

## **MECHANICS & MATERIALMAN LIENS**

### ***What are M&M Liens?***

M&M Liens are monetary liens filed against the property by a Contractor, Sub-Contractor, materials' supplier, or any other person furnishing labor or materials when they don't get paid for the labor and/or materials they have provided.

Liens can be filed even if your refusal to pay is for good cause, such as shoddy work, defective materials, etc., or even if you feel you have paid in full for the labor or materials provided.

### ***Lien Releases***

A lien release (or partial lien release) is an acknowledgement that full payment has been received for the labor and/or materials provided for a specific part of the rehab project (e.g., foundation repair, roof, HVAC system, floor covering, etc.)

Getting lien releases is your primary protection against having an M&M lien filed.

Get lien release forms completed when you pay for the work – not later.

### ***Handling a M&M Lien***

Make sure it is a valid M&M Lien under Texas law.

Only two ways to handle valid M&M Liens:

- Negotiate payoff settlement, or

- Bond around the lien, so you can sell the property, and litigate the issue.