

FUNDAMENTALS · LESSON 2 · 7 MIN READ

Types of Liens

The major lien families a commercial creditor encounters, and when each one applies.

OVERVIEW

Liens are not one tool — they are a family of remedies, each with its own statutory framework, deadlines, and priority rules.

Choosing the right lien is half the battle. Filing the wrong one can be worse than filing none.

KEY CONCEPTS

- Statutory liens (mechanic's, tax, landlord, materialman)
- Consensual liens (mortgage, deed of trust, UCC-1)
- Judgment liens (post-judgment, attaches to real property)
- Equitable liens (court-created in limited circumstances)

COMMON MISTAKES

- Filing a mechanic's lien on a project that did not involve real improvement.
- Treating a UCC-1 like a judgment lien — they secure very different things.
- Ignoring landlord liens or warehouseman's liens when they would have been the cleanest remedy.

PRACTICAL EXAMPLES

RIGHT TOOL FOR THE JOB

An equipment lessor files a UCC-1 at the start of the lease — that's the right tool. A roofer mid-project files a UCC-1 instead of a mechanic's lien — that's the wrong tool.