



ServiceFax

The History Behind Every Service Provider™



Verified
Information



Comprehensive
Records



Trusted
Insights



Protecting
Homeowners



Empowering
Better Decisions

ServiceFax Homeowner Guide

What Is a Lien and How Can It Affect You?

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What Is a Mechanics Lien?

A mechanics lien is a legal claim that a contractor, subcontractor, supplier, or labor provider may file against your property if they believe they have not been paid for work or materials.

Even if you paid your contractor in full, a lien may still arise if subcontractors or suppliers were not paid.

How Can a Lien Affect You?

A lien may:

- Delay the sale of your home
- Complicate refinancing
- Result in legal disputes
- Require additional legal costs to resolve
- Create pressure to pay the disputed amount before the lien is released

Common Causes

- ☐ Contractor fails to pay subcontractors
- ☐ Supplier invoices remain unpaid
- ☐ Payment disputes
- ☐ Poor project documentation
- ☐ Unauthorized change orders
- ☐ Lack of lien waivers

How to Protect Yourself

Before making each payment:

- ☐ Obtain written invoices
- ☐ Verify completed work
- ☐ Request progress lien waivers
- ☐ Keep payment records
- ☐ Save change orders
- ☐ Confirm subcontractors have been paid

Before Final Payment

Never release final payment until you receive:

- ☐ Final Lien Waiver
- ☐ Subcontractor Lien Waivers
- ☐ Supplier Lien Waivers
- ☐ Final Inspection Approval
- ☐ Permit Closure Documentation

☐ Warranty Documents

Red Flags

Be cautious if a contractor:

- ☐ Requests full payment upfront
 - ☐ Refuses to provide lien waivers
 - ☐ Avoids written documentation
 - ☐ Cannot explain who is supplying materials
 - ☐ Frequently changes payment requests
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ServiceFax Recommendation

For every home improvement project, keep copies of:

- ✓ Contract
- ✓ Change Orders
- ✓ Payment Schedule
- ✓ Receipts
- ✓ Permit Records
- ✓ Inspection Reports
- ✓ Certificate of Insurance
- ✓ Lien Waivers

These documents create a complete project history and can help resolve disputes if questions arise later.

ServiceFax Tip

A lien waiver is one of the most important documents you can obtain before making your final payment. It helps confirm that parties who performed work or supplied materials have

acknowledged payment and helps reduce the risk of future payment-related disputes involving your property.

