

*How Can A "Materialman's Lien" Impact Your Building Program?*



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Most lay people believe when you pay a general contractor for the work he has put in place, then the church will not have to pay for something for which it has already paid. However, this is not necessarily the case. In many, if not most, states, a company that supplies building material for a project can claim a materialman's lien against the church's property if the supplier is not paid. So, if a general contractor does not pay the supplier, even though the contractor's been paid, then to avoid a lien on the church's property, the church will have to pay the supplier. What is a lien? It is a security interest in the church's property that gives the supplier the legal right to sell the property in order to get his money.

How can you avoid material liens against the church property? There are several ways, with the foremost being to deal with reputable contractors. Others ways include getting lien waivers signed by all material suppliers, or having the contractor submit the invoices of the suppliers directly to the church and have the church pay the suppliers direct.