



## **A lawyer discusses bonding mechanic's liens**

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With all the construction that has been halted at the present time and all the late payments, I am getting a lot of calls about mechanic's liens either being filed, needing to be filed or requiring resolution.

In the state of New York, a lienee only has to apply to a bonding company for a bond and show the requisite financial statements to the underwriting department to bond the lien. For your "average" size mechanic's lien, this should not be a problem.

However, many people mistakenly believe that all mechanic's liens can either be bonded or vacated. That is not the case at all. When there is a mechanic's lien for hundreds of thousands of dollars or more, the lienee may not be able to show enough liquid assets to satisfy a surety. Some owners will not be able to bond such a lien unless they deposit the cash with the surety. If the money is deposited in this fashion, it is a bit complicated to get it back. The surety will require a court order, which requires making a formal motion to the court and an appearance by counsel.

There are other things that can be done to attack mechanic's, which require working with legal counsel knowledgeable in this area.

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