

Lien Priority Case Decided by Illinois Supreme Court

Thanks to Joshua Glavoz, publisher of the [Construction Law Today](#) blog, for calling our attention to a recent Illinois Supreme Court [decision addressing the priority of mechanic liens in that state](#).

At issue in [LaSalle Bank, N.A. v. Cypress Creek 1, LP](#) was a battle between a construction lender and a mechanic lien claimant over who was entitled to the proceeds for a sale of lien property. Glavoz succinctly summarized the decision with this:

The Justices decided that a lender gets priority to the extent their loan proceeds paid for property improvement, regardless of whether the contractors paid with those proceeds timely, or properly, perfected mechanics liens.

You can read the [full text of the opinion here](#).

A mechanic lien's priority can become very important when project funds are tight, and a foreclosure of the property is required to get paid. In the event there's not enough money in the property sale to cover all the liens and mortgages, the question becomes this: Whose claims get paid, and whose don't?

The answer depends a lot on the state's priority of claims. In the past, we've posted a number of times about the priority of mechanic liens. [We have a "Lien Priority" tag on this blog, which you can read here](#).

Read this article on the Construction Lien Blog here:
<http://constructionlienblog.com/?p=2258>