

Express Lien

New Jersey Lien Punchlist (Private)

NOTICE REQUIREMENTS

New Jersey is a Non-Notice State, meaning that parties to a construction project are generally not required to deliver any pre-work notice to preserve its rights to later file a mechanics lien.

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THE MECHANICS LIEN

- Referred to as “Construction Lien Claim”
- Must be filed within 90 days from when the claimant last furnishes labor and/or materials.
- Copy of the lien must be served on the owner within 10 days from filing.
- Special Requirement for Residential Projects: Must file a “Notice of Unpaid Balance and Right to File Lien” before filing the lien, and file a demand for arbitration. Unless the parties agreed otherwise, the demand must be initiated with the American Arbitration Association (<http://www.adr.org>)
- Foreclosure on a lien is required within 1 year of completion of the claimant’s work and/or delivery of the materials. Property owner can demand that the lien be foreclosed upon within 30-days, and if demanded, the 1 year period is shortened to 30-days.
- Three tiers of parties are protected by New Jersey lien laws. The prime contractor, those who subcontract with the prime contractor, and those who contract with subcontractors. Suppliers are protected, but suppliers to suppliers are not protected.

WHAT IS RESIDENTIAL?

“Any written contract for construction or improvement to a 1 or 2 family dwelling, or any portion of the dwelling [including condos, and other developments].”

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MECHANIC LIEN ALTERNATIVE

Instead of filing an actual lien, claimants may file a Notice of Unpaid Balance and Right to File Lien. This puts third parties on formal notice that the claimant may file a lien, so that if it is filed, the debt to the claimant will take priority over potential buyers, mortgagors, etc. – if they are on notice before their transaction. Filing this is effective until 90 days from the last furnishing of work or materials. However, it does not extend the actual lien period.

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