

## HOME BUYER BEWARE

When a home is built the purchaser normally hires the services of a contractor to do the job efficiently, in a workman like manner, and within a specified time-period. For the first-time home buyer this can be a cumbersome task. It is important that contracts are reviewed carefully.

Many first time home buyers do not realize that some contractors use their own form contracts that mostly protect only the home builder should problems arise. These contracts can severely limit the rights of the purchaser. One such problem is the Mechanic's Lien which, by law, will attach the buyer's property to his contractor or potential subcontractor.

For every major contracting job that a contractor, subcontractor or supplier engages in, the law permits, subject to proper guidelines and rules, the filing of a mechanics lien on the property of the homeowner. When a contractor hires a subcontractor or supplier, even though that subcontractor or supplier is under agreement with the contractor, under law, if unpaid and properly filed, a subcontractor may also attach a lien to the homeowner's property in their own right. In some circumstances, despite the fact that the homeowner paid the contractor, should the contractor fail to pay the subcontractor or supplier, the homeowner may still be taken to court for enforcement of the mechanics liens and sale of their home to pay the lien(s). While the excitement of moving into a new home is something the buyer looks forward too, many home buyers are finding that they are moving into a home where the property has already been attached by Mechanics Liens.

There are several ways you can protect your home: 1. Hire a reputable contractor. 2. Ask for a detailed agreement. 3. Have the agreement reviewed and fairly modified by an attorney. 4. Incorporate specific deadlines. 5. Issue separate checks. 6. Comply with retainage law clause to acquire some level of relief if liens are filed. 7. Ask for receipts of payment. 8. Get lien waivers. 9. Make final payments and retainage payments only after physical receipt of all lien waivers.