MECHANIC’S LIENS

Anyone planning to build new houses or do major retrofits is advised to take measures to make sure that a mechanic’s lien is never placed against one’s property. For those not aware, a resulting mechanic’s lien can become quite complicated and could result in the owner having to pay “twice” for materials or services (or possibly even more if legal fees are incurred), in some cases. A resulting mechanic’s lien could additionally prevent a grower from being able to meet planned timelines with their integrator.

Ag lenders should already be well versed on this topic and can take measures to advise and assist property owners to prevent such liens. Lenders can hold back a percentage of the total project cost as the final amount to a contractor until the period for filing a lien has cleared. Be sure to discuss this with your lender in advance, make sure you are fully protected and always know the risks involved. For more information refer to T.C.A. § 66-11-101 in Tennessee’s statutes.