



**NYC Housing Recovery**  
212-615-8329  
[housing@recovery.nyc.gov](mailto:housing@recovery.nyc.gov)  
[nyc.gov/builditback](http://nyc.gov/builditback)

## **Mechanics' Liens**

### **Frequently Asked Questions for Build It Back Homeowners**

#### **What is a lien?**

A lien is a guarantee of payment that attaches to property that was worked on by a contractor or subcontractor. Under the law, the lienor is not obligated to prove that they are actually owed the money in order to file a lien. Lien amounts will show up on a title search of property but should not impact you unless you intend to sell or refinance the property.

#### **Stages of a lien**

*Notice and filing:* You may receive a letter stating that a contractor may file a lien against your property. Often, these are sent before any such lien is filed officially. When a contractor files a lien, they file it with the county clerk's office and must provide a written notice to the homeowner that states the name of the owner, the property address, the name of the person with whom the contractor had an agreement to provide the work, the amount of money that was unpaid and the time that the first and last items of work were performed. A copy of the notice must be sent to the contractor as well if the lien is being filed by a subcontractor.

*Timing:* For residential properties, a lien may be filed at any time while work is going on or within four months of the final completion of work or within ninety days that a retainage payment was due. The notice must be served on the owner within five days before or within thirty days after the lien is filed with the county clerk's office. The lien will expire and be removed within one year unless the contractor obtains an extension from court or pursues enforcement of the lien by a foreclosure action.

*Foreclosure:* A foreclosure action on a lien is rare, because it is extremely costly and the contractor has the burden of proof that the lien amount is due and owed. Prior to taking any action to foreclose on a lien, the contractor must have a complaint prepared and served upon the homeowner. In the unlikely event that this occurs, you should contact our offices immediately.

#### **What is my responsibility as a homeowner?**

You have no obligation to take any action or make any payment. If a contractor instructs you to do so, please notify our office immediately.

#### **Can a lien affect my credit score?**

A lien should not affect your credit score as it is filed against property, not against a person. However, some credit reporting agencies may note the lien. If this happens, please reach out to us and we will work with you to assist you in submitting a dispute to the credit reporting agency.

**What is Build It Back doing to address your lien?**

Each lien represents a particular set of facts and circumstances, so if a lien was threatened or filed against your property, please send all documents that you have received to the Program and then call or email Customer Service. We will review the specifics of your case. In the meantime, the Program is working with its Construction Managers and prime contractors to address any valid claims relating to payments. City and Federal regulations and accounting standards require us to carefully review invoices to ensure their appropriateness and accuracy before they can be paid, and we are committed to ensuring that your taxpayer dollars are being spent appropriately. We will send you a copy of the lien discharge or satisfaction as soon as it is received. We appreciate your patience. If a circumstance has changed, or if you have any additional concerns, you can contact Customer Service.