

Express Lien

Tennessee Lien Punchlist (Private)

NOTICE REQUIREMENTS

There are various notice requirements in Tennessee. These are typically mandatory, and those who do not send the required notices may forfeit their right to file a lien.

- **Prime Contractor** (Those who contract with property owner)
 - Must send a Notice to Owner *before* work begins on the project.
 - May file copy of construction contract with recorder to protect rights to payment against third party mortgage companies, lenders, future purchasers, etc.

- **Remote Contractors** (All others)
 - If unpaid, a Notice of Nonpayment must be sent to the property owner and the party who hired you. The notice must be sent within 90 days of the last day of each month within which the unpaid work and/or materials were furnished. The notice of nonpayment must be sent each month you are unpaid.

NOTE TO PRIME CONTRACTORS

Upon acceptance of final payment, the prime contractor must sign and deliver an "Affidavit to Owner." This must meet statutory requirements, and identify all unpaid subs and suppliers on the job.

THE MECHANICS LIEN

- Referred to as "Notice of Lien and Sworn Statement"
- When Notice of Completion is not filed, lien must be filed within 90 days from completion of the project.
- If Notice of Completion is filed, the lien period is shortened significantly. On "Residential" projects, the period is only 10 days from the notice's filing. On other projects, the period is 30 days from the notice's filing.
- Action to enforce the lien must be instituted within 1 year from completion of project by prime contractors. All others (remote contractors) have 90 days from the lien's filing to enforce.

TERMINOLOGY

Notice of Completion is an instrument filed by the owner or owner's agent that stipulates when work was completed on a project. It shortens the period allowed to claimants to file a lien.

Residential Projects is defined in TN as any one, two, three or four unit dwelling, where the property owner lives or intends to live in one of the units. If the project does not fall into this definition, it is a Non-Residential Project.

When Owner & General Contractor are the same person, on a residential project, those without privity of contract with the owner / contractor do not have lien rights.

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