to Lien Agent that they are providing lienable labor, services, material or rental equipment to the property thereby preserving their lien rights if the property is sold or mortgaged.

Step #3: A closing attorney can search for applicable Appointment(s) and related notices, can click “Closing Notice” for updates of later filings, and can have real-time information about who has filed. Thus, rather than the old “long form” lien waivers and subordinations, an identified list of potential claimants can be addressed – *protecting your purchaser and lender clients.*

The NCLTA forms and instructions have been revised to correspond with the new statute and are available on our website at www.northcarolina.ctt.com. Form 1 (no recent improvements) will remain. Forms 2 (waiver) and 3 (subordination), the so-called “long forms”, will remain for pre-April 1 projects or projects where no lien agent is required. For post-April 1 projects wherein a lien agent has been appointed, newly created Form 5 will be the owner's affidavit. Newly created Forms 6 (waiver) and 7 (subordination) have been designed so that the owner and contractor can have individual potential lien claimants sign off *as they are paid* rather than the last minute scramble just before closing.

Go to the LiensNC.com website, check it out and contact our Chicago Title counsel with any information or suggestions on how we can help with the process!

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