## Lien Priority and Subordination: Mitigating Risk in Commercial Lending

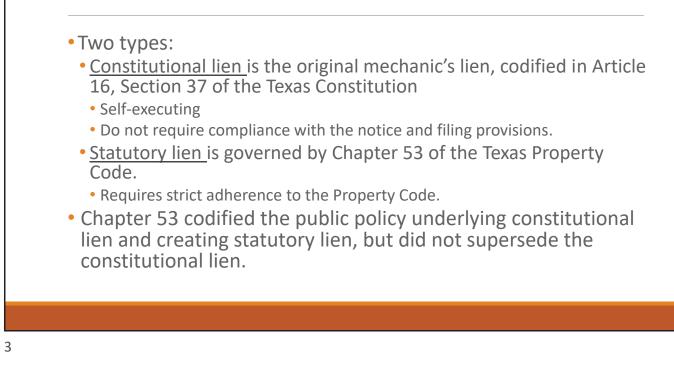
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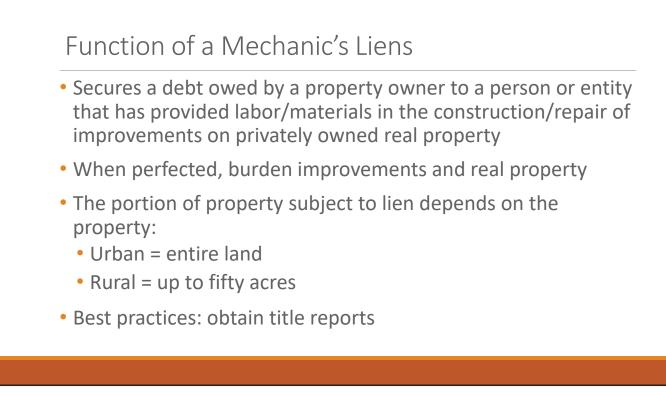
## Introduction

- Mechanics and materialmen are entitled to a lien for labor and/or materials provided.
- Entitlement is broad.
- Lien claimants are favored by the courts.
- Does not need to be properly perfected.
  - "Broken priority": When construction has commenced prior to lender financing being in place.
    - May be more challenging to mitigate.

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## What are Mechanic's Liens?





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Also available as part of the eCourse Lien Priority and Subordination

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