

the right to file a lien after final payment or transfer of title. Specifically, the proposal is summarized as follows: Section 1, a lien against residential property is only good if notice is given pursuant to the latter subsections if required by them. Section 1 (2) sets forth what must be in a notice filed by a lien payment, mainly that it must contain the name and address of the lien claimant and the legal description of the property. Section 1 (3) and (4) allows the subcontractor and supplier to request that the general contractor file this notice of preservation of lien right and to obtain the legal description from the contractor. This assures that the subcontractor and the supplier will be able to gather the information and file the required document in order to protect themselves. Section 1 (5) and (6), this gives teeth to the law for the consumer. These subsections require that in order for a lien claimant to be able to file a lien after a homeowner has final payment or after the home buyer has obtained title, that the lien claimant must file a notice as set forth in subsection (2). This assures that a contracting owner or home buyer has the means to find out who can file a lien and to cut off those from filing a lien who have not filed a notice by the time of final payment or transfer of title. Section 1 (7), (8), (9), (10) and (11), these subsections provide additional explanatory and definition material. However, (11) specifically defines final payment to mean 95 percent of the total contract price. Sections 2 and 3 conform to other sections of the law to changes made by Section 1 of the proposal. Sections 4 and 5 allows the court to award reasonable attorney fees and costs to the owner of a piece of property if a frivolous or fraudulent lien has been filed. This gives some protection to the homeowner against a false claim and would deter an unscrupulous claimant from filing a claim that is not reasonable. Section 6, lending institutions are currently required to give a basic notice to a borrower regarding the lien law when the lien is for the construction of improvements on real estate. Section 6 would expand that notice to specifically inform the borrower that the borrower should review the record of the Register of Deeds in order to determine if a notice of preservation of lien rights has been filed, and that the review should be undertaken before final payment on a construction contract or before transfer of title. This notice will bring attention to a substantial number of contracting owners of the way in which they can protect themselves. In the customary situation where a loan is made for the purchase of a home, the lender would ordinarily review the record before closing to protect himself, and through such review would automatically protect the purchaser. Section 7, this section requires a title insurance company which issues an owner title insurance policy to include mechanics