

Lien Agent Law

Effective April 1, 2013, North Carolina law will require that an owner (or, as typical with permit applications, the contractor on their behalf) appoint a lien agent when they first contract for improvements to real property. A lien agent is a title insurer or agent also registered as a lien agent with the NC Department of Insurance.

However, the appointment is *not* required for improvements:

- (1) for which the costs of the undertaking are less than \$30,000, either at the time that the original building permit is issued or, in cases in which no building permit is required, at the time the contract for the improvements is entered into with the owner,
- (2) to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that is used by the owner as a residence.

The identification and contact information for the lien agent must be conspicuously and continuously posted on the property for which the permit is issued until the completion of all construction.

A website created specifically and solely for purposes of facilitating the filings of appointments of lien agents, the filing of notices to lien agents by potential lien claimants, and searching for these filings will be available April 1, 2013, at www.liensnc.com. So when the owner (or contractor on their behalf) appoints a lien agent through the LiensNC system, it will generate an Appointment of Lien Agent document or form for the property and project, which will include the following information:

- Designated Lien Agent and contact information (c/o LiensNC)
- Unique Entry or Identifying number for the Project
- Owner and contact information
- Contractor (if one)
- Instructions for the owner and/or contractor to post at the property and provide to the permitting office
- “QR Code” for easy access to the property information in the LiensNC system

The lien agent information form (located on reverse side) or document printed from the LiensNC website can be attached to the building permit application and building permit, for it will include the required information the permit office will need.