

Mechanic's Liens

A mechanic's lien is more than a “cleanup” matter for the conclusion of a construction project. For an owner, it can be an extraordinarily frustrating obstacle holding up a sale or refinance transaction. On the other hand, for a contractor it is perhaps the single most formidable weapon to enforce payment – one that ensures not just the recovery of principal and interest, but often lawyers' fees as well. In either case, liens can become a high stakes battleground – with the outcome typically depending on whether all of the detailed formalities required by the law have been satisfied.

At Baker & Daniels, we view the subject of liens as something that is important to address not just when claims are brewing, but at the “front end” of construction projects as well. Toward that end, we have assisted contractors in developing the in-house capability to generate and record enforceable mechanic's liens in multiple jurisdictions. We also have assisted owners in developing contractual and practical methodologies for minimizing the threat of liens on projects and soliciting appropriate documentation when claims are threatened.

Not only do we know the book on mechanic's liens, we wrote it – one of Baker & Daniels' lawyers has authored the Indiana chapter of the American Subcontractors Association Lien and Bond Claim Manual for the past several years.