

FUNDAMENTALS · LESSON 3 · 8 MIN READ

Mechanic's Liens

The most commonly used — and most commonly botched — lien in commercial recovery.

OVERVIEW

A mechanic's lien secures payment for labor, services, equipment, or materials that improved real property.

Every state has its own mechanic's lien statute. Treat each state as its own rulebook.

Strict compliance is the default standard — small mistakes invalidate the entire lien.

KEY CONCEPTS

- Who can claim (general contractor, sub, sub-sub, supplier)
- Preliminary notice / Notice to Owner requirements
- Filing deadlines tied to last day of work or last delivery
- Lien amount — what can and cannot be included

COMMON MISTAKES

- Including non-lienable items (interest, attorney's fees, change orders without authorization).
- Missing the preliminary notice window in states that require one.
- Filing against the wrong property description.

PRACTICAL EXAMPLES

TEXAS VS. CALIFORNIA TIMING

Texas requires monthly notices and has tight deadlines from the end of the month of work. California uses a 20-day preliminary notice. Same project, very different calendars.